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CITY OF SAN ANTONIO, TEXAS

Annual Comprehensive Financial Report & Other Reports

Year-Ended September 30, 2022

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

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CITY OF SAN ANTONIO, TEXAS

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Letter of Transmittal



April 19, 2023

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

It is my pleasure to present the City of San Antonio's (City) Annual Comprehensive Financial Report (ACFR) and Other Reports for the fiscal year-ended September 30, 2022. These financial statements were prepared by the City's Finance Department and audited by the public accounting firm of FORVIS, LLP. As reflected in the Independent Auditor's Report, the City's financial statements are presented fairly in all material respects in accordance with Generally Accepted Accounting Principles (GAAP) in the United States. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

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

CITY PROFILE



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

CITY PROFILE (Continued)

The City is a home rule city that was incorporated in 1837 and chartered in 1951. The City Charter provides for a Council-Manager form of government, subject only to the limitations imposed by the Texas Constitution and the City Charter. All powers of the City are vested in an elective Council (the City Council), which enacts legislation, adopts budgets, and determines policy. The City Council is comprised of 11 members, with ten members elected from single-member districts, and the Mayor elected at-large. The term of the Mayor or a member of the City Council is limited to four full two-year terms. The City Council also appoints a City Manager who executes the laws and administers the government of the City and serves as the City's Chief Executive Officer. The City Manager is limited to a term of eight years. The most recent election for the offices of the Mayor and all ten Councilmembers occurred in May of 2021.

The City is in South Central Texas, approximately 80 miles south of the state capital of Austin and serves as the county seat for Bexar County. San Antonians enjoy first-rate medical services, a convenient and efficient airport, an excellent highway system, mild weather, and superb recreation choices, including championship golf courses, 86 miles of linear greenway trails, theme parks, historical attractions, museums, professional sporting attractions, and a lively performing arts environment. Geographically, the City covers more than 507 square miles. The United States Census Bureau cites the City as the second most populated city in the State of Texas with over 1.4 million citizens and is additionally ranked as the seventh most populated city in the country. Since 2010, the City's metropolitan area grew 9.5% and is projected to grow by an additional 1.0 million people through the year 2040.

Bexar County is one of the fastest growing regions in the state. Major employers in and around the San Antonio area include the Department of Defense through Joint Base San Antonio (Lackland, Fort Sam & Randolph), H.E.B. Food Stores, United Services Automobile Association, City of San Antonio, Northside, North East, and San Antonio Independent School Districts, Methodist Healthcare System, UT Health Science Center, and Baptist Health Systems.



ECONOMIC CONDITIONS AND OUTLOOK

Though impacted by the unforeseen COVID-19 global pandemic, the City demonstrated its resiliency through the positive change in economic growth indicators. The pandemic's impact upon our community was most greatly felt in 2020 when the City experienced a surge in unemployment along with significant effects throughout the community. Since then, the City has been able to rebound from the devastating toll it had on our economy. According to the Bureau of Labor Statistics, national unemployment for October 2022 was 3.4%, significantly reduced from a national unemployment rate peak of 14.4% during the pandemic. At a local level, the San Antonio area unemployment rate for October 2022 was 3.5% as compared to the peak during the pandemic of 12.5%. Recognizing that the pandemic will have a lasting effect on our community for years to come, there is focused effort to rebuild our job sector and strengthen businesses and our local workforce. This continues to be carried out through economic incentives, regional strategic partnerships, and Ready to Work, San Antonio's premier training, education, and employment program. Efforts to expand and bring new industries promises to bring over 2,500 new target industry jobs to San Antonio and over \$2 billion in new investments. Such initiatives include the DeLorean Motor Company's new global headquarters that will be based out of Port San Antonio and is anticipated to create 450 jobs and over \$18.4 million in capital investment.

ECONOMIC CONDITIONS AND OUTLOOK (Continued)

Many businesses in the leisure and hospitality industry saw significant impacts to revenue, which suffered an approximate 24% decline. From fiscal year 2020 to fiscal year 2021, COVID-19 caused unprecedented economic disruption to the tourism and hospitality sector, resulting in substantial decreases in the City's Hotel Occupancy Tax, airport operations, convention center, Alamodome, and parking operations revenues. With restrictions lifted, the industry experienced a resurgence of visitors with 93% of pre-pandemic figures having returned to San Antonio.

Although visitor levels year-round are not expected to rebound to full pre-pandemic levels until 2024, the City and its partners remain committed to rebuilding this vital sector and promoting San Antonio to new and outside businesses and tourists. Throughout calendar year 2022, San Antonio hosted 252 events at the Convention Center. Of these events, 85 were booked through Visit San Antonio, which generated an estimated economic impact of \$337.3 million.

COVID-19 RESPONSE

The first appearance of the coronavirus occurred late 2019 in Wuhan, China. Since that time, the novel virus has spread quickly. On March 11, 2020, the novel Coronavirus Disease, COVID-19, was declared a pandemic by the World Health Organization. Two days later, a national emergency was declared in the United States. From the remainder of 2020 through 2022, the United States went through various levels and lengths of business shutdowns, travel controls, closures or remoting of businesses and schools, and health impacts. As of January 4, 2023, the World Health Organization reported over 655.6 million confirmed COVID-19 cases and over 6 million deaths. According to a historical table of past pandemics, the last time the world saw a pandemic of this magnitude was the Spanish Flu in 1918 that took the lives of 100 million people. During these same time frames, the United States has experienced 99.4 million COVID-19 cases, 1.1 million deaths, and administered 652.4 million vaccines. As of December 21, 2022, 13.0 billion vaccine doses have been administered globally.

The federal government passed legislative aid due to the scale of the public health emergency, business closures, stay at home measures and their resulting financial impacts, which provided funds for governments to continue services, and for families, businesses, and schools to receive funds to survive the economic impact. As part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) signed into law March 27, 2020, the City received \$270 million in Coronavirus Relief Funding. This funding was used to directly respond to the COVID-19 pandemic in our community and better prepare the City after the pandemic with the development of the COVID-19 Recovery and Resiliency Plan. The plan leveraged more than \$340 million in local and other federal funds to provide services and aid to the community. These funds were issued through the CARES Act, and the subsequently issued Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSAA), which was signed into law December 27, 2020.

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.

The plan focused on the City's Emergency Response, Health Implementation Plan, and Recovery and Resiliency Plan, of which, the City has spent more than \$564.5 million. The Recovery and Resiliency Plan consists of four primary pillars: Workforce Development, Housing Security, Small Business, and Digital Inclusion. Some key results from this funding include:

COVID-19 RESPONSE (Continued)

- Approximately \$47 million to subsidized training and job placement for residents in high-demand occupations through the Train for Jobs SA workforce program. Participants of Train for Jobs SA received intake, assessment, referral, and wraparound case management services, along with a living-wage stipend while in training;
- Emergency Housing Assistance and Eviction Prevention of over \$167 million to over 75 thousand households, relocation assistance to over 270 families, and right to counsel services to nearly 300 households;
- Homeless Sheltering of over \$31 million supported individuals experiencing chronic homelessness by providing non-congregate sheltering and assistance to the City's nonprofit community to safely shelter our homeless population with the additional social distancing space required to minimize outbreaks;
- Small Business support of \$32 million in microbusiness grants and nearly \$14 million to the hospitality sector, which was most severely impacted by the business closures; and
- Provided over \$17 million in support to help close the digital divide throughout the community by installing fiber connections, network access and wireless mesh, as well as working with local independent school districts to connect students with Wi-Fi ability at home.

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

On June 16, 2021, as part of the City's Trial Budget presentation, staff presented to the City Council a two-phased strategy for use of SLFRF, which was later approved in August 2021 as part of the fiscal year 2022 budget process. The City allocated a total of \$97.5 million in Phase I, of which \$46.5 million was allocated to the General Fund over two years to stabilize the City budget and address community needs exacerbated by the pandemic, including programs and services that support mental health, domestic violence, housing, and community navigators. Additionally, Phase I allocated \$51 million to the City's Hotel Occupancy Tax (HOT) Fund over five years to support the City's convention and Alamodome operations, and the arts.

Phase II began on October 20, 2021, with a briefing to City Council, where a spending framework, strategic guiding principles, and a community input plan for the use of SLFRF were presented. In November 2021, City Council approved the allocation of \$30 million in SLFRF for residential utility assistance to aid residents who were financially impacted by the COVID-19 crisis and in need of financial assistance with utility payments in arrears. Additionally, in November 2021, the City conducted community engagement to obtain feedback on the use of the remainder of SLFRF. On December 9, 2021, staff presented the results of the community input and Small Business Advisory Commission meetings and obtained feedback from City Council regarding their spending priorities. An updated spending framework was presented to City Council on January 26, 2022, which was revised and adopted on February 3, 2022. Phase II spending priorities for the remaining \$199.4 million of SLFRF, as well as \$13.1 million in savings reallocated from the Recovery and Resiliency Plan, focus on the following areas:

- Investments in mental health, domestic violence, youth, seniors, nonprofit social services, small business support, digital access/literacy, and the arts - \$106.7 million
- Continued COVID-19 Response/Emergency Preparedness - \$50.0 million

COVID-19 RESPONSE (Continued)

- One-time capital investments for improvements at a theme park where children and adults with special needs have access to facilities that enable them to enjoy outdoor recreation fully, electrical grid upgrades at nonprofit research institute specializing in virology and immunology to support energy reliability and resiliency given the critical nature of the research conducted at the facility, and the design and construction of a state-of-art facility for the care of children - \$32.0 million
- Infrastructure investments in streets and bridges - \$13.8 million
- Employee Retention Program - \$10.0 million

MAJOR INITIATIVES – CAPITAL PROGRAMS



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

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

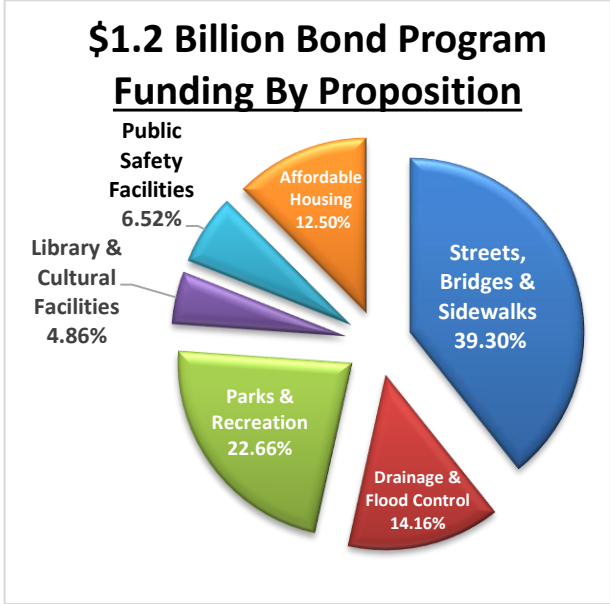
Grand Hyatt San Antonio River Walk Hotel In 2005, the City supported the issuance of \$208.1 million in Revenue Bonds to be used in conjunction with private funding to finance a convention center headquarters hotel in close proximity to the City’s Henry B. Gonzalez Convention Center. This project was an important objective to further enhance competitiveness and ability to attract major conventions and events to San Antonio. The City entered into a Ground Lease to allow the hotel to be constructed on City owned land adjacent to the City’s Convention Center. The Grand Hyatt San Antonio River Walk Hotel (the “Hotel”) opened in March of 2008 and was owned and operated by Hyatt as a premier, full-service, convention center hotel with approximately 1,000 rooms.

In April 2022, \$399 million in Hotel Revenue Bonds (the “bonds”) were issued by the Public Finance Authority of Wisconsin for the acquisition of the Hotel from Hyatt by CFC-SA, LLC, an Arizona based non-profit. The non-profit, under its charitable purposes, will hold the Hotel in trust for the City and once the bonds have been fully repaid, ownership of the Hotel will transfer from the non-profit to the City. Hyatt continues to operate the Hotel through a thirty-year Qualified Management Agreement with the non-profit. Proceeds of the issuance were used to pay Hyatt for the purchase of the Hotel, pay off the 2005 outstanding bonds, pay amounts owed to the City, fund certain reserves, and pay the costs of issuance.

MAJOR INITIATIVES – CAPITAL PROGRAMS (Continued)

At financial closing of the bonds, the City received: reimbursement of approximately \$10.4 million in City hotel tax revenues that had been used to cover debt service shortfalls on the 2005 bonds in fiscal years 2020 and 2021 when the Hotel operating revenues were insufficient due to the impact of the COVID-19 pandemic; and \$4.9 million for ground lease payments that had accrued but not been paid to the City based on the 2005 bond indenture. Other benefits to the City include: 1) Hyatt continues to operate the Hotel as a premier, full-service, convention center hotel; 2) City is not providing any support or pledged revenue for the payment of the newly issued bonds; 3) ground lease payments to the City move up significantly in the flow of funds under the new bond indenture increasing the likelihood payments will be made on an annual basis; and 4) the City continues to maintain ownership of the land upon which the Hotel was constructed and ownership of the Hotel transfers to the City once the newly issued bonds have been fully repaid. The land and the Hotel are strategically important assets given the proximity to the City’s Convention Center and the Alamodome.

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



HPARC Civic Park The City, with the Hemisfair Park Area Redevelopment Corporation (HPARC), continues to work towards the redevelopment of the Hemisfair space, home of the 1968 World’s Fair. Working from the Hemisfair Master Plan created in 2012, revitalization of this area is progressing, starting with the Yanaguana Gardens that opened in 2015. Work on the Civic Park project started in 2022 and is expected to be completed in time for the City’s hosting of the Men’s Final Four tournament in 2025. In December 2021, City Council approved the hiring of contractor Skanska USA to build space in Civic Park for large events that could hold as many as 15 thousand attendees. Amenities include an open lawn, a shaded promenade, water features, and gardens next to the City’s



Convention Center. On January 26, 2022, a ceremony was held to break ground on Phase One of Hemisfair’s Civic Park design development. Based on the Hemisfair Park Master Plan, Civic Park will also have private development to include a 200-room hotel, 565 units of multi-family housing, 870 parking spaces, and 78,000 gross square-foot available for retail and restaurant space. This total private investment is estimated at \$340 million. The last phase of the Master Plan, Tower Park, has yet to start, with a timeline to be determined.

MAJOR INITIATIVES – CAPITAL PROGRAMS (Continued)

Alamo Plaza The City, the Texas General Land Office, and the nonprofit Alamo Trust, are partners for the construction of a \$388 million preservation of the Alamo Plaza site. These plans will restore reverence to this historic mission, restore the 1836 battlefield footprint, preserve and conserve the sole remaining structures, and construct an Alamo Museum and visitor center that will be the central focus of the collaboration of the Alamo mission and battle site. Two outdoor exhibits were completed in 2021. Construction was completed on the \$15 million, 24,000 square-foot exhibit hall and collections building in late 2022 and is set to open to the public in March 2023. In February 2022, tenants agreed to vacate two buildings in the Woolworth and Palace building on the west side of the plaza. This space will eventually house a \$140 million Alamo Museum and visitor center. The 100,000 square-foot museum is scheduled for completion in 2026.



Downtown San Antonio As part of the City's broader effort to redevelop downtown San Antonio the City purchased the downtown Frost Tower building in 2016 to run City operations more efficiently by consolidating 22 departments with approximately 1.5 thousand employees into one facility. The broader downtown redevelopment led to the construction of a new office tower in downtown San Antonio which houses Frost Bank's headquarters as a long-term tenant. The redevelopment also resulted in several other downtown property improvements to include additional housing and the expansion of higher education facilities. The renovation of Houston Street is scheduled to be completed in September of 2023. The City sold five downtown properties (three buildings, two parking lots). Weston Urban is developing these properties into residential units,



adding 265 apartments to the City's Downtown Business District by 2023. One of the properties to be sold is the Municipal Plaza Building, which houses the City Council Chamber. Weston Urban has plans to convert office space into residential units in the Municipal Plaza building above City Council chambers. The City will maintain ownership of the City Council Chamber and the meeting rooms, and Council meetings will continue to take place in the current Chamber.

MAJOR INITIATIVES – COMMUNITY FOCUS

Affordable Housing The City adopted the Strategic Housing Implementation Plan (SHIP) in December 2021 with a vision to preserve and produce affordable housing in San Antonio over the next ten years to assist 28 thousand households. SHIP's adoption defined affordable housing, set new production and preservation goals, and identified 36 strategies to meet those goals. Successes include developing and implementing a Displacement Impact Assessment, updating the Unified Development Code to remove barriers to affordable housing production, establishing a Demolition Prevention Program (Operation Rebuild), updating the City of San Antonio Fee Waiver Program to prioritize projects with deep affordability, and having guidelines with which to deploy the \$150 million Affordable Housing Bond Program. As a result of these efforts, 19 new affordable multifamily housing developments entered the pipeline as of September 30, 2022.

MAJOR INITIATIVES – COMMUNITY FOCUS (Continued)

Alamo Regional Security Operations Center This new 20,000 square-foot Alamo Regional Security Operations Center (ARSOC), in the heart of Port San Antonio, is the nation’s first fully integrated information security space that allows for collaboration between municipal partner organizations to provide essential local threat detection and response, while protecting the networks and digital assets of local utilities, municipalities, and other municipal agencies against the rise in cyberattacks. The ARSOC will allow the Alamo region to monitor, train, defend and respond cohesively to cybersecurity threats facing the community and become the model for collective cyber defense through mutual aid. This mutual-aid concept also supports the Department of Homeland Security national collaborative defense strategy as we partner with them and other national agencies. This cyber mutual aid concept was born from local cyber security professionals here in San Antonio, who were collaborating and sharing limited operational information and ideas. From that, the ARSOC vision developed into a centralized security operations center, providing real-time, collaborative, cyber-security information sharing among municipal and local government entities in the San Antonio Area.

Electric Utility Bill Assistance Extremely hot weather in the summer of 2022 coupled with very high natural gas prices resulted in extraordinarily high customer electric bills from CPS Energy, the City’s municipally owned utility. This is also resulted in a significant and unexpected increase in the City’s revenue payment from CPS Energy. After consideration of the unusual one-time nature of the revenue increase to the City, high inflationary environment being experienced by consumers, high natural gas prices and extreme heat impacting all CPS Energy customers, and the City’s overall financial position, the City returned \$50 million to CPS Energy customers. The \$50 million was allocated to the following: \$7.5 million contributed to the Residential Energy Assistance Program (REAP), to assist eligible low-income and critical care residential customers; and \$42.5 million, as customer bill credits to all active CPS Energy customers’ bills in the month of December 2022, based upon their respective energy usage during the month of July 2022. The average residential customer will receive a credit of approximately \$29. Additionally, customers are allowed to opt-out of receiving the credit and redirect it to REAP for either low-income assistance or weatherization of homes to include minor repairs. Any funds remaining after application of customer bill credits are also to be contributed to REAP.

Military Spouse Fellowship Program In fiscal year 2022, the City completed an initial 2-year Military Spouse Fellowship Program partnership with the United States Chamber of Commerce’s Hiring Our Heroes Foundation. Through this partnership, the City appropriated \$150 thousand to fund 30 fellowships for spouses of military members. The partnership was designed as a tool to tackle a pre-pandemic military spouse national unemployment rate of 24%. This partnership was extremely successful as it resulted in a 92% hire rate and an average annual salary of greater than \$60 thousand – exceeding the San Antonio-New Braunfels Metropolitan Statistical Area average annual salary of \$49.5 thousand and equating to a combined annual income of \$4.5 million. The City continued the program by budgeting for fiscal year 2023 to fund another 30 fellowships for military spouses. These types of investments strengthen the City’s partnership with the military and is a tangible example of community support of the military, an item which is part of Department of Defense and individual military service branch basing decision criteria.



Property Tax Relief Consistent with the City’s financial policies, an annual review of property tax relief with a focus on homeowners was completed in fiscal year 2022. During the fiscal year 2023 budget process, the City received the certified tax roll for 2022 which showed substantial growth in property values, especially residential values. To provide property tax relief, the fiscal year 2023 budget included an increase to the City’s homestead exemption from 0.01% to 10.0%, the City’s Over Age 65 Exemption from \$65,000 to \$85,000, and the City’s Disabled Persons Exemption from \$12,500 to \$85,000.

MAJOR INITIATIVES – COMMUNITY FOCUS (Continued)

In addition to these exemptions, the City is one of the few cities in Texas to freeze the amount of property taxes imposed on residence homesteads owned by persons 65 years of age or older or disabled. In fiscal year 2023, the City will forgo approximately \$94.9 million in property tax revenue from senior and disabled homestead exemptions, frozen City tax payments, and the general homestead exemption.

In 2019, Senate Bill 2 reduced the property tax Rollback Rate (now the Voter Approval Rate) from 8% to 3.5% applicable to the Maintenance and Operations (M&O) portion of the tax rate. The City cannot adopt a rate above the 3.5% revenue cap without triggering an automatic election. As a result of this statute the Fiscal Year 2023 Adopted Budget also reduces the City's property tax rate by 1.666 cents from 55.827 to 54.161 cents per \$100 in value. This is the 30th consecutive year without a tax rate increase.

Redistricting A 23-member citizens advisory committee supported by multiple City departments and outside legal counsel reexamined and redetermined the City Council district boundaries after the 2020 U.S. Census. This process balanced San Antonio's population of 1.43 million across the ten City Council districts. Redistricting is required by the U.S. Constitution and City Charter in preparation for the May 2023 municipal election. The advisory committee thoughtfully engaged with hundreds of community members through 15 public meetings where the public could view and comment on the map drawing sessions and staffed 29 information sessions across San Antonio held jointly with various council offices and neighborhood groups. The Redistricting Advisory Committee presented their proposed plan for new boundaries on June 16, 2022, where the City Council unanimously adopted the plan.

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

1. identify and pursue relevant federal funding opportunities with the Inflation Reduction Act, Bipartisan Infrastructure Law, and other grant opportunities,
2. support Urban Heat Island mitigation,
3. incentivize businesses to participate in, and provide technical assistance for, programs such as energy benchmarking and Property Assessed Clean Energy investments, and
4. provide small grants to community organizations for education and demonstration projects in climate action and resiliency.

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

San Antonio Police Collective Bargaining Agreement On May 12, 2022, City Council approved a five-year collective bargaining agreement with the San Antonio Police Officers Association. The contract is valued at \$92.7 million over five years and will end on September 30, 2026. Consistent with the City's financial policy, it maintains public safety spending below 66% of the City's General Fund Budget. Under the new contract, officers will receive a 15% recurring wage increase over five years and a one-time lump sum payment of 2% within 30 days after the contract was approved. It establishes a new family leave benefit, providing officers with up to 160 hours of paid family leave after the birth, adoption, or foster of a child. The evergreen clause remains at eight years, which states that there is no base pay increase for union members; however, union members will continue to see contractually agreed increases to healthcare premiums of 10% annually. In addition, officers will continue to contribute to the cost of healthcare. Another key item from the new contract rebalances the disciplinary process by giving proper weight to the police chief's decision when dealing with officers who have violated department policies and allows an officer's past discipline to be introduced. For non-criminal misconduct, the police chief now has 180 days from the time he knew of or should have known about the incident to issue discipline, and the police chief must discipline within two years of the date of the incident.

MAJOR INITIATIVES – CONVENTION & TOURISM

The Convention & Sports Facilities Department (CSF) operates the Henry B. Gonzalez Convention Center and Lila Cockrell Theatre, the Alamodome, and the Carver Community Cultural Center. CSF is also responsible for managing several leases including Nelson Wolff Stadium and Toyota Field. During fiscal year 2022, CSF saw major strides in rebounding from the impact of the pandemic, including significant resurgence in attendance. Facilities are on target to reach pre-pandemic levels in events and attendance by 2024.

Henry B Gonzalez Convention Center In the wake of the effects of COVID-19 to the meeting and hospitality industry, the City's recovery efforts showed remarkable dividends in fiscal year 2022. Much of that rebound was due to proactive efforts in working closely with Visit San Antonio, the City's sales and marketing organization, in implementing a strategic recovery plan that included utilizing the hosting obligation funds allocated by the City to attract short-term business to the Convention Center. During fiscal year 2022, the Convention Center hosted 231 events with more than 510 thousand attendees, approaching the average during pre-pandemic years in which the Center hosted approximately 280 events and 750 thousand attendees. The Lila Cockrell Theatre saw major progress in the repair of its Arcade Roof and the cleaning and restoration of the historic Juan O'Gorman Mural. In May 2023, the City will host the IPW conference at the Convention Center, which will bring tour operators, travel agents, and media from around the world to San Antonio. Organizers project IPW will increase tourists by 395 thousand visitors and generate approximately \$290 million in direct economic impact. The Convention Center is also scheduled to begin its long-range capital improvement plan over the next six years.

Alamodome It was a remarkable 2022 for the Alamodome, which saw its rebound include arguably one of the busiest stretches of its history in the second half of the year. A year after making national headlines by hosting the entire NCAA Division I Women's Basketball Tournament, generating nearly \$30 million in economic impact, the Alamodome hosted the most successful world stadium tour of the year when Bad Bunny came through in September, breaking the facility mark for gross ticket sales for one show with more than \$11 million generated by 54 thousand fans. Earlier in the year, the Motley Crue/Def Leppard stadium tour came through as one of the top ten tours of the year around the globe. In 2023, the Alamodome will host the reconstituted XFL spring football league, co-owned by global superstar Dwayne "The Rock" Johnson. Part of a heavyweight schedule of events in 2023 will include the Valero Alamo Bowl, the Spurs' 50th anniversary game, WWE Royal Rumble, Monster Jam, NBC All-America Bowl, and concerts by the Red Hot Chili Peppers and Pink. Already home of the 2025 NCAA Men's Final Four, the Alamodome was selected to also host the NCAA Women's Final Four in 2029. By that time, a projected \$109 million in capital improvements will have been completed at the facility. Home to the University of Texas at San Antonio's football, which plays as an NCAA Football Bowl Division member in Conference USA, the City saw increased revenue from the conference title game in 2022. The renovations planned for fiscal year 2023, to cost \$23.2 million, includes the addition of 18 new suites, replacement of elevators and escalators, and new finishes to the upper level. In addition, the Alamodome will renovate the existing 52 suites, concessions and corridors on the club level, restrooms on multiple levels, and make improvements to the top of the Alamodome and Hall of Fame Club.



MAJOR INITIATIVES – EDUCATION

Early Child Education In November 2012, City voters approved funding for Pre-K 4 SA with a 1/8 cent sales tax that finances the majority of the early childhood education organization’s budget. Pre-K 4 SA is a comprehensive initiative designed to change San Antonio’s education and workforce trajectory in one generation through high-quality early education. Pre-K 4 SA achieves its mission through four key program components: 1) four model Education Centers; 2) best-in-class professional learning; 3) family outreach and engagement; and 4) competitive grants. In November 2020, City voters renewed adoption of a sales and use tax at the rate of 1/8 cent for the purpose of continued financing of Pre-K 4 SA, an authorized program of the San Antonio Early Childhood Education Municipal Development Corporation, for another eight years.



Ready to Work (RTW) Ready to Work is San Antonio’s premier training, education, and employment program. In 2020, as a longer-term investment in San Antonio’s workforce ecosystem, voters overwhelmingly approved Ready to Work as an authorized program of the San Antonio Early Childhood Education Municipal Development Corporation. The \$200 million program is funded by a separate 1/8 cent sales tax to be collected through December 2025. Eligible participants can earn credentials, certifications, and degrees in targeted industries focused on well-paid jobs in high demand. By 2028, the City anticipates training over 28 thousand residents and providing them with support to help them succeed and find quality employment.

RTW runs through four prime partner agencies, including Workforce Solutions Alamo, Alamo Colleges District, Project Quest, and Restore Education, and many subcontracted community organizations. In its first year, over three thousand people have been served and received resources, with over 100 having completed approved training courses. Over 270 employers have pledged to support RTW by hiring participants when they complete the program.

After December 2025, the one-eighth of one percent sales and use tax proceeds associated with the Ready to Work program, was approved by voters to be reassigned and collected by VIA Metropolitan for advanced public transportation services, operations, passenger amenities, equipment and other innovative advanced transportation purposes or public transportation mobility enhancement purposes.

MAJOR INITIATIVES – HEALTH SERVICES

Metro Health Strategic Growth Plan In response to the pandemic-related lessons learned around health disparities, health equity, and social justice, and to capitalize on additional grant and local funding for public health, Metro Health has developed its Strategic Growth Plan as an expansion to its Strategic Plan. This expansion will include additional programs, initiatives, and services in the areas of Mental Health, Health Justice, Access to Care, and Technology and Infrastructure. These expansion categories identified by various community advocacy groups, the COVID-19 Community Response and Equity Coalition, City Council, national public health experts, and Metro Health staff reflect the grassroots, community-led and driven work Metro Health has been engaged in over the last decade.

MAJOR INITIATIVES – HEALTH SERVICES (Continued)

Office of Mental Health & Community Resilience (MHCR) In 2022, MHCR began the facilitation and coordination of mental health initiatives across City departments and external community partners to bring mental health into the public health space. Major initiatives include:

- San Antonio Community Outreach Resiliency Effort (SACORE): Metro Health partnered with the San Antonio Police and Fire departments, the Southwest Texas Regional Advisory Council (STRAC), the Center for Health Care Services (the local mental health authority), and the Meadows Mental Health Policy Institute to launch and oversee a Multi-Disciplinary Response Team (MDRT) mental health pilot program.
- Increased Access to Mental Health Services for Youth: Metro Health holds contracts with Communities in Schools and the Mobile Mental Wellness Collaborative to bring school and neighborhood-based counseling to children and communities disproportionately experiencing violence and lacking equitable access to mental health services.

SA Forward In April 2022, Metro Health launched the SA Forward blueprint to address the public health challenges compounded by the COVID-19 pandemic. SA Forward added Data and Technology Infrastructure, Health Equity & Social Justice, and Mental Health and Community Resilience to Metro Health’s past strategic priority areas of Access to Care, Adverse Childhood Experiences/Trauma-Informed Care, Nutrition, and Violence Prevention. Metro Health expanded the Nutrition priority area to Food Insecurity and Nutrition. These strategic priorities incorporated the Metro Health’s core strengths, identified areas of improvement, and responded to pandemic-related lessons learned around health disparities, social justice, public health capacity, and the state of the public health workforce.

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.

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

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

MAJOR INITIATIVES – PLANNING AND COMMUNITY DEVELOPMENT (Continued)

The following are key items completed in 2022 with the intent to pursue net-zero carbon emissions by 2050:

- CPS Energy will shut down one of its coal power plants by 2028 while converting another to natural gas by 2027, while pledging to phase in renewable resources as technology improves. This will allow the City to hit its 40 percent carbon reduction target by 2030 and offers increased reliability, affordability, and retains the experienced workforce to support lower-carbon transition.
- Research shows asphalt collects and retains heat during the day and releases it at night, which leads to more energy consumption, greenhouse gas emissions, air pollution, and harmful effects. In an attempt to cool pavement temperatures, the City is piloting a project in the Dignowity Hill neighborhood, which uses a water-based treatment applied on top of the existing asphalt pavement to reflect the sun's rays while protecting and preserving asphalt pavements.
- On August 31, 2022, the City released a Request for Proposal to pursue solutions to deploy additional solar energy projects across on city-owned facilities. The sites were vetted for technical feasibility led by the Office of Sustainability with support from the American Cities Climate Challenge.

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

FINANCIAL INFORMATION

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

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

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

FINANCIAL INFORMATION (Continued)

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

Five-year Financial Forecast and Trial Budget At the beginning of the budget process, the City prepares a five-year financial forecast (Forecast). The Forecast is a financial and budgetary planning tool that provides a current and long-range assessment of financial conditions and costs for City services. The Forecast includes the identification of service delivery policy issues that will be encountered in the next five years 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. To give City Council and the community an opportunity to provide feedback on the budget, prior to the proposed budget in August, a Trial Budget was also presented to the City Council. The Trial Budget included certain revenue and expenditure assumptions, as well as proposing targeted improvements for the fiscal year 2022 Budget.

Goal – Setting Session A budget goal-setting session was held on June 25, 2021, with the Mayor and City Council. At this session, the City Council discussed financial policies and community input on the fiscal year 2022 Trial Budget, highlighting topics on public health, public safety, streets and transportation, and affordable housing.

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

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

Public Hearing 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.

Adopted Budget On September 16, 2021, City Council adopted the fiscal year 2022 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.

FINANCIAL INFORMATION (Continued)

With the adoption of the 2022 Budget, the City continued to follow established Financial Policies. These Financial Policies include:

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

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

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

San Antonio holds a 'AAA' general obligation bond rating from Standard & Poor's 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 2022, the City was awarded \$318.0 million in Federal assistance and \$17.0 million in State assistance for a total of \$335.0 million.

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 2022 Operating and Capital Budget for the 39th consecutive year.

OMB additionally received the Performance Measurement Certificate of Excellence Award from the International City/County Management Association (ICMA) for the 11th year in a row. San Antonio is one of 31 jurisdictions receiving this highest level of recognition this year.

The Finance Department received the Achievement of Excellence in Procurement (AEP) award for the 25th consecutive year in recognition of organizational excellence in public procurement.

AWARDS (Continued)

The City received a perfect score for the 5th consecutive year on the annual Municipal Equality Index (MEI) Scorecard for 2022 from the Human Rights Campaign Foundation. Now in its 11th year, the MEI examines how inclusive municipal laws, policies, and services are of LGBTQ+ people who live and work there. Cities are rated based on non-discrimination laws, the municipality as an employer, municipal services, law enforcement, and leadership on LGBTQ+ equality.

Parks and Recreation joins the ranks of elite park and recreation agencies across the country by earning accreditation through the Commission for Accreditation of Park and Recreation Agencies (CAPRA) and the National Recreation and Park Association (NRPA). Among the largest cities in the U.S., San Antonio is the third largest city to receive this national recognition. CAPRA accreditation is the only national accreditation for park and recreation agencies and is a measure of an agency's overall quality of operation, management, and service to the community.

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, 2021. This was the 47th consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Report. This report satisfies both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

INDEPENDENT AUDITS

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

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

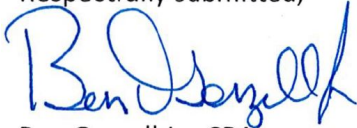
The Federal, State and Passenger Facility Charges Report section is comprised of the Schedules of Expenditures of Federal and State Awards, respectively, the Schedule of Revenues and Expenditures of Passenger Facility Charges, Report on Internal Control over Financial Reporting and on Compliance and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

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,

A handwritten signature in blue ink that reads "Ben Gorzell Jr." with a stylized flourish at the end.

Ben Gorzell Jr., CPA
Chief Financial Officer



Government Finance Officers Association

Certificate of
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**City of San Antonio
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

City of San Antonio Mayor and City Council



Ron Nirenberg
Mayor



Manuel "Manny" Peláez
District 8



John Courage
District 9



Clayton Perry
District 10



Rosie Castro
District 7



Melissa Cabello Havrda
District 6



Mario Bravo
District 1



Teri Castillo
District 5



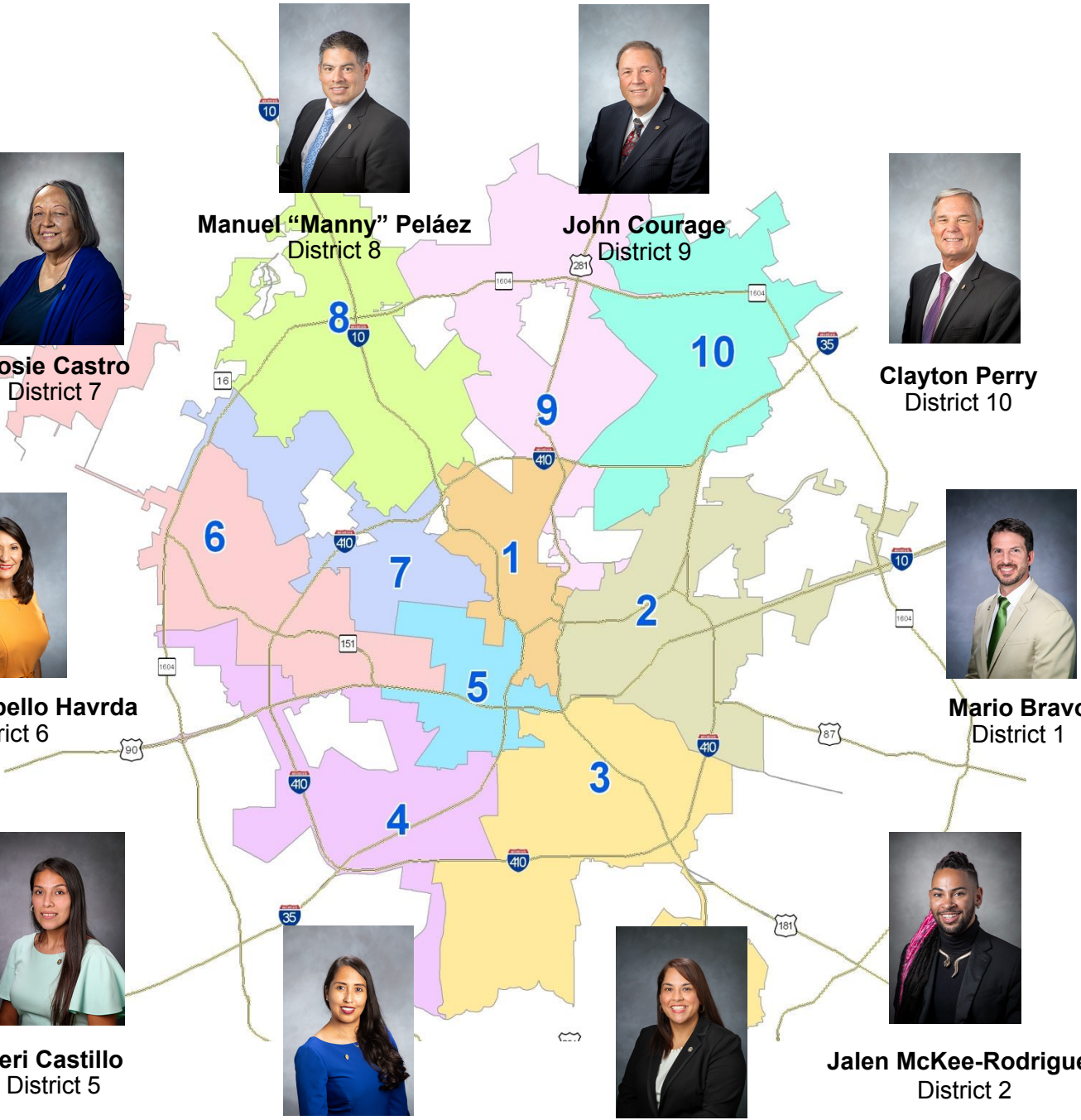
Dr. Adriana Rocha Garcia
District 4



Phyllis Viagran
District 3



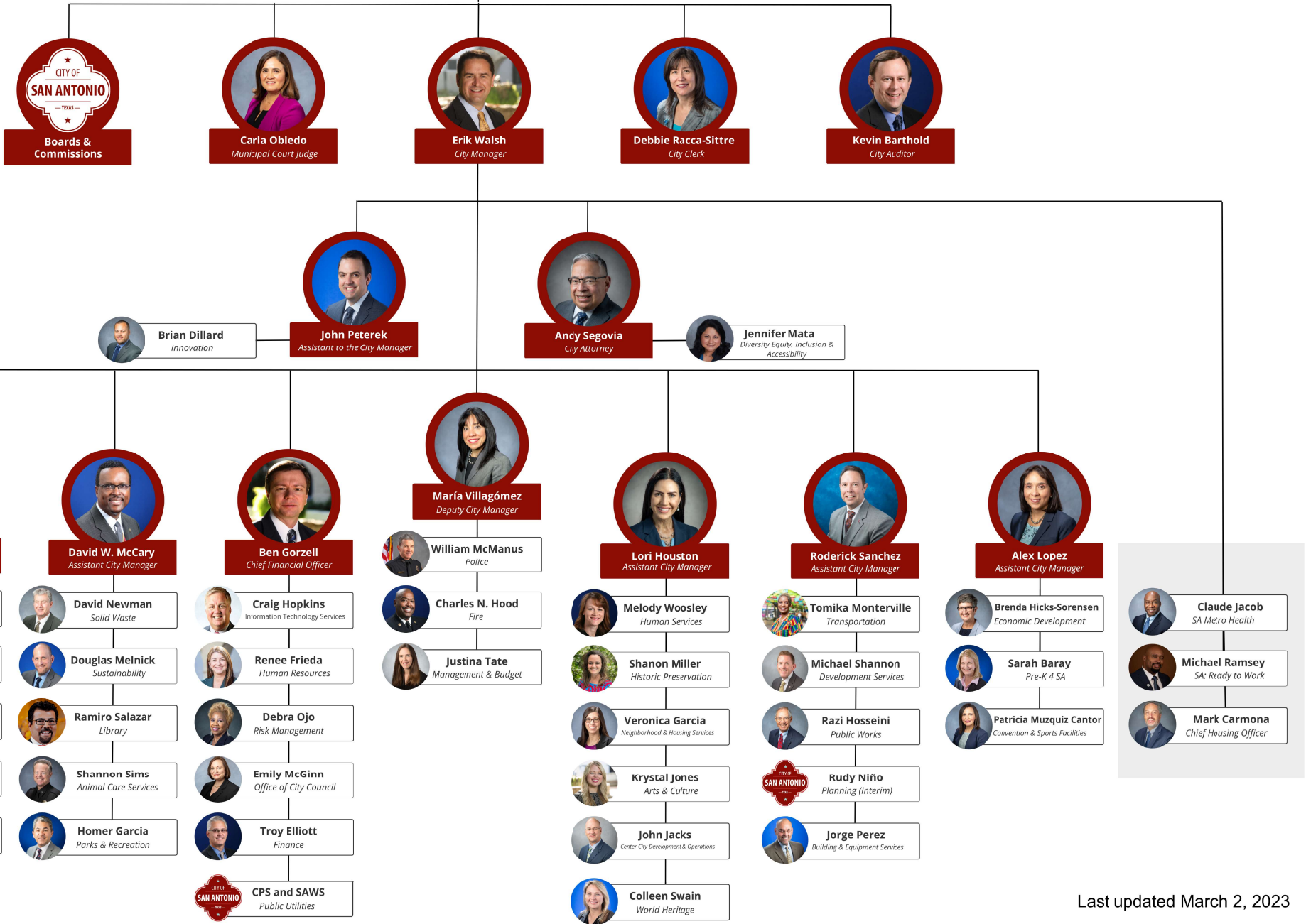
Jalen McKee-Rodriguez
District 2





CITY OF SAN ANTONIO
Organizational Chart

San Antonio Residents
Mayor & City Council





FINANCIAL SECTION



Independent Auditor's Report

FORVIS

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Antonio, Texas (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the other auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Antonio, Texas, as of September 30, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of Municipal Golf Association – San Antonio dba Alamo City Golf Trail, 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 Retiree Health & Wellness San Antonio Fire and Police Fund (fiduciary component units), which represent 75 percent, 83 percent, and 38 percent, respectively, of the assets, net position/fund balances, and revenues/additions of the aggregate remaining fund information as of and for the year ended September 30, 2022. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as it relates to the amounts included for those component units, are based solely on the reports of the other auditors. We also did not audit the financial statements of CPS Energy, San Antonio Water System, SA Energy Acquisition Public Facility Corporation, and San Antonio Bexar County Soccer Public Facility Corporation, discretely presented component units, which represent 97 percent, 98 percent and 99 percent, respectively, of the assets, net position and revenues of the aggregate discretely presented component units as of and for the year ended September 30, 2022. Those statements were audited by other auditors whose reports have been furnished to us, and our opinions, insofar as they relate to the amounts included for those component units, are based solely on the reports of the other auditors.

Basis for Opinions

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

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

Emphasis of Matter

As discussed in Note 1 to the financial statements, in the current year the City adopted GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedule – general fund, pension, and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and schedules, the schedule of expenditures of federal awards as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, the schedule of expenditures of state awards as required by the *Texas Comptroller of Public Accounts, State of Texas Grant Management Standards*, which includes the State of Texas Single Audit Circular, and the schedule of revenues and expenditures of passenger facility charges, as required by the *Passenger Facility Charge Audit Guide for Public Agencies* (supplementary information), are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 19, 2023, on our consideration of City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

FORVIS,LLP

Houston, Texas
April 19, 2023



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, 2022. This discussion and analysis are intended to assist readers in focusing on significant financial issues and changes in the City's financial position and identifying any significant variances from the adopted budget. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the financial statements provided in this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2022 by \$2,983,891 (net position), which is an increase of \$524,796 from prior year's net position. A deficit ending balance of \$881,203 in unrestricted net position is primarily due to the City's \$2,346,908 net pension and Other Postemployment Benefits (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 \$1,723,272, an increase of \$198,323 compared to the fiscal year 2021 fund balance. Of this amount, \$22,209 is nonspendable, \$1,111,742 is restricted in use, \$285,465 is committed, \$17,655 is assigned, and \$286,201 is unassigned. The unassigned fund balance includes the General Fund less \$60,453 in deficits reported in other governmental funds.
- The establishment and maintenance of appropriate reserves within the General Fund is critical to prudent financial management. The unassigned fund balance includes \$346,654 in financial reserves of which \$215,240 or 15.1% of budgeted revenues, was reserved for a two-year balanced budget. City Council approved financial policies require the City to maintain a budgeted financial reserve of 15.0% of budgeted revenues. The General Fund available ending balance is \$15,035 better than anticipated when compared to re-estimated fiscal year 2022 budget.
- As discussed in Note 1 Summary of Significant Accounting Policies, the City adopted GASB Statement No. 87, *Leases*, in fiscal year 2022. Fiscal year 2021 comparative information contained herein has not been restated for the adoption of GASB 87.

Overview of the Financial Statements

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

Government-Wide Financial Statements

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

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

The *statement of activities* presents information showing how the government's net position changed during the fiscal year. Changes in net position are recorded when the underlying event giving rise to the change occurs regardless of the

timing of the cash flows. Therefore, revenues and expenses reported in this statement for some items will not result in cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused annual leave). 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 statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

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

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

alongside the enterprise funds in the fund financial statements. Information is presented separately for Airport System and Solid Waste Management Funds, which are considered to be major funds in the proprietary funds’ statement of net position and in the proprietary funds’ statement of revenues, expenses, and changes in net position. Data from the other enterprise funds, Development Services Department, Market Square, and Parking Funds, are combined into a single, aggregated presentation labeled “Nonmajor Enterprise Funds”. Individual fund data for each nonmajor enterprise fund and each internal service fund is provided in the form of respective combining statements elsewhere in this report. The Internal Service Funds are combined into a single aggregated presentation in the proprietary fund financial statements.

Fiduciary Funds – The City maintains two different types of fiduciary funds. The Pension (and Other Employee Benefit) Trust Funds are used to report resources held in trust for retirees and beneficiaries covered by the San Antonio Fire and Police Pension Fund, the Retiree Health & Wellness SA Fire and Police Fund and the City of San Antonio Retiree Health Care Fund. The Custodial Funds report resources, not in a trust, that are held by the City for other parties outside of the City’s reporting entity.

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

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

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

Government-Wide Financial Statement Analysis

The following tables, graphs, and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year-ended September 30, 2022.

Net Position						
As of September 30, 2022						
(With Comparative Totals for September 30, 2021)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Current and Other Assets	\$ 2,867,307	\$ 2,543,943	\$ 464,481	\$ 300,943	\$ 3,331,788	\$ 2,844,886
Capital Assets	5,553,310	5,378,985	756,880	769,848	6,310,190	6,148,833
Total Assets	8,420,617	7,922,928	1,221,361	1,070,791	9,641,978	8,993,719
Total Deferred Outflows of Resources	429,816	454,061	40,836	42,921	470,652	496,982
Current and Other Liabilities	934,705	840,051	77,735	65,053	1,012,440	905,104
Long-term Liabilities	4,336,289	4,815,606	579,315	625,926	4,915,604	5,441,532
Total Liabilities	5,270,994	5,655,657	657,050	690,979	5,928,044	6,346,636
Total Deferred Inflows of Resources	1,004,344	619,907	196,351	65,063	1,200,695	684,970
Net Position:						
Net Investment in Capital Assets	3,156,106	3,086,156	304,918	304,394	3,461,024	3,390,550
Restricted	181,560	91,786	222,510	173,439	404,070	265,225
Unrestricted (Deficit)	(762,571)	(1,076,517)	(118,632)	(120,163)	(881,203)	(1,196,680)
Total Net Position	\$ 2,575,095	\$ 2,101,425	\$ 408,796	\$ 357,670	\$ 2,983,891	\$ 2,459,095

As of September 30, 2022, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$2,983,891. Investment in capital assets representing the largest portion of the City's net position, \$3,461,024 consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings attributable to the acquisition, construction, or improvement of those assets. Capital assets are used to provide services to the citizens of San Antonio and are not available for further spending. The City's investment in capital assets is reported net of related debt and any related deferred outflows of resources. The resources needed to repay the debt must be provided from other sources, as capital assets cannot be used to liquidate liabilities. The restricted portion of the total net position totaling \$404,070 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, 2022 (With Comparative Totals for September 30, 2021)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 275,966	\$ 195,106	\$ 300,502	\$ 260,855	\$ 576,468	\$ 455,961
Operating Grants and Contributions	466,837	425,728	36,350	24,812	503,187	450,540
Capital Grants and Contributions	97,368	77,902	44,588	31,777	141,956	109,679
General Revenues:						
Property Taxes	708,485	684,784			708,485	684,784
Other Taxes	642,241	544,776			642,241	544,776
Revenues from Utilities	419,985	383,127			419,985	383,127
Investment Earnings (Loss)	(16,959)	1,897	(2,176)	233	(19,135)	2,130
Miscellaneous	130,851	117,043	2,100	2,183	132,951	119,226
Total Revenues	2,724,774	2,430,363	381,364	319,860	3,106,138	2,750,223
Expenses:						
Primary Government:						
Governmental Activities:						
General Government	135,351	128,496			135,351	128,496
Public Safety	766,295	834,517			766,295	834,517
Public Works	347,536	355,965			347,536	355,965
Sanitation	11,316	10,482			11,316	10,482
Health Services	102,620	104,369			102,620	104,369
Culture and Recreation	202,798	197,024			202,798	197,024
Convention and Tourism	80,658	56,198			80,658	56,198
Urban Redevelopment and Housing	126,328	139,752			126,328	139,752
Welfare	260,447	204,113			260,447	204,113
Education	79,651	73,261			79,651	73,261
Economic Development and Opportunity	70,732	100,791			70,732	100,791
Environmental	193	197			193	197
Bond Issuance Costs	4,061	2,000			4,061	2,000
Interest on Long-Term Debt	63,382	81,021			63,382	81,021
Business-Type Activities:						
Airport System			135,836	129,769	135,836	129,769
Development Services			43,540	41,831	43,540	41,831
Market Square			2,232	1,979	2,232	1,979
Parking System			7,188	8,502	7,188	8,502
Solid Waste Management			138,763	128,111	138,763	128,111
Total Expenses	2,251,368	2,288,186	327,559	310,192	2,578,927	2,598,378
Change in Net Position						
Before Transfers	473,406	142,177	53,805	9,668	527,211	151,845
Transfers, Net	431	(7,908)	(2,679)	(4,630)	(2,248)	(12,538)
Net Change in Net Position	473,837	134,269	51,126	5,038	524,963	139,307
Beginning, Net Position (Previously Reported)	2,101,258	1,967,156	357,670	375,889	2,458,928	2,343,045
Other Restatement		(167)				(167)
Beginning Net Position	2,101,258	1,966,989	357,670	352,632	2,458,928	2,319,621
Ending Net Position	\$ 2,575,095	\$ 2,101,258	\$ 408,796	\$ 357,670	\$ 2,983,891	\$ 2,458,928

The City's total revenues were \$3,106,138 for fiscal year-ended September 30, 2022. Revenues from Governmental Activities totaled \$2,724,774 (87.7%) and revenues from Business-Type Activities totaled \$381,364 (12.3%). Expenses for the City totaled \$2,578,927; Governmental Activity expenses totaled \$2,251,368 (87.3%) and Business-Type Activity expenses totaled \$327,559 (12.7%).

Governmental Activities

Overall governmental activities increased the City's net position by \$473,837.

Revenues for Governmental Activities were \$2,724,774 compared to prior year's revenues of \$2,430,363. The increase of \$294,411 is due to the following:

- Operating Grants and Contributions revenue increased by \$41,109, primarily attributed to the following:
 - General Government increased by \$14,012 due to expenses related to employee compensation, benefits, and retention programs in fiscal year 2022, that were funded from the State and Local Fiscal Recovery Funds (SLFRF).
 - Public Safety decreased by \$20,648 due to a reduction in the number of COVID-19 related responses by Police and Fire personnel in fiscal year 2022. The City received \$14,951 in fiscal year 2022 as compared to \$38,924 in fiscal year 2021.
 - Convention and Tourism increased by \$5,167 due to increased Hotel Occupancy Tax (HOT) revenue and increased number of events hosted at the Convention Center and Alamodome when compared to fiscal year 2021.
 - Welfare increased by \$60,743 due to new funding for Coronavirus Response and Relief Supplemental Appropriations Act (CRRSAA) and Provider Growth Support Childcare Developments Services (CCDS) from ARPA to aid recovery of small businesses in the service industry from the effects of the COVID-19 pandemic.
 - Economic Development Opportunity decreased by \$25,001 due to less spending on the COVID-19 Emergency Response and Recovery & Resiliency programs related to Small Business and Workforce Development, which was funded by initial CARES funding, in fiscal year 2022 as compared to fiscal year 2021. Most of the money allocated for these programs were expended in fiscal year 2021. The City has approved in February 2023 its ARPA spending plan related to the economic development support and expects to continue more spending in fiscal year 2023.
- Capital Grant and Contributions revenue increased by \$19,466, primarily attributed to the following:
 - Convention and Tourism decreased by \$6,745 due to the dissolution of the Convention Hotel Finance Corporation Fund in fiscal year 2022. This was effectuated with the sale of the Convention Center Hotel to a non-profit who will hold the Hotel in trust for the City. This transaction resulted in the defeasance of the City of San Antonio, Texas Convention Center Hotel Finance Corporation Contract Revenue Empowerment Zone Bonds, Series 2005A and Taxable Series 2005B. New Hotel Revenue Bonds were issued by the Public Facility Authority to finance the acquisition of the Hotel by the non-profit.
 - Culture and Recreation increased by \$11,002 in fiscal year 2022 as improvements were made to City owned facilities on the Witte campus to include the Mays Family Center, the Feik Family Pavilion, and the admissions building, together with the adjacent parking lot.
 - Public Works increased by \$13,086 driven by real property received by the City from the Federal Governments' General Services Administration for the former John Wood Federal Courthouse and Training Center, valued at \$9,000.
- Property Tax Revenues increased by \$23,701 due to a 2.1% increase in new construction and a 1.6% increase in taxable property valuation on existing properties when compared to the prior year. The City's property tax rate is at 55.827 cents per \$100 of valuation for fiscal year 2022.
- Other Taxes Revenues increased by \$97,465. The General Sales and Use Taxes increase of \$61,878, is primarily due to retail trade sectors continuing to increase. There continues to be 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.

- Revenue from Utilities increased by \$36,858, of which approximately \$5,901 was related to the CPS Energy base rate increase of 3.85% which took effect on March 1, 2022. An estimated increase of \$5,550 was related to higher than historical average temperatures combined with \$4,588 from higher electric and gas fuel costs. There were 58 days at or above 100 degrees in fiscal year 2022 compared to three days at or above 100 degrees in fiscal year 2021.
- Charges for Services for Governmental Activities increased by \$80,860;
 - Public Safety revenue increased by \$38,541 partially due to the payment City received in the amount of 11,036 from the State for the Charity Care emergency medical services supplemental payment. The City also received more revenue in fiscal year 2022 from 3,846 more vehicles related to the tow truck wrecker service contract. In line with the City's residential housing growth 4,137 more alarm permits were issued in fiscal year 2022, increasing revenue.
 - Culture and Recreation increased \$31,408. The Alamodome rebounded from the previous year and had one the busiest stretches of its history in the second half of fiscal year 2022, bringing in \$18,395 more in revenue than prior year. Events from previously postponed events due to COVID-19 restrictions were held in 2022 along with other major headlines and events. Tourism continues to surge in the City; fiscal year 2022 had \$6,101 more in revenues from increased tickets sales from the Riverbarge and Tower of the America's. The Tree Preservation Fund collected \$4,000 more in mitigation fees for tree preservation, tree planting, and educational activities.
 - The City received funds in fiscal year 2022 from Texas Department of Transportation (TXDOT) in the amount of \$9,391 for plan administration, long-term management, and monitoring of the newly established Crane Bat Cave Habitat Conservation Preserve.
- Investment Earnings reflected a decrease by \$18,856 in fiscal year 2022 due to the reduction in market value of securities held in the City's investment portfolio caused by rising interest rates. The City's practice is to hold securities to maturity.
- Miscellaneous revenue increased by \$13,808 due to reimbursements from Public Finance Authority of Wisconsin for prior year's Convention Center Hotel debt payments paid by the City and recovery of ground lease payments.

Expenses for Governmental Activities were \$2,215,368 compared to prior year's expenses of \$2,288,186. The decrease of \$36,818 is due primarily to the following:

- The increase of \$6,855 in General Government is primarily due to the personnel costs from the newly formed corporation, City of San Antonio Council Aides Corporation, fiscal year 2022 is the first full year of expenses.
- The decrease of \$68,222 in Public Safety expenses is primarily due to the uniform pension liability and expenses decreased. Investment income increased in 2022, therefore, reduced the City's liability and expenses. The decrease is also offset by \$39,630 from changes in Police and Fire Departments personnel salaries, health insurance, and pension from the Collective Bargaining Agreement.
- The decrease of \$8,429 in Public Works expenses is from UTSA Athletics Complex capital project that was expensed and completed in fiscal year 2021.
- The increase of \$24,460 in Convention and Tourism expense is due to defeasance of the Convention Center Hotel Finance Corporation Contract Revenue Bonds, Series 2005A and Taxable Series 2005B, which resulted in a payment to Grand Hyatt for the remaining funds previously contributed to the City. Additionally, Community and Visitor's Facilities increased in personnel expenses at the Convention Facilities due to employees transitioning back to the department as the City begins to rebound to pre-pandemic levels and convention center events increase.
- The decrease of \$13,424 in Urban Redevelopment and Housing is due to decreased funding from CDBG, HUD, COVID-19 Grant, Emergency Rental Assistance, and other funding appropriated to COVID-19 Pandemic relief as effects of COVID-19 continue to decrease.

- The increase of \$56,334 in Welfare is primarily due to increased funding in Provider Growth Support ARPA Grant \$38,898 and Child Care Service Payments \$18,970 in an increased effort to help small businesses in the service industry recover from the COVID-19 Pandemic.
- The increase of \$6,390 in Education is driven by increases in SA Early Childhood Education Municipal Development Corporation's expenses. General Administration Expenses increased by \$4,347 due to a \$3,549 increase in SA: Ready to Work because fiscal year 2022 was the first full year of activity for the program. Facilities Lease and Maintenance Expenses increased by \$2,673, driven by \$1,827 in amortization expense per the implementation of GASB Statement No. 87, *Leases*.
- Economic Development Opportunity decreased by \$30,059 due to less spending on the COVID-19 Emergency Response and Recovery & Resiliency programs related to Small Biz and Workforce Development, which was funded by initial CARES funding, in fiscal year 2022 as compared to fiscal year 2021. Most of the money allocated for these programs were expended in fiscal year 2021. The City has approved in February 2023 its ARPA spending plan related to the economic development support, and expects to continue more spending in fiscal year 2023.
- Interest on Long-Term Debt decreased by \$17,639 due to a partial redemption discharge and defeasance of the Texas Public Facilities Corporation Lease Improvement and Revenue Bonds, Series 2012, resulting in less interest owed in fiscal year 2022. These bonds were issued in 2012 to finance the construction of the Convention Center expansion.

Transfers for Governmental Activities were \$431 compared to prior year's expenses of \$(7,908). The decrease of \$8,339 is due primarily to the following:

- The change of \$8,339 in Transfers, Net is primarily due to reduced funding for COVID-19 pandemic related expenses like emergency housing, health plans, emergency response, and workforce development from prior year.

Business-Type Activities

Business-Type Activities increased the City's net position by \$51,126.

Revenues for Business-Type Activities totaled \$381,364 compared to prior year's revenues of \$319,860. The increase of \$61,504 is due to the following:

- Charges for Services for business-type activities increased \$39,647;
 - The San Antonio International Airport revenues increased by \$29,404, because of a 37.4% increase in passenger activity compared to fiscal year 2021.
 - Development Services increased by \$4,276 due to 45.0% increase in residential permits and 12.0% increase in commercial permits as compared to fiscal year 2021.
 - Solid Waste Management revenues increased by \$2,376 driven by increase in recycling processing revenues for aluminum and plastic commodities, average price for commodities increased from \$29 to \$55 per ton (amount not in thousands).
- Operating Grants and Contributions increase of \$11,538, primarily due to increase in funding from ARPA of \$27,500 versus none in fiscal year 2021 which is partially offset by decreases in Coronavirus Aid Relief, Economic Security Act (CARES) Draws and Coronavirus Response Relief Supplemental Appropriations (CRRSA). Funding provided to the Airport for reimbursement of allowable expenses including personnel, maintenance, janitorial, and other miscellaneous expenses.
- Capital Grant and Contributions revenue increased by \$12,811 largely due to increases in Passenger Facilities Charges of \$6,400 and Customer Facilities Charges of \$2,200 due to increases in both travel passengers and rental car activity at San Antonio International Airport from the continued COVID-19 Pandemic recovery.
- Investment Earnings reflected a decrease by \$2,409 in fiscal year 2022 due to the reduction in market value of securities held in the City's investment portfolio caused by rising interest rates. The City's practice is to hold securities to maturity.

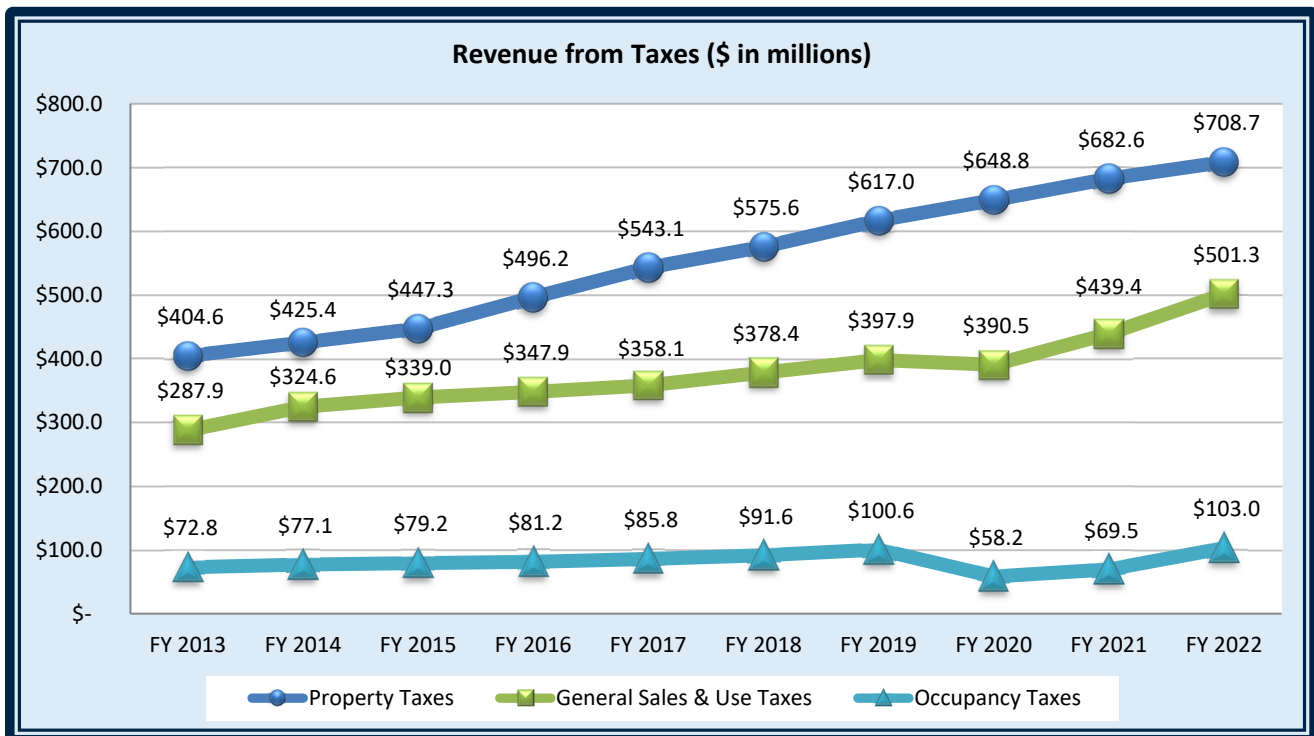
Expenses for Business-Type Activities were \$327,559 compared to prior year’s expenses of \$310,192. The increase of \$17,367 is due primarily to the following:

- The increase of \$6,067 in Airport System expenses is from an increase in Aviation expenses from fiscal year 2021 due to Airline Competitive Credit accrual.
- The increase of \$10,652 in Solid Waste Management expenses is attributed to personnel services from an increase in the number of authorized positions of 19 over last year due to forecasted increases in service level needs due to continued revenue growth. Compensation adjustments were also made to attract and retain personnel.

Financial Analysis of Governmental Funds

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

Revenues from taxes increased by \$123,484, which is primarily attributable to: (1) a \$26,019 increase in property tax revenues (2) a \$61,878 increase in general sales and use tax, and (3) a \$33,524 increase in occupancy tax revenues. The increase in property taxes is due to a 2.1% increase in value for existing taxable property valuation, while new taxable property valuation increased by approximately 1.6%. The increase in general sales and use taxes is a result of the retail trade sectors continuing to increase over last year and over pre-pandemic levels; with restrictions lifted, federal benefits received by the consumers increasing employment, increased prices for goods and services due to inflation, and consumers are continuing to spend at a higher price point. The increase in occupancy taxes is also due to COVID-19 restrictions being lifted, resulting in an uptick in hotel and travel industry during the summer months.



The total fund balance of the General Fund at year-end was \$465,875, an increase of \$92,731 from the total fund balance of \$373,144 in fiscal year 2021. The fund balance is categorized as follows: \$8,048 in nonspendable, \$111,165 in committed, \$8 in assigned, and \$346,654 in unassigned fund balances. The unassigned fund balance includes \$130,093 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 \$215,240 reserve for Two-Year Budget Plan.

The total fund balance of the Debt Service Fund at year-end was \$45,047, an increase of \$2,759 from the total fund balance of \$42,288 in fiscal year 2021. The entire fund balance is restricted for payment of debt service.

The COVID-19 Fund has a total deficit fund balance of \$26,414 at year-end, a decrease of \$3,423 from the total deficit fund balance of \$22,991 in fiscal year 2021. The negative fund balance is a result of the timing of reimbursements from the federal government. The COVID-19 Fund is restricted for disbursements related to the City's response to the COVID-19 pandemic.

The total fund balance of the 2017 General Obligation Bonds at year-end was \$296,134, a decrease of \$146,520 from the total fund balance of \$442,654 in fiscal year 2021. The decrease is from the final year of sales of obligation bonds issued to support capital expenditures associated with the \$850,000 bond program approved by voters in fiscal year 2017.

General Fund Budgetary Highlights

Variances in Budget Appropriations Year-Ended September 30, 2022 (Budgetary Basis) General Fund					
	Original	Final	Actual	Variances	
	Budget	Budget	Results	Budget	Final to Actual
Resources (Inflows):					
Taxes	\$ 778,710	\$ 822,865	\$ 829,648	\$ 44,155	\$ 6,783
Licenses and Permits	9,110	9,389	9,377	279	(12)
Intergovernmental	35,660	36,921	22,586	1,261	(14,335)
Revenues from Utilities	392,030	419,862	419,985	27,832	123
Charges for Services	55,325	70,575	71,436	15,250	861
Fines and Forfeits	8,306	6,200	6,931	(2,106)	731
Miscellaneous	12,954	19,926	25,024	6,972	5,098
Investment Earnings	588	1,782	2,519	1,194	737
Transfers from Other Funds	16,348	16,649	16,895	301	246
Total	\$ 1,309,031	\$ 1,404,169	\$ 1,404,401	\$ 95,138	\$ 232
Charges to Appropriations (Outflows):					
General Government	\$ 92,704	\$ 95,760	\$ 93,051	\$ 3,056	\$ 2,709
Public Safety	835,239	855,427	854,717	20,188	710
Public Works	73,869	82,547	82,444	8,678	103
Health Services	43,534	45,601	43,912	2,067	1,689
Welfare	50,841	52,775	49,437	1,934	3,338
Culture and Recreation	128,127	135,088	134,026	6,961	1,062
Economic Development and Opportunity	9,013	19,168	14,377	10,155	4,791
Urban Redevelopment and Housing	33,077	35,655	35,228	2,578	427
Transfers to Other Funds	70,525	98,857	99,938	28,332	(1,081)
Total	\$ 1,336,929	\$ 1,420,878	\$ 1,407,130	\$ 83,949	\$ 13,748

Changes from the adopted budget revenues to the final amended budget resulted in a net increase of \$95,138. This increase can be summarized by the following:

- The final budget for taxes increased by \$44,155 due to growth of sales tax receipts from retail trade and an overall increase in cost of goods and services.
- Revenues from Utilities budget was increased by \$27,832 to account for the Electric and Gas Fuel Adjustment Factors being 53% higher than projections due to rising fuel costs. The final budget also accounted for higher fuel costs as well as the partial year impact of the CPS rate adjustment approved by City Council which took effect on March 1, 2022.
- Charges for Services budget increased by \$15,250 to account for the \$9,400 for Ambulance Supplemental Payment from the Charity Care Program and higher than anticipated revenues from the beginning of the year for River Barge fees, EMS Transports, and Tower of Americas revenues.
- Miscellaneous budget increased by \$6,972 driven by \$3,419 related to the sale of unclaimed vehicles as auctions came in at a higher value per vehicle. The final budget was also increased by \$2,055 to account for the incentive reimbursement from USAA due to their failure to meet required agreements. Another \$555 increase from Special Inventory Tax from motor vehicle dealers based on the total value of inventory sold. Car values have increased due to inflation as well as supply chain shortages.

Final budgeted revenue appropriations for the General Fund were \$1,404,169 while actual revenues on a budgetary basis were \$1,404,401, creating a favorable variance of \$232. Variance explanations are listed below:

- Tax revenues are \$6,783 higher than final budgeted amounts due to surging consumer spending as the COVID-19 wave recedes supported by strong employment and wage growth and savings accumulated during the pandemic. Sales tax receipts from retail trade sectors continue to be the most highly elevated, as resurgent consumer spending following the lifting of pandemic-related restrictions and supported by increasing employment, federal income support policies and continuance of low interest rates.
- Intergovernmental revenue was \$14,335 less than budget because reimbursement of expenditures did not occur in fiscal year 2022 as expected, but will occur in fiscal year 2023.

Changes in original expenditure budget appropriations to the final amended budget appropriations resulted in a net \$83,949 increase in appropriations. This increase can be summarized by the following:

- Public Safety increased by \$20,188 driven by a \$5,941 lump sum payment equivalent to 2% for San Antonio Police officers consistent with the Collective Bargaining Agreement. Additionally, an increase of \$5,618 for the increased calculated allocation for the general liability assessment. An increase of \$4,519 to capture prior year carryforwards related to capital outlay for replacement duty weapons, computer replacements, computer equipment, vehicles and other essential equipment. An increase of \$2,553 was for motor fuel due to increased prices and fuel consumption. Another \$887 was increased for building maintenance on fire stations.
- Public Works increased by \$8,678 to capture prior year carryforwards of \$5,069 for streets and \$766 for various traffic and transportation programs. Additionally, there was an increase of \$1,264 for the increased calculated allocation for the general liability assessment.
- Culture & Recreation budget increased by \$6,961 to capture prior year carryforwards of \$4,223 for the Inner-City Incentive program. Additionally, there was an increase of \$1,909 for the increased calculated allocation for the general liability assessment.
- Economic Development budget increased by \$10,155 to capture \$6,415 of prior year carryforwards for the Economic Development Incentive Fund, for multi-year incentive agreements with multiple entities, and \$1,026 for other economic development initiatives funded from the General Fund.
- Transfers to Other Funds increased by \$28,332, primarily to account for funding towards the Recovery and Resilience Program in the amount of \$36,631 related to the COVID-19 pandemic, for emergency housing, health plans, emergency services response, and workforce development.

Final budgeted expenditure appropriations for the General Fund were \$1,420,878 while actual expenditures on a budgetary basis were \$1,407,130, creating a favorable variance of \$13,748. There were no significant variances within the program expenditures to highlight.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2022, amounts to \$6,310,190 (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 \$161,357, which is comprised of an increase of \$174,325 in governmental activities and a decrease of \$12,968 in business-type activities.

Capital Assets September 30, 2022 (With Comparative Totals for September 30, 2021)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Land	\$ 1,441,439	\$ 1,427,106	\$ 15,796	\$ 15,796	\$ 1,457,235	\$ 1,442,902
Construction in Progress	514,863	520,925	35,672	27,500	550,535	548,425
Non-Depreciable Intangible Assets	246,423	234,974			246,423	234,974
Depreciable Intangible Assets	299	387	9,316	5,086	9,615	5,473
Buildings	983,347	918,962	351,421	367,488	1,334,768	1,286,450
Improvements	600,319	602,382	324,808	324,843	925,127	927,225
Infrastructure	1,534,401	1,445,147			1,534,401	1,445,147
Machinery and Equipment	232,219	229,102	19,867	29,135	252,086	258,237
Total	\$ 5,553,310	\$ 5,378,985	\$ 756,880	\$ 769,848	\$ 6,310,190	\$ 6,148,833

During fiscal year 2022, the City transferred \$371,546 of construction in progress for completed capital projects, mainly comprised of the renovation of City Tower, 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, 2022			
	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 5,378,985	\$ 769,848	\$ 6,148,833
Additions	446,942	55,409	502,351
Deletions	(35,764)	(10,370)	(46,134)
Accumulated Depreciation	(236,853)	(58,007)	(294,860)
Ending Balance	\$ 5,553,310	\$ 756,880	\$ 6,310,190

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

Debt Administration

Standard & Poor's, Moody's, and Fitch's underlying ratings for City obligations during fiscal year 2022 were as follows:

Bond Ratings Year-Ended September 30, 2022			
	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+
Municipal Facilities Corporation Lease Revenue Bonds	AA+	Aa1	AA
Public Facilities Corporation Lease Revenue Bonds	AA+	Aa2	AA

Long-Term Obligations

At the end of the current fiscal year, the City had a total of \$3,442,590 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, 2022 (With Comparative Totals for September 30, 2022)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2022	2021	2022	2021	2022	2021
Bonds Payable:						
Tax-Exempt General Obligation Bonds	\$ 1,107,015	\$ 1,153,365	\$ 1,325	\$ 1,545	\$ 1,108,340	\$ 1,154,910
Taxable General Obligation Bonds	508,940	428,710	3,150	4,715	512,090	433,425
Tax-Exempt Certificates of Obligation	403,195	340,895	34,525	35,995	437,720	376,890
Taxable Certificates of Obligation	140,085	145,680			140,085	145,680
Tax Notes	88,010	78,315			88,010	78,315
Revenue Bonds	715,075	875,934	351,345	370,385	1,066,420	1,246,319
Bonds from Direct Placements	27,925	30,505	62,000	62,000	89,925	92,505
Capital Appreciation Bonds (CAB)		16,665				16,665
Total	\$ 2,990,245	\$ 3,070,069	\$ 452,345	\$ 474,640	\$ 3,442,590	\$ 3,544,709

Governmental Activities

On March 3, 2022, City Council approved the acquisition of Grand Hyatt San Antonio River Walk Hotel (Hyatt) by CFC-SA, LLC, an Arizona based non-profit who under its charitable purpose will hold the hotel in trust for the City, and a resolution authorizing the defeasance of the City of San Antonio, Texas Convention Center Hotel Finance Corporation Contract Revenue Empowerment Zone Bonds, Series 2005A and 2005B. Through a 30-year Qualified Management Agreement with the non-profit, Hyatt will continue to be the operator of the hotel with the same brand standards it currently operates. To finance the acquisition of the hotel by the non-profit, Hotel Revenue Bonds were issued by the Public Facility Authority, a Wisconsin governmental entity and a conduit issuer of the non-profit. Proceeds from the sale of the Hotel Revenue Bonds were used to pay Hyatt for the purchase of the hotel, fund reserves, and pay costs of issuance. Hyatt used a portion of the sales proceeds to pay off the Convention Center Hotel Finance Corporation, current outstanding City of San Antonio, Texas

Convention Center Hotel Finance Corporation Contract Revenue Empowerment Zone Bonds, Series 2005A and 2005B in the amounts of \$129,930 and \$38,410, respectively.

On May 7, 2022, voters approved a \$1,200,000 bond program, the largest bond program in the City's history. On August 9, 2022, the City issued a portion of the authorized bond in \$57,680 in General Improvement Bonds, Series 2022 and \$100,520 in General Improvement Bonds, Taxable Series 2022. The General Improvement Bonds, Series were issued to finance improvements to streets, bridges, and sidewalks; drainage and flood control; parks and recreation; library and cultural facilities; and public safety facilities. The General Improvement Bonds, Taxable Series 2022 proceeds were issued to finance affordable housing. These bonds represent the first installment of the Bond Program approved by voters in May 2022.

Additionally on August 9, 2022, the City issued \$79,830 in Combination Tax and Revenue Certificates of Obligation, Series 2022; and \$47,910 in Tax Notes, Series 2022. The Combination Tax and Revenue Certificates of Obligation, Series 2022 were issued to finance improvements to municipal facilities; streets, sidewalks and drainage; parks and recreation; and funding for capital contingency. The Tax Notes, Series 2022 were issued to finance improvements for information technology, municipal facilities, parks and recreation, and street maintenance projects.

On August 30, 2022, the City issued \$292,880 in Texas Public Facilities Corporation Lease Revenue Refunding and Improvement Bonds, Series 2022 to refinance existing debt for interest cost savings and to fund improvements to Convention Center Facilities. The refunding proceeds and premium were used to fund an escrow account for the partial redemption discharge and defeasance of the Texas Public Facilities Corporation Improvement and Refunding Lease Revenue Bonds, Series 2012.

Business-Type Activities

The City did not issue debt under Business-Type Activities in fiscal year 2022.

The Constitution of the State of Texas and the City Charter limit the amount of debt the City may incur. For more information related to these limits see Note 8 Long-Term Obligations.

Currently Known Facts

For more information on other currently known facts, please see Note 22 Subsequent Events.

Requests for Information

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

Basic Financial Statements

Statement of Net Position
As of September 30, 2022

(In Thousands)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 209,546	\$ 24,416	\$ 233,962	\$ 565,744
Investments	534,945	70,666	605,611	418,346
Receivables, Net	190,541	13,151	203,692	540,268
Materials and Supplies, at Cost	11,319	1,098	12,417	200,301
Internal Balances	3,146	(8,987)	(5,841)	
Due From Other Governmental Agencies, Net	2,371	79	2,450	3,391
Deposits	301		301	
Prepaid Expenses	7,001	449	7,450	187,035
Lease Receivable	10,626	12,557	23,183	
Other Assets				719
Restricted Assets:				
Cash and Cash Equivalents	479,595	91,671	571,266	389,475
Investments	988,227	158,366	1,146,593	1,948,024
Receivables, Net	57,045	3,647	60,692	7,422
Materials and Supplies, at Cost	3,403		3,403	
Deposits	1		1	
Prepaid Expenses	3,394	403	3,797	
Lease Receivable	2,351		2,351	251
Due From Other Governmental Agencies, Net	85,316	183	85,499	
Total Current Assets	<u>2,589,128</u>	<u>367,699</u>	<u>2,956,827</u>	<u>4,260,976</u>
Noncurrent Assets:				
Capital Assets:				
Non Depreciable	2,202,725	51,468	2,254,193	2,028,336
Depreciable, Net	3,350,585	705,412	4,055,997	14,382,256
Lease Assets, Net	89,495	128	89,623	
Investments	700		700	
Receivables, Net	96,490		96,490	154,577
Prepaid Expenses				86,051
Pension Regulatory Asset				223,819
Lease Receivable	91,494	96,654	188,148	5,127
Other Noncurrent Assets				1,079,904
Total Noncurrent Assets	<u>5,831,489</u>	<u>853,662</u>	<u>6,685,151</u>	<u>17,960,070</u>
Total Assets	<u>8,420,617</u>	<u>1,221,361</u>	<u>9,641,978</u>	<u>22,221,046</u>
Total Deferred Outflows of Resources	<u>429,816</u>	<u>40,836</u>	<u>470,652</u>	<u>816,539</u>
Liabilities:				
Current Liabilities:				
Accounts Payable and Other Current Liabilities	132,747	29,128	161,875	570,631
Accrued Interest	37	6	43	
Unearned Revenue	6,056	1,768	7,824	1,369
Current Portion of Long-Term Obligations	152,517	5,780	158,297	64,346
Due To Other Governmental Agencies	57		57	
Liabilities Payable From Restricted Assets:				
Accounts Payable and Current Liabilities	119,662	9,572	129,234	46,562
Accrued Interest	15,812	4,836	20,648	20,088
Unearned Revenue	252,707		252,707	
Due To Other Governmental Agencies	374		374	
Current Portion of Long-Term Obligations	254,736	26,645	281,381	386,530
Total Current Liabilities	<u>934,705</u>	<u>77,735</u>	<u>1,012,440</u>	<u>1,089,526</u>
Noncurrent Liabilities:				
Noncurrent Portion of Long-Term Obligations	4,336,289	579,315	4,915,604	13,309,819
Total Noncurrent Liabilities	<u>4,336,289</u>	<u>579,315</u>	<u>4,915,604</u>	<u>13,309,819</u>
Total Liabilities	<u>5,270,994</u>	<u>657,050</u>	<u>5,928,044</u>	<u>14,399,345</u>
Total Deferred Inflows of Resources	<u>1,004,344</u>	<u>196,351</u>	<u>1,200,695</u>	<u>497,520</u>
Net Position:				
Net Investment in Capital Assets	3,156,106	304,918	3,461,024	6,064,636
Restricted for:				
Debt Service	41,903	38,512	80,415	84,137
Capital Projects	42,319	183,998	226,317	816,646
Operating and Other Reserves	79,179		79,179	79,243
Perpetual Care:				
Expendable	11,718		11,718	
Nonexpendable	6,441		6,441	
Unrestricted (Deficit)	(762,571)	(118,632)	(881,203)	1,096,058
Total Net Position	<u>\$ 2,575,095</u>	<u>\$ 408,796</u>	<u>\$ 2,983,891</u>	<u>\$ 8,140,720</u>

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

Statement of Activities
Year-Ended September 30, 2022
(In Thousands)

FUNCTION/PROGRAM ACTIVITIES	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			COMPONENT UNITS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	PRIMARY GOVERNMENT			
					GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Primary Government:								
Governmental Activities:								
General Government	\$ 135,351	\$ 17,156	\$ 22,949	\$ 11,093	\$ (84,153)	\$ -	\$ (84,153)	
Public Safety	766,295	75,304	34,641		(656,350)		(656,350)	
Public Works	347,536	79,460	3,961	72,764	(191,351)		(191,351)	
Sanitation	11,316				(11,316)		(11,316)	
Health Services	102,620	10,255	56,111	521	(35,733)		(35,733)	
Culture and Recreation	202,798	80,882	4,693	11,002	(106,221)		(106,221)	
Convention and Tourism	80,658		18,381	1,968	(60,309)		(60,309)	
Urban Redevelopment and Housing	126,328	1,072	84,976		(40,280)		(40,280)	
Welfare	260,447		213,472		(46,975)		(46,975)	
Education	79,651	399	6,728	20	(72,504)		(72,504)	
Economic Development and Opportunity	70,732	1,144	20,925		(48,663)		(48,663)	
Environmental	193	10,294			10,101		10,101	
Bond Issuance Costs	4,061				(4,061)		(4,061)	
Interest on Long-Term Debt	63,382				(63,382)		(63,382)	
Total Governmental Activities	2,251,368	275,966	466,837	97,368	(1,411,197)		(1,411,197)	
Business-Type Activities:								
Airport System	135,836	109,994	36,350	42,818		53,326	53,326	
Development Services	43,540	47,555				4,015	4,015	
Market Square	2,232	2,966				734	734	
Parking System	7,188	8,077				889	889	
Solid Waste Management	138,763	131,910		1,770		(5,083)	(5,083)	
Total Business-Type Activities	327,559	300,502	36,350	44,588		53,881	53,881	
Total Primary Government	\$ 2,578,927	\$ 576,468	\$ 503,187	\$ 141,956	(1,411,197)	53,881	(1,357,316)	
Discretely Presented Component Units:								
CPS Energy	\$ 2,812,185	\$ 2,762,548	\$ -	\$ 74,403				\$ 24,766
SAWS	720,572	779,332		239,655				298,415
Port Authority of San Antonio	58,966	54,200		165				(4,601)
SABC Soccer Public Facility Corporation	1,195	521						(674)
SA Energy Acquisition Public Facility Corporation	93,355	41,854						(51,501)
Total Discretely Presented Component Units	\$ 3,686,273	\$ 3,638,455	\$ -	\$ 314,223				266,405
General Revenues:								
Taxes:								
Property					708,485		708,485	
General Sales and Use					501,259		501,259	
Selective Sales and Use					11,698		11,698	
Gross Receipts Business					21,015		21,015	
Occupancy					103,044		103,044	
Penalties and Interest on Delinquent Taxes					5,225		5,225	
Revenues from Utilities					419,985		419,985	
Investment Earnings (Loss)					(16,959)	(2,176)	(19,135)	77,155
Miscellaneous					130,851	2,100	132,951	53,180
Special Item - Adjustment for STP Pension Cost								43,415
Transfers, Net					431	(2,679)	(2,248)	
Total General Revenues, Special Items and Transfers					1,885,034	(2,755)	1,882,279	173,750
Change in Net Position					473,837	51,126	524,963	440,155
Net Position - Beginning of Fiscal Year (restated)					2,101,258	357,670	2,458,928	7,700,565
Net Position - End of Fiscal Year					\$ 2,575,095	\$ 408,796	\$ 2,983,891	\$ 8,140,720

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

Balance Sheet

Governmental Funds

As of September 30, 2022

(In Thousands)

	MAJOR FUNDS					TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE	COVID-19 FUNDS	2017 GENERAL OBLIGATION BONDS	NONMAJOR GOVERNMENTAL FUNDS	
Assets:						
Cash and Cash Equivalents	\$ 108,735	\$ -	\$ -	\$ -	\$ 56,230	\$ 164,965
Investments	255,425				106,186	361,611
Receivables, Net	187,269				2,315	189,584
Materials and Supplies, at Cost	7,341				76	7,417
Prepaid Expenditures	707				885	1,592
Lease Receivable	51,137				9,388	60,525
Due From Other Funds	69,784				2,615	72,399
Due From Other Governmental Agencies, Net	1,449				221	1,670
Restricted Assets:						
Cash and Cash Equivalents	201	41,093	50,388	55,885	331,607	479,174
Investments		2,619	196,489	239,733	548,703	987,544
Receivables, Net	33,044	11,856	427	516	107,692	153,535
Materials and Supplies, at Cost			22		3,381	3,403
Deposits					1	1
Prepaid Expenditures			574		2,820	3,394
Lease Receivable					41,764	41,764
Due From Other Funds		507	13,352		28,355	42,214
Due From Other Governmental Agencies, Net	106		38,065		47,145	85,316
Total Assets	\$ 715,198	\$ 56,075	\$ 299,317	\$ 296,134	\$ 1,289,384	\$ 2,656,108
Liabilities, Deferred Inflows of Resources, and Fund Balances (Deficits):						
Liabilities:						
Vouchers Payable	\$ 15,767	\$ -	\$ -	\$ -	\$ 1,670	\$ 17,437
Accounts Payable - Other	69,138				21,228	90,366
Accrued Payroll	6,918				82	7,000
Accrued Leave Payable	7,354					7,354
Unearned Revenue	5,609				429	6,038
Due To Other Funds	13,859					13,859
Due To Other Governmental Agencies	57					57
Liabilities Payable From Restricted Assets:						
Vouchers Payable	6		9,090		66,342	75,438
Accounts Payable - Other	25		7,205		34,505	41,735
Accrued Payroll	25		334		2,130	2,489
Accrued Leave Payable					302	302
Unearned Revenue			240,539		12,168	252,707
Due To Other Funds		68	42,149		64,210	106,427
Due To Other Governmental Agencies					374	374
Total Liabilities	118,758	68	299,317		203,440	621,583
Deferred Inflows of Resources	130,565	10,960	26,414		143,314	311,253
Fund Balances (Deficits):						
Nonspendable	8,048		596		13,565	22,209
Restricted		45,047		296,134	770,561	1,111,742
Committed	111,165				174,300	285,465
Assigned	8				17,647	17,655
Unassigned	346,654		(27,010)		(33,443)	286,201
Total Fund Balances (Deficits)	465,875	45,047	(26,414)	296,134	942,630	1,723,272
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 715,198	\$ 56,075	\$ 299,317	\$ 296,134	\$ 1,289,384	\$ 2,656,108

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, 2022

(In Thousands)

Fund Balances - Total Governmental Funds \$ 1,723,272

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	1,441,439	
Construction In Progress	514,863	
Non-Depreciable Intangible Assets	246,423	
Depreciable Intangible Assets	4,091	
Buildings	1,572,773	
Improvements	1,161,287	
Infrastructure	4,002,482	
Machinery and Equipment	437,139	
Less: Accumulated Depreciation	<u>(3,951,978)</u>	
Total Governmental Capital Assets		5,428,519
Lease Assets	67,807	
Less: Accumulated Amortization (Lease Assets)	<u>(8,621)</u>	
		59,186

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		210,658

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.		149,745
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Deferred outflows of resources related to pensions, OPEB, and unamortized debt reacquisition costs not reported in the Governmental Funds		404,668
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Deferred inflows of resources related to pensions and OPEB not reported in the Governmental Funds		(848,558)
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Long-term liabilities are not due and payable in the current year, therefore are not reported in the governmental funds.

Governmental Bonds Payable	(2,985,665)	
Unamortized Discount/(Premium) on Bonds, Net	(204,057)	
Lease Liability	(61,764)	
Financed Purchases	(3,754)	
Net OPEB and Pension Liability	(1,045,471)	
Accrued Interest Payable	(15,812)	
Pollution Remediation Payable	(2,717)	
Accrued Leave Payable	(233,136)	
Other Payable	<u>(19)</u>	
		<u>(4,552,395)</u>

Net Position of Governmental Activities \$ 2,575,095

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, 2022

(In Thousands)

	MAJOR FUNDS					TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE	COVID-19 FUNDS	2017 GENERAL OBLIGATION BONDS	NONMAJOR GOVERNMENTAL FUNDS	
Revenues:						
Taxes:						
Property	\$ 413,913	\$ 252,907	\$ -	\$ -	\$ 41,844	\$ 708,664
General Sales and Use	382,328				118,931	501,259
Selective Sales and Use	11,698					11,698
Gross Receipts Business	18,774				2,241	21,015
Occupancy					103,044	103,044
Penalties and Interest on Delinquent Taxes	2,935	1,799			491	5,225
Licenses and Permits	9,377					9,377
Intergovernmental	22,586		231,881		258,979	513,446
Revenues from Utilities	419,985					419,985
Charges for Services	71,722				155,984	227,706
Fines and Forfeits	6,931				222	7,153
Miscellaneous	26,067	158	4,853		71,995	103,073
Investment Earnings (Loss)	(3,950)	578	(2,383)	(3,419)	(5,882)	(15,056)
Contributions					60,742	60,742
Total Revenues	1,382,366	255,442	234,351	(3,419)	808,591	2,677,331
Expenditures:						
Current:						
General Government	82,184	632	22,384		14,248	119,448
Public Safety	844,082		6,361		25,726	876,169
Public Works	73,650		4,000		71,675	149,325
Health Services	41,738		31,873		31,275	104,886
Sanitation					11,280	11,280
Welfare	43,571		76,990		148,225	268,786
Culture and Recreation	126,234		161		63,499	189,894
Convention and Tourism					67,475	67,475
Urban Redevelopment and Housing	30,797		74,773		21,627	127,197
Education					79,596	79,596
Economic Development and Opportunity	9,034		21,103		41,080	71,217
Environmental					88	88
Capital Outlay					441,722	441,722
Debt Service:						
Principal Retirement		192,300			8,679	200,979
Interest		79,820			24,321	104,141
Issuance Costs				16	4,045	4,061
Leases:						
Principal Retirement	3,072		358		2,546	5,976
Interest	359		4		725	1,088
Total Expenditures	1,254,721	272,752	238,007	16	1,057,832	2,823,328
Excess (Deficiency) of Revenues Over (Under) Expenditures	127,645	(17,310)	(3,656)	(3,435)	(249,241)	(145,997)
Other Financing Sources (Uses):						
Issuance of Long-Term Debt					313,266	313,266
Refunding Debt Issued					265,875	265,875
Payments to Refunded Bond Escrow Agent					(297,558)	(297,558)
Issuance of Lease Liabilities	578		9		11,330	11,917
Premium on Long-Term Debt					54,403	54,403
Transfers In	16,895	20,069	224		717,804	754,992
Transfers Out	(52,387)			(143,085)	(563,150)	(758,622)
Total Other Financing Sources (Uses), Net	(34,914)	20,069	233	(143,085)	501,970	344,273
Net Change in Fund Balances (Deficits)	92,731	2,759	(3,423)	(146,520)	252,729	198,276
Fund Balances (Deficits) October 1	373,144	42,288	(22,991)	442,654	689,901	1,524,996
Fund Balances (Deficits) September 30	\$ 465,875	\$ 45,047	\$ (26,414)	\$ 296,134	\$ 942,630	\$ 1,723,272

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, 2022

(In Thousands)

Net change in Fund Balances - Total Governmental Funds \$ 198,276

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	403,514	
Pollution Remediation Capitalization	736	
Donated Capital Assets	1,573	
Less: Current Year Depreciation	(220,438)	
Less: Current Year Deletions	(14,798)	
	<u>170,587</u>	170,587

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements.

20,679

The issuance of long-term debt (e.g. bonds, notes and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bond, Note, Loan and Financed Purchases Amounts Issued	(579,141)	
(Premium)/Discount on Long-term Debt	(54,403)	
Payments to Escrow Agent	297,558	
Amortization of Bond Premiums/Discounts and Deferred Charges, Net	40,483	
Principal Payments	<u>200,979</u>	(94,524)

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	997	
Accrued Leave Payable	(1,061)	
Net OPEB and Pension Expenses	150,099	
Pollution Remediation	652	
Principal Amounts on Financed Purchases and Notes	537	
Net Effect of Lease Activity	(2,363)	
Other Expenses	(5)	
	<u>148,856</u>	148,856

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.

29,963

Change in Net Position of Governmental Activities

\$ 473,837

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



Statement of Net Position
Proprietary Funds
As of September 30, 2022

(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	\$ 13,234	\$ 2,809	\$ 8,373	\$ 24,416	\$ 44,581
Investments	27,492	10,848	32,326	70,666	173,334
Receivables, Net	883	10,948	1,320	13,151	957
Materials and Supplies, at Cost	940	23	135	1,098	3,902
Deposits					301
Prepaid Expenses			449	449	5,409
Lease Receivable	10,988	122	1,447	12,557	218
Due From Other Governmental Agencies, Net	79			79	701
Total Unrestricted Assets	53,616	24,750	44,050	122,416	229,403
Restricted Assets:					
Debt Service Accounts:					
Cash and Cash Equivalents	38,930	926	1,515	41,371	66
Investments	1,520	59	396	1,975	4
Receivables, Net			1	1	
Construction Accounts:					
Cash and Cash Equivalents	3,529	33	30	3,592	355
Investments	11,856		92	11,948	1,379
Receivables, Net	30			30	
Prepaid Expenses	403			403	
Improvement and Contingency Accounts:					
Cash and Cash Equivalents	46,523		185	46,708	
Investments	143,723		720	144,443	
Receivables, Net	2,827		1	2,828	
Other Restricted Assets:					
Receivables, Net	788			788	
Due From Other Governmental Agencies, Net	183			183	
Total Restricted Assets	250,312	1,018	2,940	254,270	1,804
Total Current Assets	303,928	25,768	46,990	376,686	231,207
Noncurrent Assets:					
Capital Assets:					
Land	5,323	1,107	9,366	15,796	
Buildings	542,468	11,147	27,136	580,751	179
Improvements	626,562	15,058	14,276	655,896	715
Machinery and Equipment	38,984	40,817	14,101	93,902	323,227
Depreciable Intangible	352		14,404	14,756	250
Construction in Progress	35,390	96	186	35,672	
Total Capital Assets	1,249,079	68,225	79,469	1,396,773	324,371
Less: Accumulated Depreciation	552,821	43,456	43,616	639,893	199,580
Net Capital Assets	696,258	24,769	35,853	756,880	124,791
Lease Assets	129	12	14	155	31,801
Less: Accumulated Amortization	22	2	3	27	1,492
Lease Assets, Net	107	10	11	128	30,309
Lease Receivable	84,524	251	11,879	96,654	1,964
Total Noncurrent Assets	780,889	25,030	47,743	853,662	157,064
Total Assets	1,084,817	50,798	94,733	1,230,348	388,271
Total Deferred Outflows of Resources	16,318	15,038	9,480	40,836	25,148

(Continued)

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

Statement of Net Position
Proprietary Funds (Continued)
As of September 30, 2022
(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	\$ 3,070	\$ 2,024	\$ 466	\$ 5,560	\$ 12,734
Accounts Payable - Other	11,523	4,810	5,270	21,603	3,843
Claims Payable					28,913
Accrued Payroll	608	849	508	1,965	1,367
Accrued Interest	6			6	37
Current Portion of Accrued Leave Payable	2,168	1,836	1,322	5,326	3,835
Unearned Revenue	1,688		80	1,768	18
Current Portion of Lease Liability	26	3	4	33	967
Current Portion of Financed Purchases	210			210	
Current Portion of Landfill Postclosure Costs		211		211	
Current Portion of Pollution Remediation					48
Current Portion of Asset Retirement Obligations					111
Total Payable from Current Unrestricted Assets	19,299	9,733	7,650	36,682	51,873
Payable from Current Restricted Assets:					
Vouchers Payable	6,118			6,118	
Accrued Interest	4,555	236	45	4,836	
Current Portion of Bonds and Certificates (net of premium/discount)	22,827	1,926	1,892	26,645	204
Due To Other Funds			168	168	
Other Payables	3,454			3,454	
Total Payable from Current Restricted Assets	36,954	2,162	2,105	41,221	204
Total Current Liabilities	56,253	11,895	9,755	77,903	52,077
Noncurrent Liabilities:					
Bonds and Certificates (net of current portion & discount/premium)	403,794	31,153	7,665	442,612	4,443
Claims Payable (net of current portion)					39,233
Accrued Leave Payable (net of current portion)	1,043	704	83	1,830	2,094
Lease Liability (net of current portion)	81	6	6	93	29,816
Financed Purchases (net of current portion)	733			733	
Net OPEB and Pension Liabilities	42,574	55,665	33,720	131,959	88,872
Pollution Remediation (net of current portion)	1,274			1,274	
Asset Retirement Obligations (net of current portion)	587			587	767
Landfill Postclosure Costs (net of current portion)		227		227	
Total Noncurrent Liabilities	450,086	87,755	41,474	579,315	165,225
Total Liabilities	506,339	99,650	51,229	657,218	217,302
Total Deferred Inflows of Resources	128,509	34,177	33,665	196,351	55,191
Net Position (Deficit):					
Net Investment in Capital Assets	286,575	(8,251)	26,594	304,918	120,539
Restricted:					
Debt Service	35,895	749	1,868	38,512	29
Capital Projects	183,091		907	183,998	1,739
Unrestricted (Deficit)	(39,274)	(60,489)	(10,050)	(109,813)	18,619
Total Net Position (Deficit)	\$ 466,287	\$ (67,991)	\$ 19,319	\$ 417,615	\$ 140,926
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(8,819)	
				\$ 408,796	
				Net Position of Business-Type Activities	

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, 2022

(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	\$ 109,994	\$ 131,910	\$ 58,598	\$ 300,502	\$ 418,335
Total Operating Revenues	<u>109,994</u>	<u>131,910</u>	<u>58,598</u>	<u>300,502</u>	<u>418,335</u>
Operating Expenses:					
Personal Services	35,118	53,350	32,025	120,493	85,722
Contractual Services	25,590	35,236	5,678	66,504	54,469
Commodities	2,162	11,599	686	14,447	2,166
Materials and Supplies					35,659
Claims					164,143
Other	12,762	32,728	9,405	54,895	41,195
Depreciation	40,588	4,707	6,114	51,409	34,374
Total Operating Expenses	<u>116,220</u>	<u>137,620</u>	<u>53,908</u>	<u>307,748</u>	<u>417,728</u>
Operating Income (Loss)	<u>(6,226)</u>	<u>(5,710)</u>	<u>4,690</u>	<u>(7,246)</u>	<u>607</u>
Nonoperating Revenues (Expenses):					
Investment (Loss)	(1,678)	(172)	(326)	(2,176)	(1,903)
Other Nonoperating Revenue	37,632	778	17	38,427	20,394
Gain on Sale of Capital Assets	23			23	8,272
Interest and Debt Expense	(16,511)	(1,063)	(268)	(17,842)	(232)
Other Nonoperating Expense	(3,205)			(3,205)	
Total Nonoperating Revenues (Expenses), Net	<u>16,261</u>	<u>(457)</u>	<u>(577)</u>	<u>15,227</u>	<u>26,531</u>
Change in Net Position Before Capital Contributions and Transfers	<u>10,035</u>	<u>(6,167)</u>	<u>4,113</u>	<u>7,981</u>	<u>27,138</u>
Capital Contributions	42,818	1,770		44,588	
Transfers In (Out):					
Transfers In		317	3,194	3,511	8,569
Transfers Out	(564)	(1,950)	(3,676)	(6,190)	(4,508)
Total Transfers In (Out), Net	<u>(564)</u>	<u>(1,633)</u>	<u>(482)</u>	<u>(2,679)</u>	<u>4,061</u>
Change In Net Position	<u>52,289</u>	<u>(6,030)</u>	<u>3,631</u>	<u>49,890</u>	<u>31,199</u>
Net Position (Deficit) - October 1	413,998	(61,961)	15,688		109,727
Net Position (Deficit) - September 30	<u>\$ 466,287</u>	<u>\$ (67,991)</u>	<u>\$ 19,319</u>		<u>\$ 140,926</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				1,236	
Change in Net Position of Business-Type Activities				<u>\$ 51,126</u>	

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

Statement of Cash Flows
Proprietary Funds
Year-Ended September 30, 2022
(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	\$ 116,965	\$ 131,876	\$ 59,513	\$ 308,354	\$ 417,959
Cash Payments to Suppliers for Goods and Services	(32,359)	(78,098)	(15,454)	(125,911)	(296,377)
Cash Payments to Employees for Service	(39,239)	(52,515)	(31,585)	(123,339)	(96,410)
Cash Received from Other Cash Receipts	37,632	778	17	38,427	20,395
Net Cash Provided by Operating Activities	82,999	2,041	12,491	97,531	45,567
Cash Flows from Noncapital Financing Activities:					
Transfers In from Other Funds		317	3,194	3,511	8,569
Transfers Out to Other Funds	(564)	(1,950)	(3,676)	(6,190)	(4,508)
Net Cash Provided By (Used for) Noncapital Financing Activities	(564)	(1,633)	(482)	(2,679)	4,061
Cash Flows from Capital and Related Financing Activities:					
Acquisitions and Construction of Capital Assets	(37,340)	(3,650)	(169)	(41,159)	(40,614)
Contributed Capital	42,818	1,770		44,588	
Interest and Fees Paid on Long-Term Debt	(16,716)	(1,076)	(269)	(18,061)	(234)
Interest Paid on Notes and Leases	(1)			(1)	
Principal Payments on Long-Term Debt	(19,243)	(1,902)	(1,889)	(23,034)	(194)
Proceeds from Sale of Assets	23			23	11,247
Net Cash (Used for) Capital and Related Financing Activities	(30,459)	(4,858)	(2,327)	(37,644)	(29,795)
Cash Flows from Investing Activities:					
Purchases of Investment Securities	(198,394)	(10,583)	(28,594)	(237,571)	(134,203)
Maturity of Investment Securities	111,138	10,440	13,651	135,229	65,899
Investments (Loss)	(1,955)	(172)	(316)	(2,443)	(2,135)
Net Cash (Used for) by Investing Activities	(89,211)	(315)	(15,259)	(104,785)	(70,439)
Net (Decrease) in Cash and Cash Equivalents	(37,235)	(4,765)	(5,577)	(47,577)	(50,606)
Cash and Cash Equivalents, October 1	139,451	8,533	15,680	163,664	95,608
Cash and Cash Equivalents, September 30	\$ 102,216	\$ 3,768	\$ 10,103	\$ 116,087	\$ 45,002
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Operating Income (Loss)	\$ (6,226)	\$ (5,710)	\$ 4,690	\$ (7,246)	\$ 607
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:					
Depreciation	40,588	4,707	6,114	51,409	34,374
Other Nonoperating Revenues	37,632	778	17	38,427	20,394
Changes in Assets, Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:					
(Increase) Decrease in Accounts Receivable	1,211	(30)	2,042	3,223	(3)
(Increase) in Lease Receivable	(95,512)	(373)	(13,326)	(109,211)	(2,181)
(Increase) in Due from Other Governmental Agencies	(1)			(1)	(104)
(Increase) Decrease in Materials and Supplies	(3)	6	1	4	(636)
(Increase) Decrease in Prepaid Expenses			26	26	(1,685)
Increase in Vouchers Payable	539	360	78	977	754
Increase in Claims Payable					2,483
Increase (Decrease) in Accounts Payable - Other	7,575	1,517	(505)	8,587	252
(Decrease) in Accrued Payroll	(964)	(1,238)	(726)	(2,928)	(2,242)
(Decrease) in Accrued Leave Payable	(78)	(280)	(139)	(497)	(373)
(Decrease) in Landfill Postclosure Liability		(418)		(418)	
(Decrease) in Net OPEB Liability and Pension Liability	(10,285)	(5,437)	(3,410)	(19,132)	(20,404)
Increase (Decrease) in Pollution Remediation Liability	44			44	(72)
Increase in Asset Retirement Obligations					160
Decrease in Deferred Outflows of Resources	862	461	442	1,765	589
Increase in Deferred Inflows of Resources	106,379	7,698	17,210	131,287	13,655
Increase (Decrease) in Unearned Revenue	1,238		(19)	1,219	(1)
(Decrease) in Due to Other Governmental Agencies			(4)	(4)	
Net Cash Provided by Operating Activities	\$ 82,999	\$ 2,041	\$ 12,491	\$ 97,531	\$ 45,567

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

Statement of Fiduciary Net Position**Fiduciary Funds****As of September 30, 2022**

(In Thousands)

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS	CUSTODIAL FUNDS
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 103,817	\$ 3,638
Security Lending Collateral	134,858	
Investments:		
Common Stock	2,020,358	
U.S. Government Securities	124,147	2,211
Corporate Bonds	668,110	
Foreign Bonds	184,998	
Mutual Funds	118,047	
Hedge Funds	30,886	
Real Estate	374,421	
Alternative	1,093,289	
Receivables:		
Accounts	4,041	656
Accrued Interest	4,732	5
Accrued Revenue	14,492	
Prepaid Expenses	53	
Total Current Assets	4,876,249	6,510
Capital Assets:		
Land	14,667	
Machinery and Equipment	1,042	
Buildings	2,024	
Total Capital Assets	17,733	
Less: Accumulated Depreciation	2,037	
Net Capital Assets	15,696	
Total Assets	\$ 4,891,945	\$ 6,510
Liabilities:		
Vouchers Payable	\$ 11,281	\$ -
Accounts Payable - Other	19,315	
Claims Payable	4,872	
Accrued Payroll	530	
Unearned Revenue	1	
Securities Lending Obligation	134,858	
Total Liabilities	170,857	
Net Position:		
Restricted for Pensions	4,150,930	
Restricted for Other Postemployment Benefits	570,158	
Restricted for individuals, organizations, and other governments		6,510
Total Net Position	\$ 4,721,088	\$ 6,510

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, 2022
(In Thousands)

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS	CUSTODIAL FUNDS
Additions:		
Contributions:		
Employer	\$ 135,019	\$ -
Employee	65,822	
Other Contributions	2,126	
Total Contributions	202,967	
Investment Earnings:		
Net Increase (Decrease) in Fair Value of Investments	531,542	(43)
Real Estate Income, Net	7,663	
Interest and Dividends	55,195	17
Securities Lending	400	
Other Income	677	
Total Investment Earnings	595,477	(26)
Less: Investment Expenses		
Investment Management Fees and Custodian Fees	(14,611)	
Less: Securities Lending Expenses		
Borrower Rebates and Lending Fees	(96)	
Net Investment Earnings (Loss)	580,770	(26)
Collections:		
Tax Collections for Other Governments		43,354
Fee and Fine Collections for Other Governments		6,174
Payments Collected on Behalf of Others		199
Total Collections		49,727
Total Additions	783,737	49,701
Deductions:		
Benefits	274,169	
Refunds of Contributions	1,179	
Administrative Expense	7,891	672
Fees and Fines Disbursed to Other Governments		5,190
Payments Disbursed on Behalf of Others		787
Tax Collections Disbursed to Other Governments		38,304
Other Disbursements		2,239
Total Deductions	283,239	47,192
Change in Net Position	500,498	2,509
Net Position - Beginning of Fiscal Year	4,220,590	4,001
Net Position - End of Fiscal Year	\$ 4,721,088	\$ 6,510

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

Statement of Net Position
Discretely Presented Component Units
As of September 30, 2022

(In Thousands)

	CPS ENERGY	SAN ANTONIO WATER SYSTEM	NONMAJOR COMPONENT UNITS	TOTAL
Assets:				
Current Assets:				
Unrestricted Assets:				
Cash and Cash Equivalents	\$ 384,834	\$ 165,654	\$ 15,256	\$ 565,744
Investments		373,994	44,352	418,346
Receivables, Net	422,781	88,110	29,377	540,268
Materials and Supplies, at Cost	193,999	6,302		200,301
Due from Other Governmental Agencies			3,391	3,391
Prepaid Expenses	155,673	7,539	23,823	187,035
Other Assets			719	719
Total Unrestricted Assets	1,157,287	641,599	116,918	1,915,804
Restricted Assets:				
Debt Service Accounts:				
Cash and Cash Equivalents	1,347	87,169	10,543	99,059
Investments		27,022	99,548	126,570
Receivables, Net			69	69
Capital Projects Accounts:				
Cash and Cash Equivalents	51,141	174,165		225,306
Investments		232,654		232,654
Receivables, Net	58			58
Ordinance Accounts:				
Cash and Cash Equivalents	23,494			23,494
Investments	546,439			546,439
Receivables, Net	1,701			1,701
Other Restricted Accounts:				
Cash and Cash Equivalents	33,934		7,682	41,616
Investments	722,759	319,602		1,042,361
Receivables, Net	5,147		447	5,594
Lease Receivable			251	251
Total Restricted Assets	1,386,020	840,612	118,540	2,345,172
Total Current Assets	2,543,307	1,482,211	235,458	4,260,976
Noncurrent Assets:				
Capital Assets:				
Land	112,823	169,022	39,563	321,408
Land Easements and Water Rights	106,765	249,251		356,016
Depreciable Intangible Assets	299,499	1,354		300,853
Infrastructure			78,162	78,162
Buildings			415,307	415,307
Utility Plant in Service	14,265,897	8,032,768		22,298,665
Machinery and Equipment		581,202	13,492	594,694
Construction in Progress	719,987	603,821	27,104	1,350,912
Nuclear Fuel	1,151,055			1,151,055
Total Capital Assets	16,656,026	9,637,418	573,628	26,867,072
Less: Accumulated Depreciation	7,747,165	2,520,370	188,945	10,456,480
Net Capital Assets	8,908,861	7,117,048	384,683	16,410,592
Other Noncurrent Assets:				
Receivables, Net			154,577	154,577
Prepaid Expenses			86,051	86,051
Pension Regulatory Asset	223,819			223,819
Lease Receivable			5,127	5,127
Other Noncurrent Assets	1,076,336	3,568		1,079,904
Total Other Noncurrent Assets	1,300,155	3,568	245,755	1,549,478
Total Noncurrent Assets	10,209,016	7,120,616	630,438	17,960,070
Total Assets	12,752,323	8,602,827	865,896	22,221,046
Deferred Outflows of Resources	724,718	90,960	861	816,539

(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, 2022

(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	\$ 491,815	\$ 60,147	\$ 18,669	\$ 570,631
Unearned Revenues			1,369	1,369
Current Portion of Long-Term Lease/Notes Payable		16,415	3,967	20,382
Current Portion of Other Payables	35,143	8,821		43,964
Total Payable from Current Unrestricted Assets	526,958	85,383	24,005	636,346
Payable from Restricted Assets:				
Accounts Payable and Other Current Liabilities		46,562		46,562
Accrued Interest on Bonds and Certificates		15,507	4,581	20,088
Current Portion of Bonds and Certificates	269,790	80,910	31,395	382,095
Current Portion of Commercial Paper		4,435		4,435
Total Payable from Restricted Assets	269,790	147,414	35,976	453,180
Total Current Liabilities	796,748	232,797	59,981	1,089,526
Noncurrent Liabilities:				
Bonds and Certificates (net of current portion & premium/discount)	5,707,277	3,126,091	160,950	8,994,318
Commercial Paper (net of current portion)	660,000	229,585		889,585
Asset Retirement Obligations	1,084,140	36,191		1,120,331
Long-Term Lease/Notes Payable (net of current portion)		887,585	198,346	1,085,931
Net OPEB and Pension Liabilities	248,174	32,932		281,106
Other Payables (net of current portion)	846,987	19,931	71,630	938,548
Total Noncurrent Liabilities	8,546,578	4,332,315	430,926	13,309,819
Total Liabilities	9,343,326	4,565,112	490,907	14,399,345
Deferred Inflows of Resources	253,467	65,991	178,062	497,520
Net Position:				
Net Investment in Capital Assets	2,731,389	3,182,373	150,874	6,064,636
Restricted for:				
Debt Service	870	83,267		84,137
Capital Projects	571,634	243,927	1,085	816,646
Operating and Other Reserves		79,243		79,243
Unrestricted	576,355	473,874	45,829	1,096,058
Total Net Position	\$ 3,880,248	\$ 4,062,684	\$ 197,788	\$ 8,140,720

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

Statement of Activities
Discretely Presented Component Units
Year-Ended September 30, 2022
(In Thousands)

	PROGRAM REVENUES				NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			TOTALS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	CPS ENERGY	SAN ANTONIO WATER SYSTEM	NONMAJOR COMPONENT UNITS	
CPS Energy	\$ 2,812,185	\$ 2,762,548	\$ -	\$ 74,403	\$ 24,766	\$ -	\$ -	\$ 24,766
San Antonio Water System	720,572	779,332		239,655		298,415		298,415
Nonmajor Component Units	153,516	96,575		165			(56,776)	(56,776)
Total	\$ 3,686,273	\$ 3,638,455	\$ -	\$ 314,223	24,766	298,415	(56,776)	266,405
General Revenues:								
					71,312	(1,654)	7,497	77,155
						2,702	50,478	53,180
					43,415			43,415
					114,727	1,048	57,975	173,750
					139,493	299,463	1,199	440,155
					3,740,755	3,763,221	196,589	7,700,565
					\$ 3,880,248	\$ 4,062,684	\$ 197,788	\$ 8,140,720

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

Annual Comprehensive Financial Report**Notes to Financial Statements****Year-Ended September 30, 2022**

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Note 1 Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Using the criteria of GASB Statement No. 14, as amended, outlined below, potential component units were evaluated for inclusion in or exclusion from the reporting entity, whether the organizations were financially accountable or not, and were further evaluated for financial statement presentation. Based on their individual relationships with the City, some component unit financial statements were blended as though they are part of the City and others were discretely presented.

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

The following criteria (as set forth in GASB Statement No. 14, as amended) were used in the evaluation of potential component units of the City:

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

Note 1 Summary of Significant Accounting Policies (Continued)**Reporting Entity (Continued)**

The criteria outlined on the previous page were excerpted from GASB Statement No. 14, as amended. For a more detailed explanation of the criteria established by the Statements, refer to the *Codification of Governmental Accounting and Financial Reporting Standards*, as of June 30, 2021, published by GASB, Sections 2100 and 2600. GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, further clarifies that a “not-for-profit” may not be financially accountable to the City, but may be considered a component unit based on the nature and significance of its relationship with the City. Predicated upon the application of the criteria outlined above, the following is a brief overview of component units included in the reporting entity.

Blended Component Units

The relationships among the following component units and the City meet the criteria, as set forth in GASB Statement No. 14, as amended, for inclusion in the reporting entity and are such that the financial statements are blended with those of the City.

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

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

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

**Convention Center Hotel
Finance Corporation**
100 W. Houston St.
San Antonio, TX 78205
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. 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. The Convention Center Hotel Finance Corporation dissolved in fiscal year 2022.

Note 1 Summary of Significant Accounting Policies (Continued)**Blended Component Units (Continued)**

**Hemisfair Park Area
Redevelopment Corporation**
630 E. Nueva St.
San Antonio, TX 78205
Contact: Andres Andujar
Telephone No. (210) 709-4750

The Hemisfair Park Area Redevelopment Corporation (HPARC) was established in fiscal year 2009 in accordance with state laws for the purposes of, and to act on behalf of the City in, assisting with acquiring property, planning, developing, constructing, managing, and financing projects within Hemisfair Park and its surrounding area in order to promote economic development, employment, and to stimulate business, housing, tourism, and commercial activity within the City. Though HPARC does not directly provide services to the City, its services benefit the City. The HPARC is governed by 11 members appointed by the City Council. The City's ability to impose its will on HPARC is through City Council having the power to remove board members. HPARC has additionally met the fiscal dependency and financial benefit/burden criteria.

**Municipal Golf Association –
San Antonio DBA
Alamo City Golf Trail**
2315 Avenue B
San Antonio, TX 78215
Contact: Joe Nunez
Telephone No. (210) 908-5921

Municipal Golf Association – San Antonio DBA Alamo City Golf Trail (MGA- SA) was established in fiscal year 2007 in accordance with state laws for the purposes of, and to act on behalf of the City in, operating and promoting the City's municipal golf facilities. MGA-SA is governed by a 15-member board of directors, which is comprised of seven members selected by MGA- SA according to the approved process contained in its by-laws; two ex- officio member positions from City staff who are appointed by the City Manager; and six members appointed by the City Council. MGA-SA provides services entirely to the City through managing the City's eight golf courses.

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

Prosper West San Antonio (PWSA), formerly known as Westside Development Corporation, was established in fiscal year 2006 in accordance with state laws for the purposes of promoting economic development and redevelopment opportunities in the west side of San Antonio. PWSA seeks to generate new capital investment, create higher paying jobs, and reduce the poverty level in the area. In addition, PWSA functions as a land development corporation that has the power to buy, sell, and accept land as a nonprofit without the restrictions placed upon a municipality. Therefore, although PWSA does not directly provide services to the City, it benefits the City. PWSA is governed by a board of directors nominated by a City Council committee and appointed by the City Council. The policy-setting oversight authority consists of 17 members, comprised of representatives of key stakeholders and PWSA advocates. The City can remove board members at will, providing the City the ability to impose its will. PWSA has met the financial benefit/burden criteria. The City did not receive PWSA's fiscal year 2022 audited financial statements; therefore, its financial data is not disclosed in the City's financial statements. PWSA is considered immaterial to the opinion unit.

Note 1 Summary of Significant Accounting Policies (Continued)**Blended Component Units (Continued)**

<p>San Antonio Early Childhood Education Municipal Development Corporation 7031 S. New Braunfels Ave. San Antonio, TX 78223 Contact: Dr. Sarah Baray Telephone No. (210) 206-2750</p>	<p>The San Antonio Early Childhood Education Municipal Development Corporation (ECEMDC) was established in fiscal year 2012 in accordance with state laws for the purpose of, and to act on behalf of the City, to develop and implement programs for early childhood development, job training, and any other undertaking that the board determines will directly facilitate the development of a skilled workforce and foster economic opportunity. As such in 2020, Pre-K 4 SA was established to develop and implement authorized programs for early childhood education services. Additionally, in 2020, SA: Ready to Work was established to ensure that unemployed, underemployed, or underserved residents can access and successfully complete training and education that lead to current and anticipated high-demand, well-paid careers. ECEMDC is governed by a board of trustees appointed by the City Council. ECEMDC's debt, including leases, is expected to be repaid almost entirely with the resources of the City, a 1/8 cent sales tax increase approved by San Antonio residents for each program. The City has the ability to impose its will and has met the fiscal dependency and financial benefit/burden criteria.</p>
<p>San Antonio Economic Development Corporation 100 W. Houston St. San Antonio, TX 78205 Contact: Brenda Hicks-Sorenson Telephone No. (210) 207-3970</p>	<p>The San Antonio Economic Development Corporation (EDC) was established in fiscal year 2010 as a nonprofit corporation to promote, assist, and enhance economic development activities for the City. EDC was organized for the purposes of undertaking any statute-authorized projects to benefit and accomplish the public purpose of promoting economic development in the City. The affairs of EDC are managed by a board of directors appointed by the City Council. The City Council may remove a director at any time without cause. EDC's budget is not effective until approved by the City Council. EDC provides services entirely to the City, as contracts or agreements cannot be executed without City Council approval. The City has the ability to impose its will.</p>
<p>San Antonio Education Facilities Corporation 100 W. Houston St. San Antonio, TX 78205 Contact: Brenda Hicks-Sorenson Telephone No. (210) 207-3970</p>	<p>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.</p>

Note 1 Summary of Significant Accounting Policies (Continued)**Blended Component Units (Continued)**

<p>San Antonio Health Facilities Development Corporation 100 W. Houston St. San Antonio, TX 78205 Contact: Brenda Hicks-Sorenson Telephone No. (210) 207-3970</p>	<p>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.</p>
<p>San Antonio Industrial Development Authority 100 W. Houston St. San Antonio, TX 78205 Contact: Brenda Hicks-Sorenson Telephone No. (210) 207-3970</p>	<p>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.</p>
<p>San Antonio Texas Municipal Facilities Corporation 100 W. Houston St. San Antonio, TX 78205 Contact: Margaret U. Villegas Telephone No. (210) 207-8632</p>	<p>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.</p>
<p>Starbright Industrial Development Corporation 100 W. Houston St. San Antonio, TX 78205 Contact: Margaret U. Villegas Telephone No. (210) 207-8632</p>	<p>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.</p>

Note 1 Summary of Significant Accounting Policies (Continued)**Blended Component Units (Continued)**

<p>Texas Public Facilities Corporation 100 W. Houston St. San Antonio, TX 78205 Contact: Margaret U. Villegas Telephone No. (210) 207-8632</p>	<p>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.</p>
<p>Urban Renewal Agency of the City of San Antonio DBA Office of Urban Redevelopment of San Antonio 100 W. Houston St. San Antonio, TX 78205 Contact: Veronica Garcia Telephone No. (210) 207-8477</p>	<p>The Urban Renewal Agency of the City of San Antonio DBA Office of Urban Redevelopment of San Antonio (OUR SA) was created under the provisions of the Urban Renewal Law of the State of Texas. OUR SA is responsible for implementing the City's Urban Renewal Program and may designate for urban renewal in such areas as it deems advisable, subject to approval by the City Council. OUR SA receives a majority of its operating funds from the City. OUR SA is governed by a six-member board of commissioners appointed by the City Council. The City's management has operational responsibility for Our SA. The City has the ability to impose its will.</p>
<p>Visit San Antonio 317 Alamo Plaza San Antonio, TX 78205 Contact: Kari Chapman Telephone No. (210) 244-2026</p>	<p>Visit San Antonio (VSA) was established in fiscal year 2016 in accordance with state laws for the purposes of providing destination and marketing services, attracting leisure visitors, events and conventions to the City's Henry B. Gonzalez Convention Center and other owned facilities. VSA will also serve as a liaison to local businesses, including hoteliers, sports foundations, and other similar entities to attract visitors and events to the City. VSA has a 21-member board, of which the City Manager and two Council members are appointed by the Mayor. VSA provides services almost entirely to the City.</p>

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

Note 1 Summary of Significant Accounting Policies (Continued)**Fiduciary Component Units**

The relationships among the following component units and the City meet the criteria, as set forth in GASB Statement No. 14, as amended, for inclusion in the reporting entity and are such that the financial statements are presented as fiduciary funds of the City.

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

**San Antonio Fire and Police
Pension Fund**

11603 W. Coker Loop, Ste. 201
San Antonio, TX 78216
Contact: Warren Schott
Telephone No. (210) 534-3262

The San Antonio Fire and Police Pension Fund (Pension Fund) is a single-employer defined benefit pension plan established in accordance with state law. The Pension Fund is administered by a nine-member board of trustees, including two members of the City Council, the Mayor or his appointee, two active police officers, two active firefighters, and two uniformed retirees. The City and its active uniformed personnel are obligated to make all contributions to the Pension Fund in accordance with rates established by state laws. Benefit levels are also set by state laws. Services rendered by the Pension Fund are exclusively for the benefit of eligible firefighters and police officers, upon retirement. The Pension Fund provides services entirely only to the City's uniformed personnel.

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

11603 W. Coker Loop, Ste. 130
San Antonio, TX 78216
Contact: James Bounds
Telephone No. (210) 494-6500

The City of San Antonio Firefighters' and Police Officers' Retiree Prefunded Group Health Plan was created in October 1989 in accordance with the provisions of the City's contracts with the local fire and police unions, respectively, to provide postemployment health care benefits to uniformed employees who retired on or after October 1, 1989. Pursuant to the passage of Senate Bill 1568 in 1997, a separate and distinct statutory trust, the Retiree Health & Wellness SA Fire and Police Fund (Health Fund), was created to provide these postemployment health care benefits for eligible uniformed employees of the City. The Health Fund is administered by a nine-member board of trustees, including two members of the City Council, the Mayor or his appointee, two active police officers, two active firefighters, and two uniformed retirees. The City, active uniform employees, and retirees on behalf of their dependents are obligated to make all contributions to the Health Fund in accordance with rates established by state laws. Benefits are established pursuant to legislation enacted by the State with the Health Fund Board's ability to modify those benefits within certain parameters. The Health Fund provides services entirely to the City's active and retired uniformed personnel.

Note 1 Summary of Significant Accounting Policies (Continued)**Fiduciary Component Units (Continued)**

<p>City of San Antonio Retiree Health Care Fund 100 W. Houston St. San Antonio, TX 78205 Contact: Wanda Heard Telephone No. (210) 207-8705</p>	<p>The City of San Antonio's Retiree Health Care Fund was created to provide postemployment health care benefits entirely to civilian retirees and uniformed employees who retired prior to October 1, 1989. The Retiree Health Care Fund is governed by a board of directors, which is comprised of the City Council. The City and its eligible retirees make all contributions to the Retiree Health Care Fund in accordance with assessments and rates adopted by City Council through passage of the annual adopted budget. Additionally, benefits are established pursuant to adoption of annual budget. The Retiree Health Care Fund's governing board is the same as the City's governing board, it meets the financial benefit/burden and the operational responsibility criteria. The City has the ability to impose its will.</p>
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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 Financial Comprehensive Report for both entities is as of December 31, 2021.

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.

<p>Brooks 3201 Sidney Brooks San Antonio, TX 78235 Contact: Jason Murguia Telephone No. (210) 678-3318</p>	<p>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 2022 audited financial statements; therefore, its financial data is not disclosed in the City's financial statements. Brooks is considered immaterial to the opinion unit.</p>
<p>CPS Energy P.O. Box 1771 San Antonio, TX 78296 Contact: David Ramirez Telephone No. (210) 216-2639</p>	<p>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.</p>

Note 1 Summary of Significant Accounting Policies (Continued)**Discretely Presented Component Units (Continued)**

<p>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</p>	<p>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.</p>
<p>SA Energy Acquisition Public Facility Corporation P.O. Box 1771 San Antonio, TX 78296 Contact: David Ramirez Telephone No. (210) 216-2639</p>	<p>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.</p>
<p>San Antonio Bexar County Soccer Public Facility Corporation 100 Military Plaza San Antonio, TX 78205 Contact: Alejandra Lopez Telephone No. (210) 207-3975</p>	<p>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.</p>
<p>San Antonio Housing Trust Finance Corporation 2515 Blanco Rd. San Antonio, TX 78212 Contact: Pedro Alanis Telephone No. (210) 735-2772</p>	<p>The San Antonio Housing Trust Finance Corporation (HTFC) was established in 1997 under the Texas Housing Finance Corporations Act (the Act), in accordance with state laws for the purposes of, and to act on behalf of the City in, carrying out the purposes of the Act, including the issuance of single family and multi-family revenue bonds. HTFC's board of directors is appointed by City Council, consisting of five City Council members. The City can remove board members at will, providing the City the ability to impose its will. The City did not receive HTFC's fiscal year 2022 audited financial statements; therefore, its financial data is not disclosed in the City's financial statements. HTFC is considered immaterial to the opinion unit.</p>

Note 1 Summary of Significant Accounting Policies (Continued)**Discretely Presented Component Units (Continued)**

<p>San Antonio Housing Trust Foundation, Inc. 2515 Blanco Rd. San Antonio, TX 78212 Contact: Pedro Alanis Telephone No. (210) 735-2772</p>	<p>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 2022 audited financial statements; therefore, its financial data is not disclosed in the City's financial statements. HTF is considered immaterial to the opinion unit.</p>
<p>San Antonio Housing Trust Public Facility Corporation 2515 Blanco Rd. San Antonio, TX 78212 Contact: Pedro Alanis Telephone No. (210) 735-2772</p>	<p>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 2022 audited financial statements; therefore, its financial data is not disclosed in the City's financial statements. HTPFC is considered immaterial to the opinion unit.</p>
<p>San Antonio Housing Trust Reinvestment Corporation 2515 Blanco Rd. San Antonio, TX 78212 Contact: Pedro Alanis Telephone No. (210) 735-2772</p>	<p>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 2022.</p>
<p>San Antonio Water System P.O. Box 2449 San Antonio, TX 78298 Contact: Doug Evanson Telephone No. (210) 233-3803</p>	<p>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.</p>

Note 1 Summary of Significant Accounting Policies (Continued)**Discretely Presented Component Units (Continued)**

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

SAWS' fiscal year-end is December 31, 2021, while CPS Energy's and SA Energy Acquisition Public Facility Corporation's fiscal year-end is January 31, 2022.

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

Related Organizations

The City Council appoints members to the board of commissioners for the City of San Antonio Housing Authority (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. Discretely presented component units are also reported in the Statement of Net Position.

Note 1 Summary of Significant Accounting Policies (Continued)**Basic Financial Statements - GASB Statement No. 34 (Continued)**

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

Fund Accounting

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

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

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

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

Note 1 Summary of Significant Accounting Policies (Continued)**Fund Accounting (Continued)**

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

- The General Fund is always presented as a major fund.
- The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs, except those that are accounted for in enterprise funds.
- The COVID-19 Funds accounts for the receipt and disbursements of federal, state, local, and private money designated to be spent towards the City's response to the COVID-19 pandemic and better prepare the City after the pandemic through infusion of cash aid and services to the community.
- 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), tax notes, grants and facility charges assessed to users.
- Solid Waste Management accounts for all revenues and expenses associated with the operations and maintenance of the City's solid waste and environmental management programs, required debt service for outstanding bonds, and construction and management of Solid Waste Management's assets.

Governmental Funds

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

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

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

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

Note 1 Summary of Significant Accounting Policies (Continued)**Fund Accounting (Continued)*****Governmental Funds (Continued)***

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

The governmental funds that have legally adopted budgets are the General Fund, Debt Service Fund, Special Revenue Funds (excluding HOME Program, Categorical Grant-In-Aid, COVID-19 Funds, Community Development Program, Early Education, Ready to Work SA, Tax Increment Reinvestment Zone, San Antonio Housing Trust, and most Community Services Funds), and City Cemeteries.

Proprietary Funds

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

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

Fiduciary Funds

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

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

Note 1 Summary of Significant Accounting Policies (Continued)**Measurement Focus and Basis of Accounting*****Primary Government (City)***

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

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

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

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

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

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

Note 1 Summary of Significant Accounting Policies (Continued)**Measurement Focus and Basis of Accounting (Continued)****Primary Government (City) (Continued)**

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

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

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

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

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

CPS Energy

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

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

Note 1 Summary of Significant Accounting Policies (Continued)**Measurement Focus and Basis of Accounting (Continued)*****CPS Energy (Continued)***

Revenues are recorded when earned. Customers' meters are read, or periodically estimated, and bills are prepared monthly based on billing cycles. Rate tariffs include adjustment clauses that permit recovery of electric and gas fuel costs. CPS Energy uses historical information from prior fiscal years as partial bases to estimate and record earned revenue not yet billed (unbilled revenue). This process involves an extrapolation of customer usage over the days since the last meter read through the last day of the monthly period. Also included in unbilled revenue are the over/under-recoveries of electric and gas fuel costs and regulatory assessments. Unbilled revenue receivable recorded at January 31, 2022 including estimates for electric fuel and gas costs, was \$64,173.

Nonoperating revenues consist primarily of investment income, including fair 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.

The allowance for uncollectible accounts is management's best estimate of the amount of probable credit losses based on account delinquencies, historical write-off experience and current energy market conditions. Account balances are written off against the allowance when it is probable the receivable will not be recovered. The allowance for uncollectible accounts totaled \$106,801 fiscal year-ended January 31, 2022. As a result of COVID-19 impacts on outstanding accounts receivable balances, the allowance for uncollectible accounts increased because of the suspension of disconnects and customers being unable to pay.

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

CPS Energy records bad debts for its estimated uncollectible accounts related to electric and gas services as a reduction to the related operating revenues. CPS Energy's bad debt provision totaled \$59,115 for the fiscal year-ended January 31, 2022. At January 31, 2022, customer accounts receivables, net were \$338,732.

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 2022 was \$79,469.

Note 1 Summary of Significant Accounting Policies (Continued)**Measurement Focus and Basis of Accounting (Continued)*****CPS Energy (Continued)***

In fiscal year 2022, the City approved the use of regulatory accounting related to the fuel expenses that were incurred as a result of Winter Storm Uri in February 2021 that severely impacted the CPS Energy service area. CPS Energy incurred unprecedented costs associated with the winter storm that included purchases of natural gas and purchased power, along with financing costs to cover short-term liquidity needs, and legal costs for ongoing legal disputes over excessive amounts invoiced by gas suppliers. On January 13, 2022, the City approved the ordinance that established a rate-supported regulatory asset for the winter storm costs incurred and recovery of paid fuel costs totaling \$418,000 to be recovered over a 25-year period, commencing in March 2022. Recovery of additional amounts for costs included in the regulatory asset must be approved by CPS Energy's Board of Trustees and City Council. At January 31, 2022, fuel costs to be recovered in future years totaled \$789,659.

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 (ARO)*. CPS Energy has recognized its pro rata share of an ARO based on the best estimate of the current values of outlays expected to be incurred to decommission the units, determined by the most recent cost study. A new cost study is performed every five years; in years after the latest study, the GASB Statement No. 83 requires the current value of the CPS Energy's ARO be adjusted for the effects of inflation or deflation, at least annually. In addition to the ARO, CPS Energy has recorded deferred outflows of resources that are being amortized over the remaining useful life of the plant.

Additionally, due to requirements under the Code of Federal Regulations governing nuclear decommissioning trust funds, 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.

In fiscal year 2022, CPS Energy implemented GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, and has discontinued capitalizing interest on construction projects. However, prior to fiscal year 2022, to reflect funding methodology, the Allowance for Funds Used During Construction (AFUDC) rate included both a debt and an equity component. The blended rate was composed of 50.0% equity and 50.0% debt based on construction funding forecasts. Alternate AFUDC rates were applied to projects costing more than \$100,000, reflecting the method by which they are funded.

Note 1 Summary of Significant Accounting Policies (Continued)**Measurement Focus and Basis of Accounting (Continued)*****CPS Energy (Continued)***

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

San Antonio Water System (SAWS)

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

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

Current Year GASB Statement Implementations

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 lease's guidance, unless specifically excluded in this Statement. The City evaluated the lessor and lessee leases and has made the necessary adjustments to the financial statements. Please see Note 14 Leases for further information.

Note 1 Summary of Significant Accounting Policies (Continued)**Current GASB Statement Implementations (Continued)**

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 five through 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 City has ceased allocating interest cost incurred to capital projects in progress within business-type activities. Interest costs will be expensed in its respective reporting fund.

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.

- The terms derivative and derivatives in National Council on Governmental Accounting and GASB pronouncements should be replaced with derivative instrument and derivative instruments, respectively. The City has modified all applicable Notes to the Financial Statements accordingly.
- The requirements of GASB Statement No. 87 are effective for fiscal year beginning after June 15, 2021, and all reported periods thereafter. The requirements of Implementation Guide 2019-3 are effective for fiscal years beginning after June 15, 2021, and all reporting periods thereafter. The City implemented the requirements for GASB Statement No. 87 and Implementation Guide 2019-3 for the fiscal year-ending September 30, 2022.

This Statement addresses a variety of topics and some of the provisions do not apply to the City.

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). The statement allows provisions of a lease contract to be amended while the contract is in effect such as changing the index or rate. In reference to GASB Statement No. 87, if a variable payment is changed to replace IBOR with another rate it is not considered a lease modification. The City does not utilize hedging derivative instruments, the City does not have any debt that has variable debt payments based on LIBOR, and the City does not utilize hedging derivative instruments. Therefore, these portions of GASB Statement No. 93 do not require changes in the City's financial reporting.

Note 1 Summary of Significant Accounting Policies (Continued)**Current 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 City's Section 457 plan does not qualify as a pension plan due to the City has no liability for losses under this plan, therefore, the City's Section 457 plan does not meet the criteria of a pension plan.

GASB Statement No. 99, *Omnibus 2022*, the primary objective of this Statement is to enhance comparability in accounting and financial reporting and improve consistency of authoritative literature by addressing (1) practice issues from implementation and application of certain other GASB statements and (2) accounting and financial reporting for financial guarantees. This area specifically covers the early implementation of clarification of provisions in GASB Statement No. 87, as amended, related to determination of lease term, classification of lease as short-term, recognition and measurement of a lease liability and asset, and identification of lease incentives. Related to the lease term the statement states that the option to purchase the underlying asset should be considered an option to terminate and be included in the evaluation of the lease term. However, the termination due to lease violation should not be considered in the valuation. The exclusion of short-term of Statement No. 87, lead the board to be concerned of restructuring of leases to avoid general recognition and measurement of the lease. Thus, to minimize this, the entire lease term from inception should be considered to determine if the lease applies as a short-term lease. The statement clarifies recognition and measurement of lease by stating, the lease liability or asset should not be remeasured due solely to change in index or rate change in incremental borrowing rate. The City implemented GASB Statement No. 87 in fiscal year 2022, and will be early implementing paragraphs 11-17, which relates to lease topics. Refer below to GASB Statement No. 99, *Omnibus 2022* for the remaining provisions of this statement.

Adoption of the above standards had no effect on beginning net position/fund balance as of October 1, 2021.

Future GASB Statement Implementations

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 after December 15, 2021. The City will assess and implement this Statement where applicable in fiscal year 2023.

Note 1 Summary of Significant Accounting Policies (Continued)**Future GASB Statement Implementations (Continued)**

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 applicable 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 applicable in fiscal year 2023.

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Note 1 Summary of Significant Accounting Policies (Continued)**Future GASB Statement Implementations (Continued)**

GASB Statement No. 99, *Omnibus 2022*, the primary objective of this Statement is to enhance comparability in accounting and financial reporting and improve consistency of authoritative literature by addressing (1) practice issues from implementation and application of certain other GASB statements and (2) accounting and financial reporting for financial guarantees. This statement clarifies that instruments within scope of GASB Statement No. 53 that do not meet the definition of an investment derivative or of a hedging derivative are considered as other derivative instruments. This statement clarifies GASB Statement No. 94, *Public-Private and Public-Public Partnership and Availability Payment Arrangements*, related to determining terms of public-private and public-public partnership terms and the recognition and measurement of installment payments and transfer of the underlying asset. This statement provides clarification on GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the term, term classification, and the recognition and measurement of the liability. The statement extends the period in which London Interbank Offered Rate (LIBOR) is considered an appropriate interest rate benchmark for qualitative evaluation of interest rate swap effectiveness that hedges interest rate risk for taxable debt. Additionally, this statement provides clarification on GASB Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, as amended, related to the focus of government-wide financial statements. Finally, the statement clarifies, accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP), disclosures related to nonmonetary transactions, pledges of future revenues when resources are not received by the pledging government, terminology used in GASB Statement No. 53 to refer to resource flows statements and terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in GASB Statement No. 34, as amended, and terminology updates related to GASB Statement No. 53 and GASB Statement No. 63 are effective upon issuance. The requirements related to PPPs and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City will assess and implement this Statement where applicable in fiscal years 2023 and 2024.

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

Note 1 Summary of Significant Accounting Policies (Continued)**Future GASB Statement Implementations (Continued)**

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

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

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Note 1 Summary of Significant Accounting Policies (Continued)**Cash and Cash Equivalents and Investments**

The City's investment practices are governed by state statutes and by the City's own Investment Policy. City cash is required to be deposited in Federal Deposit Insurance Corporation (FDIC) insured banks located within the State of Texas. A pooled cash and investment strategy is utilized, which enables the City to have one central depository. Investments are pooled into two primary categories: operating funds and debt service funds. The balances in these funds are invested in an aggregate or pooled amount, with principal and interest income distributed to each respective fund on a prorated basis. In addition, the City may purchase certain investments with the available balance of a specific fund for the sole benefit of such fund. Fair value of the City's investments is determined by quoted market prices and valuations using interest rate curves and credit spreads applied to the terms of the debt instrument, while also considering the counterparty rating. The City's policy with respect to money market investments, which have a remaining maturity of one year or less at the time of purchase, is to report those investments at amortized cost, which approximates fair value. Amortization of premium or accretion of discount is recorded over the term of the investments. As of September 30, 2022, the City's investment portfolio did not contain any derivative instruments or alternative investment products, nor was it leveraged in any way. Derivative instruments or alternative investment products are found only where noted in the Pension Fund and Health Fund. For a listing of authorized investments, see Note 4 Cash and Cash Equivalents, Securities Lending and Investments.

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

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.

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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 financed purchases are recorded at the present value of future minimum payments. Depreciation on all exhaustible capital assets of the City is charged as an expense with accumulated depreciation being reported in the Statement of Net Position. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

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

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

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

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

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Note 1 Summary of Significant Accounting Policies (Continued)**Capital Assets and Depreciation (Continued)****CPS Energy**

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

CPS Energy's utility plant is stated at the cost of construction, including expenses for contracted services; direct equipment, material and labor; indirect costs, including general engineering, labor, equipment and material overheads; AFUDC, or capitalized interest. In accordance with the implementation of GASB Statement No. 89 in fiscal year 2022, AFUDC is no longer applied to projects.

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 \$74,403 for the period ending January 31, 2022, including donated assets of \$9,597. The remaining portion of this balance, \$64,806 for fiscal year 2022 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 3.0% for fiscal year 2022.

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

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

Note 1 Summary of Significant Accounting Policies (Continued)**Capital Assets and Depreciation (Continued)****CPS Energy (Continued)**

Thresholds contained in CPS Energy's capitalization policy for fiscal year 2022 are as follows:

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

CPS Energy adopted GASB Statement No. 87, *Leases*, during fiscal year 2022, which no longer differentiates between capital and operating leases. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, CPS Energy as a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and as a lessor is required to recognize a lease receivable and a deferred inflow of resources.

San Antonio Water System (SAWS)

SAWS' capital assets in service are capitalized when the unit cost is greater than or equal to \$5. Utility plant additions are recorded at cost, which includes materials, labor, and direct internal costs during construction. Capital assets include intangible assets, which consist of purchased water rights and land capital easements, costs associated with acquiring additional Certificates of Convenience and Necessity (CCN) related to new service areas, and development costs for internally generated computer software. Assets acquired through capital leases are recorded as assets in Utility plant in service and the lease contracts recorded as liabilities in contract and leases payable in SAWS' financial statements using the present value of lease payments and any other non-executory costs. Assets acquired through contributions, such as those from developers, are recorded at estimated acquisition value at date of donation. Maintenance, repairs, and minor renewals are charged to operating expense; 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.

Note 1 Summary of Significant Accounting Policies (Continued)**Capital Assets and Depreciation (Continued)****San Antonio Water System (SAWS) (Continued)**

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

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

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

Capital recovery fees are charged to customers to connect to the water or wastewater system. By Texas law, these fees are to be used for capital expenditures that expand infrastructure capacity or to reimburse SAWS for the cost associated with existing excess infrastructure capacity. In certain instances, infrastructure that facilitates expansion of SAWS' service capacity is contributed by developers. In these instances, SAWS records the donated infrastructure as plant contributions and may abate future capital recovery fees due from the developer equal to a portion of the acquisition value of the infrastructure contributed. SAWS abated future capital recovery fees of \$6,424 in 2021. These abatements are conditional based on the type of development and in certain instances, time requirements and geographic restrictions.

Accrued Leave**Primary Government (City)**

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

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

Note 1 Summary of Significant Accounting Policies (Continued)**Accrued Leave (Continued)*****CPS Energy***

Employees earn vacation benefits based upon their employment status and years of service. CPS Energy does not accrue a liability for sick leave since there is no cash payment made of sick leave when an employee terminates or retires.

San Antonio Water System (SAWS)

It is SAWS' policy to accrue earned but unused employee vacation pay as well as the employer portion of Social Security taxes and required employer pension contributions related to the accrued vacation pay. The total vacation paid in the current year is used as the estimated amount to be due within one year. Sick leave is not accrued 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 Component Unit Fund.

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

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.

Note 1 Summary of Significant Accounting Policies (Continued)**Insurance (Continued)****Primary Government (City) (Continued)**

The City is a member of the Texas Municipal League Workers' Compensation Joint Insurance Fund and uses this fund as a mechanism for administering workers' compensation claims that occurred prior to September 30, 1986. Workers' compensation claims that occurred after October 1, 1986, are administered by third-party administrators. The City records all workers' compensation loss contingencies, including claims incurred but not reported. The City determines and accrues workers' compensation liabilities based on an actuarial assessment of historical claim data and industry trends performed annually. The City has been completely self-insured for workers' compensation claims since May 1, 2013. In fiscal year 2020, the City purchased workers' compensation stop loss insurance for claims that exceed \$3,000. Additionally, in fiscal year 2022, the City purchased workers' compensation stop loss insurance for claims that exceed \$2,000 for civilian employees and \$5,000 for uniformed employees.

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

All insurance carriers providing coverage for the City are required to possess an A.M. Best Company rating of 'A-' or better, where 'A-' denotes Excellent. A.M. Best is an industry recognized rating service for insurance companies. For more detailed explanation of the City's self-insurance programs, see Note 16 Risk Financing.

CPS Energy

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

San Antonio Water System (SAWS)

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

Pensions and Postemployment Benefits (OPEB)

For purposes of measuring the net pension liability and total and net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information (where applicable) about the fiduciary net position of the plans (where applicable) and additions to/deductions from the Plan's fiduciary net position (where applicable) have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 10 Pension and Retirement Plans and Note 11 Other Postemployment Benefits for more information.

Note 1 Summary of Significant Accounting Policies (Continued)**Fund Balances**

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

- Nonspendable – The nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories and prepaids.
- Restricted – The fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through enabling legislation.
- Committed – The committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for other purposes unless City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned – Amounts in the assigned fund balance are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by the City Council, City Manager, Executive Leadership Team, and Department Directors.
- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and does not have a specific purpose. In the governmental funds other than the General Fund, if expenditures incurred exceed the amounts restricted, committed or assigned, the fund may report a negative unassigned fund balance.

Generally, the City would apply restricted, committed, or assigned resources prior to unassigned resources when an expenditure is incurred for purposes for which more than one of the classifications of fund balance is available. See Note 18 Fund Balance Classifications for more detail.

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

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 2022, general government expenditures in the General Fund were reduced by \$22,114, resulting in increased expenditures/expenses in other governmental functions and in business-type activities in the amounts of \$14,680 and \$7,434, respectively.

Note 1 Summary of Significant Accounting Policies (Continued)**Long-Term Obligations**

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are amortized over the life of the debt. For current refundings and advance refundings of debt resulting in defeasance of debt, the difference between the reacquisition price and the carrying amount of the old debt are deferred as a deferred outflow of resources or deferred inflow of resources and amortized over the shorter of the life of the old debt or the life of the new debt. The reacquisition price differentiates between current and advance refunding. Per GASB Statement 65, *Items Previously Reported as Assets and Liabilities*, in a current refunding, this includes principal of the old debt and any call premium. In an advance refunding, it is the amount placed in escrow that, together with interest earnings, is necessary to pay interest and principal on the old debt and any call premium.

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

Elimination of Internal Activity

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

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

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

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

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

Note 1 Summary of Significant Accounting Policies (Continued)**Elimination of Internal Activity (Continued)**

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

Use of Estimates

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

Application of Restricted and Unrestricted Net Position

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

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Note 2 Property Taxes

Property taxes are levied and due upon receipt on October 1, based on the assessed value of the previous January 1. The taxes are attached as an enforceable lien on property as of January 1 of the subsequent year and become delinquent the following February 1. Property tax billing and collections are performed via an interlocal agreement with the Bexar County Tax Assessor/Collector's Office. The City recognizes assets for property taxes when an enforceable legal claim to the assets arises (lien date) and recognizes revenues in the period for which the taxes are levied (when available for governmental funds).

The City is permitted by the Municipal Finance Law of the State of Texas to levy taxes up to \$2.50 per \$100 of taxable valuation (amounts are not reflected in thousands). The tax rate approved by City ordinance for the fiscal year-ended September 30, 2022, 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 \$2,535,488 per year based on the net taxable valuation of \$130,578,802 before the limit is reached. In fiscal year 2022, the City has forgone property tax revenues as a result of abatement agreements it has entered into. For more information see Note 3 Tax Abatements.

The City has adopted a Tax Increment Financing (TIF) Program Policy and Implementation Manual for the utilization of tax increment as a financing mechanism and the creation of Tax Increment Reinvestment Zones (TIRZ) pursuant to Chapter 311 of the Texas Tax Code. The City has utilized TIF to fund in whole or in part eligible capital costs for public infrastructure related to economic development, commercial, and residential projects. As of September 30, 2022, there were 23 existing TIRZ with a total taxable captured value of \$5,441,941. For fiscal year 2022, this total taxable captured value produced \$29,587 in tax increment revenues for use by the City to fund capital costs of certain public infrastructure improvements, tax rebates for public arts, historic building restoration and remediation, economic development projects, COVID-19 relief, affordable housing, and operating and administrative expenses in the TIRZ. The existing TIRZ have initial terms ranging from 19 years to 38 years which are anticipated to expire by fiscal year 2054. It is estimated that the City will contribute approximately \$877,289 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	\$	294,004
Houston Street	12/9/1999	9/30/2034		782,782
Stablewood Farms	12/14/2000	9/30/2025		63,458
Inner City	12/14/2000	9/30/2025		1,284,585
Plaza Fortuna	12/13/2001	9/30/2025		7,926
Lackland Hills	12/13/2001	9/30/2026		25,033
Northeast Crossing	6/13/2002	9/30/2028		264,524
Brooks City Base	12/9/2004	9/30/2039		514,516
Mission Creek	12/9/2004	9/30/2029		63,548
Hallie Heights	12/9/2004	9/30/2024		25,121
Heathers Cove	12/16/2004	9/30/2024		23,044
Hunters Pond	6/1/2006	9/30/2031		38,550
Verano	12/6/2007	9/30/2045		246
Westside	12/11/2008	9/30/2032		446,501
Midtown	12/11/2008	9/30/2041		1,253,336
Mission Drive In	12/11/2008	9/30/2027		136,030
North East Corridor	12/4/2014	9/30/2034		176,688
Hemisfair	2/2/2017	9/30/2037		39,721
Tarasco Gardens ¹	12/13/2018	9/30/2044		
Thea Meadows	12/5/2019	9/30/2054		2,328
Nabors ²	5/13/2021	9/30/2046		
Somerset Grove ²	6/10/2021	9/30/2046		
Valley Sol ²	6/10/2021	9/30/2046		
			\$	<u>5,441,941</u>

¹ Fiscal year 2022 captured value is negative; no increment collected.

² Fiscal year 2023 will be the first year of tax increment collections for the TIRZ.

Note 3 Tax Abatements

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

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

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

City Tax Abatement Program

- ***Purpose of program*** – Encourages a job creation environment to help attract, retain, and expand targeted industries, increase employment and high-wage jobs, expand the tax base, and create long-term capital investment (including foreign direct investment) and new wealth opportunities in the community in accordance with the SA Tomorrow Comprehensive Plan.
- ***Taxes being abated*** – This program offers a tax abatement of up to 100.0% on real and/or personal property taxes on improvement values for a maximum term of up to ten years.
- ***Authority for entering program*** – Chapter 312 of the Texas Tax Code.
- ***Eligibility criteria for recipients*** – A new company or existing local company must meet or exceed all of the criteria: 1) minimum amounts of new real and/or personal property capital investment; 2) minimum levels of full-time job creation, excluding data center projects and solar farms; 3) employee and dependent access to health care benefits; 4) minimum living and all-industry wage requirements for new and existing employees at project site; and 5) applicant must be in a targeted industry, a qualifying project or business activity.
- ***Mechanism used to abate taxes*** – 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 3 Tax Abatements (Continued)

Economic Development Incentive Fund (EDIF) Program

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

Note 3 Tax Abatements (Continued)**Summary**

A summary of these taxes forgone on the City's abatement programs for the year-ended September 30, 2022 follows:

Tax Abatement Program	Number of Agreements (Not in thousands)	Amount of Taxes Abated during the fiscal year
City Tax Abatement Program	12	\$ 2,681
Economic Development Incentive Fund Program	6	1,310
Center City Housing Incentive Policy	38	3,448
Non-Center City Housing Incentive Policy	8	853
	64	\$ 8,292

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Note 4 Cash and Cash Equivalents, Securities Lending and Investments**Summary of Cash and Cash Equivalents, Securities Lending and Investments**

Totals from Statement of Net Position					
	City ¹	Fire and Police Pension Fund ^{2, 4}	Retiree Health & Wellness SA Fire and Police Fund (Health Fund) ^{2, 4}	CPS Energy ³	SAWS ⁴
Unrestricted:					
Cash and Cash Equivalents	\$ 233,962	\$ 93,707	\$ 8,842	\$ 384,834	\$ 165,654
Security Lending Collateral		134,858			
Investments	605,611	4,065,137	544,195		373,994
Total Unrestricted	<u>\$ 839,573</u>	<u>\$ 4,293,702</u>	<u>\$ 553,037</u>	<u>\$ 384,834</u>	<u>\$ 539,648</u>
Restricted:					
Cash and Cash Equivalents	576,172			109,916	261,334
Investments	1,154,428			1,269,198	579,278
Total Restricted	<u>\$ 1,730,600</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,379,114</u>	<u>\$ 840,612</u>
Total Cash and Cash Equivalents, Securities Lending Collateral and Investments	<u>\$ 2,570,173</u>	<u>\$ 4,293,702</u>	<u>\$ 553,037</u>	<u>\$ 1,763,948</u>	<u>\$ 1,380,260</u>

¹ Custodial and City Retiree Health Care Fund cash and investments are included in the City's pooled cash and investments but are not available for City activities and are excluded from the primary government's Statement of Net Position. The Custodial assets are presented above as Restricted Cash and Cash Equivalents of \$3,638 and Investments of \$2,211. The City Retiree Health Care Fund assets are presented above as Restricted Cash and Cash Equivalents of \$1,268 and Investments of \$4,924.

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

³ For the fiscal year-ended January 31, 2022.

⁴ For the fiscal year-ended December 31, 2021.

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

Summary of Cash and Cash Equivalents					
	City	Fire and Police Pension Fund	Retiree Health & Wellness SA Fire and Police Fund (Health Fund)	CPS Energy	SAWS
Deposits with Financial Institutions	\$ 235,031	\$ 406	\$ 118	\$ 38,788	\$ 44,041
Investments with Original Maturities of Less than Ninety Days	451,038	93,301	8,724	455,919	382,929
Cash with Other Financial Agents	123,549				
Petty Cash Funds	106			43	
Cash on Hand	410				18
Total Cash and Cash Equivalents	<u>\$ 810,134</u>	<u>\$ 93,707</u>	<u>\$ 8,842</u>	<u>\$ 494,750</u>	<u>\$ 426,988</u>

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

Summary of Investments					
	City	Fire and Police Pension Fund	Retiree Health & Wellness SA Fire and Police Fund (Health Fund)	CPS Energy	SAWS
U.S. Treasuries, Government Agencies, Money Market Mutual Funds, and Government Investment Pool	\$ 2,207,844	\$ 212,524	\$ 8,724	\$ 1,270,515	\$ 1,336,201
Repurchase Agreements	2,533				
Corporate Bonds		668,110		140,706	
Foreign Bonds		184,998		12,367	
Common Stock		1,208,085	21,479	217,030	
Mutual Funds			118,047		
Real Estate		345,140	29,281	83,745	
Preferred Stock	700			754	
Hedge Funds		30,886			
International Equities - Common Stock		790,794			
Alternative Investment		717,901	375,388		
Total Investments	<u>\$ 2,211,077</u>	<u>\$ 4,158,438</u>	<u>\$ 552,919</u>	<u>\$ 1,725,117</u>	<u>\$ 1,336,201</u>
Less: Investments with Original Maturities of Less than Ninety Days included in Cash and Cash Equivalents	(451,038)	(93,301)	(8,724)	(455,919)	(382,929)
Total	<u>\$ 1,760,039</u>	<u>\$ 4,065,137</u>	<u>\$ 544,195</u>	<u>\$ 1,269,198</u>	<u>\$ 953,272</u>

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, 2022.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City)**

With regard to money market investments and government investment pools that have a remaining maturity of one year or less at the time of purchase, the City's policy is to report these investments at amortized cost. Amortized cost approximates fair value for these investments. The decrease in fair value for investments of the City with a remaining maturity of greater than one year at the time of purchase was \$35,225 for the year-ended September 30, 2022.

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

TexPool and TexPool Prime do not have any limitations or restrictions on participants' withdrawals that would have to be stated in the notes to the financial statements. All TexPool securities are reported within the highest category of credit ratings and are denominated in U.S. dollars. Per GASB Statement No. 40, *Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3*, TexPool is not exposed to custodial credit risk. Additionally, TexPool utilizes shadow pricing, which is consistently within 0.5% of amortized cost value per unit.

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

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Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)**

City Investments					
	Carrying ¹ Amount	Fair ¹ Value	Allocation ²	Rating ³	WAM
U.S. Government Agency Securities	\$ 951,719	\$ 936,436	42.4%	AA+/A-1+	1.21 Years
U.S. Treasuries	842,845	822,903	37.0%	N/A	0.87 Years
Money Market Mutual Funds	148,086	148,086	6.7%	AAAm	1 day
Government Investment Pool	300,419	300,419	13.6%	AAAm	1 day
Preferred Stock	700	700	0.1%	N/A	N/A
Repurchase Agreement	2,533	2,533	0.1%	N/A	1 day
Total City Investments	<u>\$ 2,246,302</u>	<u>\$ 2,211,077</u>	<u>100.0%</u>		

¹ The Carrying Amount and Fair Value include blended component units for SIDC, TMFC, and TPFC, which total \$62,941.

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 ladder 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.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)**

Credit Risk – The City’s Investment Policy requires the purchase of securities that are of the highest credit quality, based on current ratings provided by nationally recognized credit rating agencies. The City deems investments in U.S. Treasury securities and U.S. government agency securities that are guaranteed to be without credit risk. To limit the City’s credit risk, investments in other debt securities will consist of securities rated ‘A’ or better by at least two nationally recognized rating agencies. As of September 30, 2022, the City’s investment portfolio, with the exception of the repurchase agreement, the money market mutual fund investments, and the government investment pools, consisted only of U.S. Treasury securities and U.S. government agency securities. Investments in U.S. government agency securities, including Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Bank, Federal Agricultural Mortgage Corporation and Federal Farm Credit Bank were rated ‘AA+’ (Long-term) and ‘A-1+’ (Short-term) by Standard & Poor’s. The investments in the money market mutual fund and governmental investment pools were rated ‘AAAm’ by Standard & Poor’s and the repurchase agreement was greater than 100.0% collateralized with U.S. government agency securities.

Concentration of Credit Risk – Although the City’s Investment Policy does not limit the amount of the portfolio invested in any one U.S. government agency, the City manages exposure to concentration of credit risk through diversification. As of September 30, 2022, the U.S. government agency’s 42.4% securities allocation was as follows: Federal National Mortgage Association 2.5%, Federal Home Loan Mortgage Corporation 5.7%, Federal Home Loan Bank 13.6%, Farm Federal Credit Bank 16.9%, and Federal Agricultural Mortgage Corporation 3.7%.

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

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

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

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

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

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

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)**

	9/30/2022	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt Securities				
Government Agency Securities	\$ 936,436	\$ -	\$ 936,436	\$ -
Treasuries	822,903		822,903	
Total Debt Securities	\$ 1,759,339	\$ -	\$ 1,759,339	\$ -
Equity				
Preferred Stock	\$ 700	\$ -	\$ 700	\$ -
Total Equity	\$ 700	\$ -	\$ 700	\$ -
Total Investments by Fair Value Level	\$ 1,760,039	\$ -	\$ 1,760,039	\$ -

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

Fire and Police Pension Fund

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

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

The Pension Fund's assets are invested as authorized by Texas state law. The fair value of the Pension Fund's cash, security lending, and investments is \$4,293,702.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)****Fire and Police Pension Fund (Continued)**

Investment Policy – The Pension Fund’s policy in regard to the allocation of invested assets is established and may be amended by the Pension Fund’s Board of Trustees. The primary long-term objective will be to achieve a return of at least the actuarial return assumption. Preservation of capital and consistent capital appreciation are the key considerations in establishing acceptable levels of risk; however, since the Pension Fund enjoys a very long-term investment horizon, significant short-term fluctuations in value can be tolerated. Based on existing contribution rates and benefit payments, current income from investments should be addressed in the management of these assets. To pursue the foregoing objectives at an acceptable risk level, the following policy (i.e., long-term) allocation is considered appropriate as updated in July 22, 2020 and compared to actual allocations at December 31, 2021.

Investment Type	Target Allocation	2021 Actual Allocation
Large Cap U.S. Equities	22.0%	22.8%
Small Cap U.S. Equities	5.0%	5.7%
Developed International Equities	14.0%	13.5%
Emerging International Equities	5.0%	6.0%
Hedge Funds	0.0%	0.7%
Private Equity	7.0%	7.4%
Subtotal Equity	53.0%	56.1%
Core Fixed Income	5.0%	4.2%
Treasury Inflation-Protected Securities (TIPS)	3.0%	3.3%
High Yield	5.0%	2.1%
Bank Loans	5.0%	4.3%
Global Fixed Income	0.0%	0.0%
Unconstrained Fixed Income	3.0%	3.0%
Emerging Market Debt	5.0%	4.5%
Private Debt	9.0%	8.7%
Real Estate	7.0%	7.8%
Real Assets	5.0%	3.7%
Cash	0.0%	2.3%
Subtotal Fixed Income	47.0%	43.9%
Total Investments	100.0%	100.0%

Rate of Return – The money weighted rate of return for the year-ended December 31, 2021 was 13.8%. The return is net of investment costs and adjusted for the changing amounts actually invested.

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

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)****Fire and Police Pension Fund (Continued)**

Custodial Credit Risk – Custodial credit risk for investments is the risk that in the event of a failure of the counterparty, the Pension Fund will not be able to recover the value of the investment or collateral in possession of the counterparty. The Pension Fund does not have an investment policy regarding custodial credit risk. The Pension Fund considers only demand deposits as cash. The Federal Depository Insurance Corporation (FDIC) covered cash on deposit up to \$250 at each financial institution. As of December 31, 2021, the Pension Fund had cash deposits held by investment managers in the amount of \$352 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, 2021, 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, 2021, 9.0% of the Pension Fund's bonds were rated 'AAA', 2.0% were rated 'AA', 9.0% were rated 'A', 10.0% were rated 'BBB', 15.0% were rated 'BB', 28.0% were rated 'B', 4.0% were rated 'CCC', and 3.0% were unrated or not rated. 20.0% of the securities were invested in U.S. Government and Agencies, which are not rated.

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

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

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Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)****Fire and Police Pension Fund (Continued)**

Securities that are subject to interest rate risk as of December 31, 2021 are shown in the table below.

Investment Type	Fair Value	Weighted-Average Maturity (WAM) (Years)
Corporate Bonds	\$ 137,168	6.1
Corporate Convertible Bonds	750	3.3
Government Bonds	59,774	13.7
Government Mortgage Backed Securities	59,449	16.5
Short Term Bills and Notes	22,973	0.2
Bank loans	181,861	4.9
TIPS	135,763	0.3
Payden and Rygel ¹	123,527	4.7
Ashmore ²	69,730	13.5
GoldenTree ³	88,990	
Wellington emerging market debt ⁴	115,267	
Total Interest Rate Sensitive Securities	\$ 995,252	
Portfolio WAM		6.5

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 duration as 3.9 as of December 31, 2021.

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 7.9 as of December 31, 2021.

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Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)****Fire and Police Pension Fund (Continued)**

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Pension Fund's exposure to foreign currency risk in U.S. dollars as of December 31, 2021 is shown in the table below.

Country	Equities	Bonds	Cash	Total
Argentinian Peso	\$ 5,343	\$ 1,994	\$ -	\$ 7,337
Australian Dollar	26,585			26,585
Brazilian Real	13,759	6,922		20,681
British Pound	88,454		94	88,548
Canadian Dollar	26,579			26,579
Chilean Peso	1,154			1,154
Chinese Yuan	57,159	7,788		64,947
Colombian Peso	291			291
Czech Republic Krona		1,948		1,948
Danish Krone	16,206		10	16,216
Egyptian Pound		3,268		3,268
European Union Euro	137,920	10		137,930
Ghanaian Cedi		1,024		1,024
Hong Kong Dollar	29,058			29,058
Hungarian Forint	28			28
Indian Rupee	33,242			33,242
Indonesian Rupiah	4,267	5,820		10,087
Israeli New Shekel	3,511			3,511
Jamaican Dollar		869		869
Japanese Yen	85,016			85,016
Malaysian Ringgit	513			513
Mexican Peso	10,229	7,272		17,501
New Taiwan Dollar	32,560		72	32,632
New Zealand Dollar	1,145			1,145
Norwegian Krone	5,972			5,972
Panamanian Balboa	111			111
Peruvian Nuevo Sol	194	2,297		2,491
Philippine Peso	141			141
Polish Zloty	2,455	2,336		4,791
Romanian Leu		2,095		2,095
Russian Ruble	9,474			9,474
Saudi Riyal	20	1,312		1,332
Singapore Dollar	5,391			5,391
South African Rand	4,402	3,065		7,467
South Korean Won	14,699			14,699
Sri Lankan Dollar		202		202
Swedish Krona	24,089		49	24,138
Swiss Franc	44,840		127	44,967
Thai Baht	3,469	202		3,671
Turkish New Lira	688	2,064		2,752
Ukrainian Hryvnia		2,398		2,398
Venezuelan Bolivar		248		248
	\$ 688,964	\$ 53,134	\$ 352	\$ 742,450

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)****Fire and Police Pension Fund (Continued)**

Securities Lending – State statutes and Pension Fund policies allow for securities lending transactions. The Pension Fund has entered into an agreement with its 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 28 days at December 31, 2021.

As of December 31, 2021, the Pension Fund had lending arrangements outstanding with a total market value of \$159,559 which were fully collateralized with cash and securities. Cash collateral of \$134,858 is recorded in the accompanying Statement of Fiduciary Net Position. Net income for the year-ended December 31, 2021, under the securities lending arrangement was \$304.

Cash Collateral Pool	
Repo Agreements	\$ 64,219
Time Deposit	12,663
Certificates of Deposit	10,492
Variable Rate Certificates of Deposit	14,052
Commercial Paper	11,854
ABS Commercial Paper	6,339
Sweep Vehicle	15,239
Total	<u>\$ 134,858</u>

Derivative Instruments and Other Structured Financial Instruments – The Pension Fund has only limited involvement with derivative instruments and other structured financial instruments. The Pension Fund’s investment philosophy regarding the use of derivative instruments and other structured financial instruments is to use derivative instruments to replicate exposures to equity or fixed income securities. The Pension Fund held government mortgage-backed securities amounting to \$59,449 as of December 31, 2021. These are included with investments in the Statement of Fiduciary Net Position. The Pension Fund made \$1,340 in interest on these securities and lost \$1,661 in capital transactions related to these securities in the year ended December 31, 2021. As of December 31, 2021, the Pension Fund retained an investment in one hedge fund on the amount of \$20,029 which may employ the use of derivative instruments to reduce volatility.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)****Fire and Police Pension Fund (Continued)**

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

	12/31/2021	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt Securities				
Government Bonds	\$ 59,774	\$ -	\$ 59,774	\$ -
Government Mortgage-backed Securities	59,449		59,449	
Corporate Bonds	141,750		141,750	
Bank Loans	178,080		178,080	
Total Debt Securities	\$ 439,053	\$ -	\$ 439,053	\$ -
Equity Securities				
Domestic	\$ 640,150	\$ 637,940	\$ 2,210	\$ -
International	19,671	19,671		
Total Equity Securities	\$ 659,821	\$ 657,611	\$ 2,210	\$ -
Private Equity				
Venture	\$ 69,569	\$ -	\$ -	\$ 69,569
Buyout	162,999			162,999
Fund-of-funds - Diversified	74,239			74,239
Real Assets	129,697			129,697
Total Private Equity	\$ 436,504	\$ -	\$ -	\$ 436,504
Private Debt				
Mezzanine	\$ 96,167	\$ -	\$ -	\$ 96,167
Distressed	104,012			104,012
Senior Debt	81,218			81,218
Total Private Debt	\$ 281,397	\$ -	\$ -	\$ 281,397
Total Investments by Fair Value Level	\$ 1,816,775	\$ 657,611	\$ 441,263	\$ 717,901
Investments Measured at the Net Asset Value (NAV)				
Structured Credit Hedge Fund	\$ 20,029			
Held in reserve from closed funds	7,435			
Hedge Fund of Funds	3,422			
Commingled Funds:				
Domestic Debt	348,280			
Global Debt	184,998			
Domestic Equity	548,264			
Global Equity	790,794			
Real Assets	22,770			
Real Estate	322,370			
Total Investments Measured at the NAV	2,248,362			
Total Investments Measured at Fair Value	\$ 4,065,137			

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

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)****Fire and Police Pension Fund (Continued)**

Private Equity – The Pension Fund is invested in 50 private equity funds that are diversified across four main types of strategies. There are nine venture capital funds, 15 buyout funds, 15 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, 2021, it is estimated that the unfunded commitments were approximately \$236,511 of which \$179,300 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 29 private debt funds, which include eight 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, 12 funds focused on loans that are senior in the borrowers' capital structure, and nine 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 \$10,000 to \$40,000. It is expected that the investee funds will call between 70.0% and 80.0% of the committed capital. In most cases the final commitment is never called because the investee funds start to receive repayment from the debt service of the underlying investments and in some cases extra capital from the sale of the equity received when underlying companies are sold or refinanced through public offerings.

As of December 31, 2021, it is estimated that unfunded commitments were approximately \$168,956 of which \$96,394 is expected to be called. These investments in the investee funds are diversified across vintage years so the investee funds are in different stages of their life cycles. The Pension Fund's allocation to this asset class requires that capital that is received from these investments will be reinvested in other investee funds as they become available. Even though these investments could be sold to other investors or secondary funds, the Pension Fund has no intention of doing so, so these investments are considered illiquid.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)****Fire and Police Pension Fund (Continued)**

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

Hedge Funds—In 2020, the Pension Fund’s board elected to eliminate the allocation to hedge funds except for one structured credit fund. The structured credit hedge fund may hedge interest rate exposure while making bets on credit spreads, and they may look for relative value between the senior and junior securities on the same corporate issuer. The process of fully redeeming the investment from hedge funds was expected to take two to three years, beginning in late 2020. As of December 31, 2021, the Pension Fund’s investments in hedge funds have been reallocated to other parts of the investment portfolio, with the exception of the investment mentioned above. Hedge funds like the investment mentioned above, typically require notice between 30-90 days of the intent to redeem cash from them. They will only redeem cash at the end of calendar quarters. As of December 31, 2021, the Pension Fund had \$7,435 held by four hedge fund managers that represented amounts held in reserve for charges related to the redemption of the assets. \$3,422 was held by the Hedge Fund of Funds which were illiquid assets waiting for a beneficial market to become available. The carrying value of these investments is based on the hedge fund of funds’ estimate of value and would be similar to Level 3 type investments. A combined \$2,319 has been returned from those remnants in 2022.

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 \$71,388 were open-ended funds that allow redemptions. 29 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 \$68,256 of which approximately \$51,563 is expected to be called. Fair value for this asset class is determined by appraisals of the underlying properties.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)*****Fire and Police Pension Fund (Continued)***

The Pension Fund's asset allocation requires that when capital is returned it is reinvested in new partnerships so that the percentage allotted to the asset class can be maintained. Like private equity and private debt limited partnerships, it is possible to sell partnership interests to other investors or secondary partnerships at a substantial cost to the Pension Fund. The Pension Fund has no intention of redeeming these investments prior to maturity. Consequently, these investments are considered illiquid.

Retiree Health & Wellness SA Fire and Police Fund

The Retiree Health & Wellness SA Fire and Police Fund (Health Fund) Board of Trustees administers investments of the Health Fund. Investments are reported at fair value. Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market value are reported at estimated fair value.

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

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

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

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

The fair value of the Health Fund's cash and investments at December 31, 2021 is \$553,037.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)****Retiree Health & Wellness SA Fire and Police Fund (Continued)**

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, the Health Fund’s Investment Policy limits the maturities of money market mutual funds to two years at time of purchase. At December 31, 2021, the money market fund weighted average to maturity is 23 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, 2021:

<u>Investment</u>	<u>December 31, 2021</u>	
	<u>Fair Value</u>	<u>WAM (Years)</u>
Loomis	\$ 15,169	6.2
Baird	39,927	0.6
Payden	14,721	7
Vanguard	15,398	2.6
	<u>\$ 85,215</u>	

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, 2021, the money market mutual fund was rated ‘AAAm’ by S&P. The Health Fund’s investments in Mutual Funds – Fixed Income are not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk (Investments) – The custodial credit risk for investments is the risk that, in the event of failure of the counterparty to an investment transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At December 31, 2021, the Health Fund’s common stock investments are held at Frost National Bank’s third-party custodian, Bank of New York. Since the investments are maintained separately from the bank’s assets, in the event of failure of the bank, the investments held in trust would not be affected.

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Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)****Retiree Health & Wellness SA Fire and Police Fund (Continued)**

Concentration of Credit Risk – Concentration risk is the exposure to loss that can result from failing to diversify investments. Accordingly, a government should disclose investments that represent 5.0% or more of its total investments that are invested in a single issuer. Concentration risk does not arise in connection with U.S. government obligations and obligations explicitly guaranteed by the U.S. government; mutual funds; and, similar pooled investments which are designed, in part, to provide diversification. At December 31, 2021, the Health Fund held the following investments which exceeded 5.0% of total investments:

<u>Investment</u>	<u>Balance at December</u>	
	<u>31, 2021</u>	<u>% of Total</u>
Catalyst Fund Limited Partnership II	\$ 34,063	6.3%
SSgA Russell 1000 Index Fund	86,530	15.9%
Portfolio Advisers Secondary Fund IV	29,185	5.4%
Portfolio Advisers Credit Strategies Fund	33,300	6.1%

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

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As of December 31, 2021, one of the Health Fund's investments (an amount of \$1,995 or 0.37% of total investments) is exposed to foreign currency risk. The primary currency for this risk is the Euro.

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Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)****Retiree Health & Wellness SA Fire and Police Fund (Continued)**

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

The Health Fund uses the net asset value (NAV) per share as the fair value measurement for its alternative investments since they cannot be traded and, therefore, market-based information regarding their value does not exist. As such, these alternative investments are not categorized according to the fair value hierarchy. At December 31, 2021, the Health Fund's fair value measurements for its investments were as follows:

	Fair Value Measurement Using			
	12/31/2021	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Equity Securities				
U.S. Equity - Common Stock	\$ 21,479	\$ 21,479	\$ -	\$ -
Mutual Fund - Fixed Income	85,215	85,215		
Mutual Fund - International Equity	20,120	20,120		
Mutual Fund - Common Stock	12,712	12,712		
Total Investments by Fair Value Level	<u>\$ 139,526</u>	<u>\$ 139,526</u>	<u>\$ -</u>	<u>\$ -</u>
Investments Measured at the Net Asset Value (NAV)				
Real Estate Funds	\$ 29,281			
Natural Resource Funds	38,627			
Hedge Funds - Open-Ended Funds	4,464			
Private Equity Funds	114,513			
Private Debt Funds	42,967			
Global & Domestic Equity Funds	45,228			
Index Funds	129,589			
Total Investments Measured at the NAV	<u>\$ 404,669</u>			
Total Investments	<u>\$ 544,195</u>			
Investments Measured at the NAV				
	Fair Value	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Real Estate Funds	\$ 29,281	\$ 13,106		
Natural Resource Funds	38,627	6,689	Annually	90-120 Days
Hedge Funds - Open-Ended Funds	4,464		Annually	90-120 Days
Private Equity Funds	114,513	76,311		
Private Debt Funds	42,967	18,127	Quarterly	30 Days
Global & Domestic Equity Funds	45,228		Monthly	15-30 Days
Index Funds	129,589		Monthly	3 Days
	<u>\$ 404,669</u>	<u>\$ 114,233</u>		

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)****Retiree Health & Wellness SA Fire and Police Fund (Continued)**

Real Estate Funds – The Health Fund is invested in nine real estate funds, which are generally diversified through fund-to-fund strategies. Portfolios include investments in assets and distressed debt for residential and commercial real estate (domestic and international). Fair values have been determined using NAV per share of investments. Real estate investment funds represent 5.3% of the Health Fund's portfolio. For each of the funds, the Health Fund receives distributions as the underlying assets of investments are sold/liquidated. Management estimates that four investments (representing \$3,337 or 11.4% of real estate funds) will liquidate within three years; two investments (representing \$8,531 or 29.1% of real estate funds) will liquidate within five years; and, three investments (representing \$17,413 or 59.5% 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 7% of the Health Fund's portfolio, and are not redeemable. The Health Fund receives distributions as the underlying assets of investments are sold/liquidated. One investment fund (representing \$3,009 or 7.8% of natural resources funds) is redeemable on an annual basis with a 90-120 day formal notice. Management estimates that one investment (representing \$3,677 or 9.5% of natural resources funds) will liquidate within four months; four investments (representing \$4,801 or 12.4% of natural resources funds) will liquidate within three years; two investments (representing \$7,247 or 18.8% of natural resources funds) will liquidate within five years; and, three investments (representing \$19,893 or 51.5% of natural resources funds) will liquidate within nine years.

Hedge Funds - Open-Ended Funds – The Health Fund is authorized to invest in hedge funds. Portfolios for these funds include investments in common stock, preferred stock, U.S. government obligations, convertible securities, debt instruments, real estate assets, options, futures, swaps, and collateralized debt/securities. Fair values have been determined using NAV per share of investments. These hedge funds represent 0.8% of the Health Fund's portfolio and management estimates the funds will liquidate within nine years as of December 31, 2021.

Private Equity Funds – The Health Fund is invested in twelve private equity investment funds. Strategies for these funds include two buyout funds, five diverse fund-to-fund funds, two private debt funds, two 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 20.7% of the Health Fund's portfolio, and are not redeemable. The Health Fund receives distributions as the underlying assets of investments are sold/liquidated. Management estimates that one investment (representing \$2,848 or 2.5% of private equity funds) will liquidate within four months; two investments (representing \$1,234 or 1.1% of private equity funds) will liquidate within three years; three investments (representing \$43,854 or 38.3% of private equity funds) will liquidate within five years; four investments (representing \$30,413 or 26.5% of private equity funds) will liquidate within nine years; and, two investments (representing \$36,164 or 31.6%) will liquidate within fifteen years.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**Primary Government (City) (Continued)****Retiree Health & Wellness SA Fire and Police Fund (Continued)**

Private Debt Funds – The Health Fund is invested in three private debt investment funds. Strategies for these funds include making junior debt investments with equity participation in several private equity sponsored transactions, including leveraged buyouts, growth financings, refinancing, and recapitalizations. Fair values have been determined using NAV per share of investments. These private debt funds represent 7.8% of the Fund's portfolio. One investment fund (representing \$33,300 or 78% of private debt funds) is eligible for redemption on a quarterly basis with a 30-day formal notice. Management estimates the other funds (representing \$9,667 or 22% of private debt funds) will liquidate within nine years.

Global & Domestic Equity Funds – The Health Fund is invested in two commingled global and domestic equity funds which consist of bonds and stock investors. Portfolios for these funds include investments in international emerging markets in various industries. Fair values have been determined using NAV per share of investments. These investment funds represent 8.2% 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 23.4% of the Health Fund's portfolio, and are eligible for redemption with a three day notice.

Subscribed Capital Commitments – As of December 31, 2021, 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 \$114,233. As of December 31, 2021, \$47,311 of this total had been called.

CPS Energy

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

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

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

CPS Energy's cash deposits at January 31, 2022 were either insured by federal depository insurance or collateralized by banks. For deposits that were collateralized, the collateral included letters of credit and securities. The securities were U.S. government, U.S. government agency, or U.S. government-guaranteed obligations held in book entry form by the Federal Reserve Bank of New York or other allowable banks in CPS Energy's name.

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

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

Public Funds Investment Act (PFIA) – CPS Energy's investments and the investments held in the Decommissioning Trusts are subject to the rules and regulations of the PFIA. The PFIA regulates what types of investments can be made, requires written investment policies, mandates training requirements of investment officers, requires internal management reports to be produced at least quarterly, and provides for the selection of authorized 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, the Investment Committee, bond ordinances, commercial paper ordinances, a revolving financial program ordinance and State law. These investments are subject to market risk, and their fair value will vary as interest rates fluctuate. All CPS Energy investments are held in trust custodial funds by independent banks.

Investments of the Decommissioning Trusts – CPS Energy's investments in the Decommissioning Trusts are held by an independent trustee. Investments are limited to those defined by CPS Energy Board Resolution, the South Texas Project Decommissioning Trust Investment Policy, the Investment Committee, the Trust Agreements and State law, as well as Public Utility Commission of Texas (PUCT) and Nuclear Regulatory Commission (NRC) guidelines. Allowable investments for the Decommissioning Trusts include those directly permissible for CPS Energy (except for investment pools), as well as equities and corporate bonds (including international securities traded in U.S. dollars and on U.S. stock exchanges). In accordance with the Decommissioning Trusts' Investment Policy, total investments can include a maximum of 60.0% equity securities. To further reduce the overall risk of the portfolio, the target allocations for both Decommissioning Trusts are 64.0% fixed-income, 27.0% equities and 9.0% U.S. real estate investment trusts.

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

Permissible Investments		
Investment Description	CPS Energy Direct Investments	Decommissioning Trusts Investments
U.S. Government, U.S. Government Agency, or U.S. Government-guaranteed obligations	✓	✓
Collateralized mortgage obligation issued by the U.S. Government	✓	✓
Fully secured certificates of deposit issued by a state, national or savings bank domiciled in the State of Texas	✓	✓
Direct repurchase agreements	✓	✓
Reverse repurchase agreements	✓	✓
Defined bankers' acceptances and commercial paper	✓	✓
No-load money market mutual funds	✓	✓
Investment pools	✓	Not Permitted
Equities	Not Permitted	✓
Investment quality obligations	✓	✓
Corporate bonds	Not Permitted	✓
International securities	Not Permitted	✓
No-load commingled funds	Not Permitted	✓
Securities lending programs	✓	✓
Other specific types of secured or guaranteed investments	✓	✓

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

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

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

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

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

CPS Energy Investments – In accordance with GASB Statement No. 40, the following tables address concentration of credit risk and interest rate risk exposure by investment type using the 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 and investment pools that have maturities of one year or less.

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

Investment Type	Carrying Value	Fair Value	Allocation	Weighted- Average Maturity (Years) ¹
U.S. Treasuries	\$ 19,161	\$ 19,161	1.9%	3.9
U.S. Agencies:				
Federal Agriculture Mortgage Corp.	9,675	9,675	1.0%	2.7
Federal Farm Credit Bank	109,017	109,017	11.3%	5.3
Federal Home Loan Bank	84,985	84,985	8.8%	3.7
Federal Home Loan Mortgage Corp.	33,627	33,627	3.5%	3.9
Federal National Mortgage Assn.	91,286	91,286	9.4%	3.5
Small Business Administration	11,028	11,028	1.1%	5.4
Municipal Bonds	187,660	187,661	19.4%	3.3
Investment Pools	327,322	327,321	33.8%	
Money Market Mutual Funds	94,663	94,663	9.8%	
Total Fixed-Income Investments	\$ 968,424	\$ 968,424	100.0%	2.2

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

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

Credit Risk – In accordance with its Investment Policy, CPS Energy manages exposure to credit risk by limiting long-term debt security investments to those with a credit rating of ‘A’ or better. As of January 31, 2022, 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+)	\$ 19,161	\$ 19,161	2.0%
AAA / Aaa	489,500	489,500	50.5%
AA+ / Aa1	367,847	367,847	38.0%
AA / Aa2	49,862	49,862	5.1%
AA- / Aa3	15,381	15,381	1.6%
Not rated ¹	26,673	26,673	2.8%
Total Fixed-Income Investments	\$ 968,424	\$ 968,424	100.0%

¹ Interest bearing deposit accounts which still meet PFIA/CPS Energy Investment Policy requirements.

Decommissioning Trust Investments – As mentioned previously, the Decommissioning Trusts report their assets on a calendar-year basis; therefore, information related to the Trusts is as of December 31, 2021. The tables in this section address interest rate risk exposure by investment type, concentration of credit risk, credit risk, and foreign currency risk. All investments held by the Decommissioning Trusts are long-term in nature and are recorded at fair value.

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

To mitigate interest rate risk, a limitation is placed on the weighted-average duration (WAD) of the fixed-income portfolio. The overall portfolio duration is limited by the Investment Policy to a deviation of no more than +/- 1.5 years from the WAD of the Investment Committee’s specified fixed-income index. The specified fixed-income index for the 28% Trust and the 12% Trust is Bloomberg Barclays US Aggregate, which was 6.8 years for the period ending December 31, 2021.

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, 2021, total other debt securities (corporate and foreign issuers) amounted to 33.5% of the fixed-income portfolio for the 28% Decommissioning Trust and 34.0% for the 12% Decommissioning Trust.

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

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

Investment Type	28% Trust			12% Trust		
	Fair Value	Allocation	Weighted-Average Duration (Years)	Fair Value	Allocation	Weighted-Average Duration (Years)
U.S. Treasuries	\$ 97,623	29.4%	7.7	\$ 38,268	30.9%	8.3
U.S. Agencies:						
Federal Home Loan Mortgage Corp.	27,852	8.4%	3.6	9,247	7.5%	3.5
Federal National Mortgage Assn.	55,261	16.7%	3.5	18,613	15.0%	3.7
Government National Mortgage Assn.	3,367	1.0%	1.4	308	0.2%	3.9
Small Business Administration	3,623	1.1%	3.3	1,710	1.4%	3.5
Municipal Bonds - Texas	961	0.3%	8.6	482	0.4%	8.4
Municipal Bonds - Other States	7,785	2.4%	8.8	3,057	2.5%	9.0
Corporate Bonds	100,030	30.2%	6.4	40,676	32.8%	5.9
Foreign Bonds	10,924	3.3%	5.6	1,443	1.1%	7.6
Money Market Mutual Funds	23,788	7.2%	N/A	10,146	8.2%	N/A
Total Fixed-income Portfolio	<u>\$ 331,214</u>	<u>100.0%</u>	6.0	<u>\$ 123,950</u>	<u>100.0%</u>	6.3
Combined Decommissioning Trust Funds Total	<u>\$ 455,164</u>					

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, 2021.

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

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

Credit Rating	28% Trust		12% Trust	
	Fair Value	Allocation	Fair Value	Allocation
U.S. Treasuries (AA+)	\$ 97,623	29.5%	\$ 38,268	30.9%
AAA / Aaa	30,537	9.2%	13,566	10.9%
AA+ / Aa1	94,177	28.4%	31,819	25.6%
AA / Aa2	2,718	0.8%	1,350	1.1%
AA- / Aa3	3,711	1.1%	1,298	1.0%
A+ / A1	2,792	0.8%	429	0.3%
A / A2	3,711	1.1%	3,145	2.5%
A- / A3	19,861	6.0%	8,144	6.6%
BBB+ / Baa1	29,809	9.0%	10,723	8.7%
BBB / Baa2	21,730	6.6%	6,451	5.2%
BBB- / Baa3	10,902	3.3%	2,924	2.4%
BB+ / Ba1	2,616	0.8%	76	0.1%
BB / Ba2	791	0.3%	21	0.1%
Not Rated ¹	10,236	3.1%	5,736	4.6%
Total Fixed-income Portfolio	<u>\$ 331,214</u>	<u>100.0%</u>	<u>\$ 123,950</u>	<u>100.0%</u>
Combined Decommissioning Trust Funds Total	<u>\$ 455,164</u>			

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

Foreign Currency Risk—All investments authorized for purchase by the Decommissioning Trusts are in U.S. dollars. This reduces the potential foreign currency risk exposure of the portfolio. All foreign bonds outstanding were issued in the U.S. and amounted to \$12,367 as of December 31, 2021. 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, 2021, total foreign equity securities amounted to 13.5% of the 28% Trust's total portfolio. At December 31, 2021, total foreign equity securities held by the 12% Trust amounted to 12.6% of the Trust's portfolio.

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

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

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

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

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

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

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

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, Level 3 inputs, 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, 2022, and the Decommissioning Trust investment balances as of December 31, 2021. The CPS Energy and Decommissioning Trusts investment balances presented exclude amounts related to money market mutual fund investments, and short-term investments which are recorded at amortized cost. Financial instrument fair value balances are presented in Note 16 Risk Financing.

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

	Fair Value Measurement Using			
	1/31/2022	Level 1	Level 2	Level 3
Assets				
Fair Value Investments				
CPS Energy				
Debt Securities				
US Treasuries	\$ 19,161	\$ -	\$ 19,161	\$ -
US Agencies				
Federal Agricultural Mortgage Corp.	9,675		9,675	
Federal Farm Credit Bank	109,017		109,017	
Federal Home Loan Bank	84,985		84,985	
Federal Home Loan Mortgage Corp.	33,627		33,627	
Federal National Mortgage Assn.	91,286		91,286	
Small Business Administration	11,028		11,028	
Municipal Bonds	187,660		187,660	
Total CPS Energy Fair Value of Investments	\$ 546,439	\$ -	\$ 546,439	\$ -
Decommissioning Trust Investments				
28% Trust	12/31/2021	Level 1	Level 2	Level 3
Debt Securities				
US Treasuries	\$ 97,623	\$ -	\$ 97,623	\$ -
US Agencies				
Federal Home Loan Mortgage Corp.	27,852		27,852	
Federal National Mortgage Assn.	55,261		55,261	
Government National Mortgage Assn.	3,367		3,367	
Small Business Administration	3,623		3,623	
Municipal Bonds - Texas	961		961	
Municipal Bonds - Other States	7,785		7,785	
Corporate Bonds	100,030		100,030	
Foreign Bonds	10,924		10,924	
Total 28% Trust Fair Value Fixed-Income Income Portfolio	\$ 307,426	\$ -	\$ 307,426	\$ -
Equity Securities				
Common Stock	\$ 160,128	\$ 160,128	\$ -	\$ -
Real Estate Investment Trusts	61,353	61,353		
Preferred Stock	754		754	
Total 28% Trust Fair Value Investments	\$ 529,661	\$ 221,481	\$ 308,180	\$ -
12% Trust	12/31/2021	Level 1	Level 2	Level 3
Debt Securities				
US Treasuries	\$ 38,268	\$ -	\$ 38,268	\$ -
US Agencies				
Federal Home Loan Mortgage Corp.	9,247		9,247	
Federal National Mortgage Assn.	18,613		18,613	
Government National Mortgage Assn.	308		308	
Small Business Administration	1,710		1,710	
Municipal Bonds - Texas	482		482	
Municipal Bonds - Other States	3,057		3,057	
Corporate Bonds	40,676		40,676	
Foreign Bonds	1,443		1,443	
Total 12% Trust Fair Value Fixed-Income Income Portfolio	\$ 113,804	\$ -	\$ 113,804	\$ -
Equity Securities				
Common Stock	\$ 56,902	\$ 56,902	\$ -	\$ -
Real Estate Investment Trusts	22,392	22,392		
Total 12% Trust Fair Value Investments	\$ 193,098	\$ 79,294	\$ 113,804	\$ -
Total Trust Fair Value Investments	\$ 722,759	\$ 300,775	\$ 421,984	\$ -
Total Fair Value Investments	\$ 1,269,198	\$ 300,775	\$ 968,423	\$ -

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**CPS Energy (Continued)****CPS Energy Fiduciary Funds**

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

San Antonio Water System (SAWS)

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

As of December 31, 2021, SAWS' funds are deposited in demand accounts at JP Morgan Chase, SAWS' general depository bank. As required by state law, all SAWS' deposits are fully collateralized and/or are covered by federal depository insurance. At December 31, 2021, the collateral pledged was a letter of credit issued by the Federal Home Loan Bank of Cincinnati, under SAWS' name so SAWS incurs no custodial credit risk. At December 31, 2021, the bank balance of SAWS' demand accounts was \$42,509 and the reported amount was \$44,059 which included \$18 of cash on hand.

Custodial Credit Risk (Investment) – Investments include securities issued by the U. S. government and its agencies and instrumentalities, municipal securities, money market funds, and investment pools. As of December 31, 2021, securities purchased are held in custody by Bank of New York Mellon and registered as securities of SAWS. Money Market Funds are managed by Fidelity and Morgan Stanley and are invested in securities issued by the U.S. government or by U.S. Agencies. Funds in investment pools are invested in TexPool Prime, Texas Class, Texas Fixed Income Trust and Texas TERM. Investment pools may invest in commercial paper and certificates of deposit, as well as obligations of the U.S. government or its agencies and instrumentalities, and repurchase agreements as allowed under the PFIA. All investments in money market funds and investment pools are reported at amortized cost. Amortized cost approximates fair value for these investments.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**San Antonio Water System (SAWS) (Continued)**

The following table provides information related to investments at December 31, 2021.

Investment Type	Reported Value	Fair Value	Allocation ¹	Rating ²	WAM (Days)
U.S. Treasury Securities	\$ 300,700	\$ 300,700	22.5%	AA+	579
U.S. Agency Notes	358,534	358,534	26.8%	AA+	884
Municipal Bonds	246,530	246,530	18.5%	AAA to AA-	691
Money Market Funds					
Fidelity Institutional MMF	36,507	36,507	2.7%	AAAm	1
Morgan Stanley	17,522	17,522	1.3%	AAAm	1
Texas Class Investment Pool	63,489	63,489	4.8%	AAAm	1
TexPool Prime Local Government Pool	57,431	57,431	4.3%	AAAm	1
Texas FIT Cash Pool	207,980	207,980	15.6%	AAAf	1
Texas Term Investment Pool	47,508	47,508	3.5%	AAAf	145
Total Investments	\$ 1,336,201	\$ 1,336,201	100.0%		501

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, 2021, the longest remaining maturity for any investment was approximately four years and approximately 46.0% of the investment portfolio matures in less than one year.

Credit Risk – In accordance with its investment policies, SAWS manages exposure to credit risk by limiting its investments in long-term obligations of other states and cities to those with a credit rating of 'A' or better. As of December 31, 2021, the lowest rated municipal security held was 'AA-'. Additionally, any short-term investments require a rating of at least 'A-1' or 'P-1'.

Concentration of Credit Risk – SAWS' investment policy does not limit the amount it may invest in U.S. Treasury securities, government-guaranteed securities, or government-sponsored entity securities. However, in order to manage its exposure to concentration of credit risk, the investment policy does limit the amount that can be invested in any one government-sponsored issuer to no more than 50.0% of the total investment portfolio, and no more than 30.0% of the total investment portfolio in any non-government issuer unless it is fully collateralized, excluding investment pools and money market funds.

Custodial Credit Risk – SAWS' risk is completely mitigated by insurance coverage provided by the custodian that protects against loss of cash or securities held in custody, and collateral in the form of letters of credit issued by the Federal Home Loan Bank of Cincinnati over the FDIC limit. Texas public fund accounts are collateralized at 100.0%. As of December 31, 2021, the percentage of SAWS' investment portfolio for government-sponsored issuers was 17.7% in Federal Home Loan Bank.

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

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**San Antonio Water System (SAWS) (Continued)**

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.

	12/31/2021	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments by fair value level				
U.S. Treasury Securities	\$ 300,700	\$ 300,700	\$ -	\$ -
U.S. Agency Notes	358,534		358,534	
Municipal Bonds	246,530		246,530	
Texas Term Investment Pool	47,508		47,508	
Total Investments measured at fair value	<u>\$ 953,272</u>	<u>\$ 300,700</u>	<u>\$ 652,572</u>	<u>\$ -</u>

Restricted Cash and Investments – Cash and investments are restricted for a variety of purposes based on the requirement set forth in City Ordinance No. 75686, state law or SAWS policy. The following table summarizes both current and noncurrent restricted cash and investments by purpose at December 31, 2021.

	12/31/2021
Restricted for:	
Operations	\$ 75,675
Debt Service	81,790
Debt Service Reserve	32,401
Construction - accrued liabilities	46,562
Construction - capital recovery fees	243,927
Construction - bond proceeds	360,257
Total Restricted Cash & Investments	<u>\$ 840,612</u>

The requirements of City Ordinance No. 75686 stipulate that SAWS must accumulate and maintain a reserve equal to 100.0% of the maximum annual debt service requirements for senior lien obligations. Additional City ordinances require SAWS to maintain a debt service reserve equal to the average annual debt service on all junior lien obligations secured by a reserve fund. Not all SAWS junior lien obligations require the security of a debt service reserve. Increases in the required reserve amount may be deposited into a reserve account over a five-year period.

Ordinance No. 75686 allows for SAWS to provide surety policies equal to all or part of the required reserve. SAWS may use bond proceeds to make the required deposits related to new debt issued. Debt service reserve deposits are required to be maintained until a) the revenue bonds mature, b) the surety policy provider's credit ratings improve to the minimum ratings required under SAWS bond ordinance, or c) new surety policies are provided that meet the requirements of the bond ordinance.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)**San Antonio Water System (SAWS) (Continued)**

The following table summarizes the cash and investments restricted for Debt Service Reserve at December 31, 2021, based on the allocation of the funds between junior lien and senior lien bond requirements.

	December 31, 2021
Restricted for Junior Lien Bonds	\$ 13,487
Restricted for Senior Lien Bonds	18,914
Total Cash & Investments - Debt Service Reserve	<u>\$ 32,401</u>

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 (DSRP) and the San Antonio Water System Retiree Health Trust (OPEB Trust). Please refer to the SAWS Financial Report for information about fiduciary cash and investments.

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Note 5 Capital Assets

Primary Government (City)

Capital assets were reduced by \$146 for impairment losses in fiscal year 2022 for governmental activities. The impairment losses are allocated in miscellaneous revenue as a component of the gain/loss on capital assets on the Statement of Activities. Additionally, depreciation expense was increased by \$159 for 13 impaired vehicles which have not been retired.

Capital asset activity for governmental activities, to include internal service funds, for the year-ended September 30, 2022 is as follows:

Capital Assets - Governmental Activities					
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Non-Depreciable Assets:					
Land	\$ 1,427,106	\$ 14,341	\$ (8)	\$ -	\$ 1,441,439
Construction in Progress	520,925	356,516	(14,389)	(348,189)	514,863
Non-Depreciable Intangible Assets	234,974	11,556	(107)		246,423
Total Non-Depreciable Assets	<u>\$ 2,183,005</u>	<u>\$ 382,413</u>	<u>\$ (14,504)</u>	<u>\$ (348,189)</u>	<u>\$ 2,202,725</u>
Depreciable Assets:					
Intangible Assets	4,341				4,341
Buildings	1,469,594	11,637	(1,727)	93,448	1,572,952
Improvements	1,111,230	543		50,229	1,162,002
Infrastructure	3,809,180			193,302	4,002,482
Machinery and Equipment	716,340	52,349	(19,533)	11,210	760,366
Total Depreciable Assets	<u>\$ 7,110,685</u>	<u>\$ 64,529</u>	<u>\$ (21,260)</u>	<u>\$ 348,189</u>	<u>\$ 7,502,143</u>
Accumulated Depreciation:					
Intangible Assets	(3,954)	(88)			(4,042)
Buildings	(550,632)	(40,447)	1,474		(589,605)
Improvements	(508,848)	(52,835)			(561,683)
Infrastructure	(2,364,033)	(104,048)			(2,468,081)
Machinery and Equipment ¹	(487,238)	(57,394)	16,485		(528,147)
Total Accumulated Depreciation	<u>\$ (3,914,705)</u>	<u>\$ (254,812)</u>	<u>\$ 17,959</u>	<u>\$ -</u>	<u>\$ (4,151,558)</u>
Total Depreciable Assets, net	<u>\$ 3,195,980</u>	<u>\$ (190,283)</u>	<u>\$ (3,301)</u>	<u>\$ 348,189</u>	<u>\$ 3,350,585</u>
Total Capital Assets, net	<u>\$ 5,378,985</u>	<u>\$ 192,130</u>	<u>\$ (17,805)</u>	<u>\$ -</u>	<u>\$ 5,553,310</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 18,938
Public Safety	10,482
Public Works	145,906
Health Services	568
Sanitation	7
Welfare	1,184
Culture and Recreation	26,910
Convention and Tourism	15,043
Urban Redevelopment and Housing	155
Economic Development and Opportunity	314
Education	931
Depreciation on Capital Assets Held by City's Internal Service	
Funds are Charged to Various Functions Based on Asset Usage	34,374
Total Depreciation Expense for Governmental Activities	<u>\$ 254,812</u>

The capital assets of internal service funds are included in governmental activities. In fiscal year 2022, internal service funds capital assets increased by \$41,119, and decreased by \$17,783, of which \$337 was for impairments, resulting in an ending balance of \$324,371. Depreciation expense of \$34,374, of which \$159 was for impairments, less the \$14,776 in previously depreciated assets disposed of during the current year, of which \$191 was for impairments, resulted in an ending accumulated depreciation balance of \$199,580. Net book value is \$124,791.

¹ The decrease includes \$7,940 in accumulated depreciation for 31 refuse trucks transferred to business-type activities, Solid Waste Management.

Note 5 Capital Assets (Continued)**Primary Government (City) (Continued)**

Capital assets were reduced by \$21 for impairments with no net loss recorded. The impaired asset was fully depreciated at the time of impairment.

Capital asset activity for business-type activities for the year-ended September 30, 2022, is as follows:

Capital Assets - Business-Type Activities					
	Beginning				Ending
	Balance	Increases	Decreases	Transfers	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	<u>\$ 15,796</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 15,796</u>
Construction in Progress:					
Airport System	27,480	31,306	(39)	(23,357)	35,390
Solid Waste Management		96			96
Nonmajor Enterprise Funds	20	166			186
Total Construction in Progress	<u>\$ 27,500</u>	<u>\$ 31,568</u>	<u>\$ (39)</u>	<u>\$ (23,357)</u>	<u>\$ 35,672</u>
Total Non-Depreciable Assets	<u>\$ 43,296</u>	<u>\$ 31,568</u>	<u>\$ (39)</u>	<u>\$ (23,357)</u>	<u>\$ 51,468</u>
Depreciable Assets:					
Intangible Assets:					
Airport System	352				352
Non-Major Enterprise Fund	5,427	8,977			14,404
Total Intangible Assets	<u>\$ 5,779</u>	<u>\$ 8,977</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,756</u>
Buildings:					
Airport System	542,230	238			542,468
Solid Waste Management	11,147				11,147
Nonmajor Enterprise Funds	27,136				27,136
Total Buildings	<u>\$ 580,513</u>	<u>\$ 238</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 580,751</u>
Improvements:					
Airport System	603,351			23,211	626,562
Solid Waste Management	15,058				15,058
Nonmajor Enterprise Funds	14,276				14,276
Total Improvements	<u>\$ 632,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,211</u>	<u>\$ 655,896</u>
Machinery and Equipment:					
Airport System	35,929	3,121	(212)	146	38,984
Solid Waste Management	30,381	11,505	(1,069)		40,817
Nonmajor Enterprise Funds ¹	23,151		(9,050)		14,101
Total Machinery and Equipment	<u>\$ 89,461</u>	<u>\$ 14,626</u>	<u>\$ (10,331)</u>	<u>\$ 146</u>	<u>\$ 93,902</u>
Total Depreciable Assets	<u>\$ 1,308,438</u>	<u>\$ 23,841</u>	<u>\$ (10,331)</u>	<u>\$ 23,357</u>	<u>\$ 1,345,305</u>
Accumulated Depreciation:					
Intangible Assets:					
Airport System	(241)	(71)			(312)
Nonmajor Enterprise Funds	(452)	(4,676)			(5,128)
Total Intangible Assets	<u>\$ (693)</u>	<u>\$ (4,747)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,440)</u>
Buildings:					
Airport System	(192,575)	(15,182)			(207,757)
Solid Waste Management	(3,046)	(386)			(3,432)
Nonmajor Enterprise Funds	(17,404)	(737)			(18,141)
Total Buildings	<u>\$ (213,025)</u>	<u>\$ (16,305)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (229,330)</u>
Improvements:					
Airport System	(294,260)	(21,958)			(316,218)
Solid Waste Management	(5,595)	(660)			(6,255)
Nonmajor Enterprise Funds	(7,987)	(628)			(8,615)
Total Improvements	<u>\$ (307,842)</u>	<u>\$ (23,246)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (331,088)</u>
Machinery and Equipment:					
Airport System	(25,369)	(3,377)	212		(28,534)
Solid Waste Management ²	(23,225)	(11,601)	1,057		(33,769)
Nonmajor Enterprise Funds	(11,732)	(73)	73		(11,732)
Total Machinery and Equipment	<u>\$ (60,326)</u>	<u>\$ (15,051)</u>	<u>\$ 1,342</u>	<u>\$ -</u>	<u>\$ (74,035)</u>
Total Accumulated Depreciation	<u>\$ (581,886)</u>	<u>\$ (59,349)</u>	<u>\$ 1,342</u>	<u>\$ -</u>	<u>\$ (639,893)</u>
Total Depreciable Assets, net	<u>\$ 726,552</u>	<u>\$ (35,508)</u>	<u>\$ (8,989)</u>	<u>\$ 23,357</u>	<u>\$ 705,412</u>
Total Capital Assets, net	<u>\$ 769,848</u>	<u>\$ (3,940)</u>	<u>\$ (9,028)</u>	<u>\$ -</u>	<u>\$ 756,880</u>

1 The decrease includes \$8,977 reclassified to depreciable intangible.

2 Accumulated depreciation increases in Machinery and Equipment, Solid Waste Management, include depreciation expense of \$3,661, plus \$7,940 in accumulated depreciation for 31 refuse trucks was transferred from Governmental Activities, Other Internal Service Funds.

Note 5 Capital Assets (Continued)**CPS Energy**

CPS Energy's plant-in-service includes four power stations that are solely owned and operated by CPS Energy. In total, there are 17 generating units at these four power stations—two of which are coal-fired and 15 of which are gas-fired (units not in thousands). CPS Energy also has two solar generating units, one of which also includes battery storage. Excluding STP (nuclear units), the following is a list of power stations and respective generating units in service at January 31, 2022:

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

Other notable capital assets in electric and gas plant include supporting coal yard assets, a fleet of railcars, a transmission network for the movement of electric power from the generating stations to substations, electric and gas distribution systems, and metering. Included in general plant are two data centers; the McCullough headquarters campus; the construction and customer service centers; and a fleet of automobiles, trucks and work equipment.

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

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

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

During fiscal year 2022, CPS Energy sold several surplus properties, which consisted of the Navarro Building, the former Northside Customer Service Center, the former Main Office building and garage and adjacent parking lots. The properties sold had a combined sales price of \$50,845. Meanwhile, total remaining properties that were classified as held for sale had a balance of \$190 at January 31, 2022.

Asset Impairments – There were no capital asset impairments identified for fiscal year 2022.

Note 5 Capital Assets (Continued)**CPS Energy (Continued)**

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

STP Capital Investment, Net	
	January 31, 2022
STP Capital Assets, net	
Land	\$ 5,701
Construction in progress, STP Units 1 and 2	8,622
Electrical and general plant	828,586
Intangibles	9,879
Nuclear Fuel	114,310
Total STP Capital Assets, net	<u>\$ 967,098</u>
Total CPS Energy Capital Assets, net	<u>\$ 8,908,861</u>
STP Capital Investments as a percentage of total CPS Energy Capital Assets, net	10.9%

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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Note 5 Capital Assets (Continued)**CPS Energy (Continued)**

The following table provides more detailed information on the activity of CPS Energy's net capital assets as presented on the Statement of Net Position, including capital asset activity for fiscal year 2022:

Capital Assets - CPS Energy					
	Beginning Balance (Restated)¹	Increases	Transfers	Decreases	Ending Balance
Non-Depreciable Assets:					
Land ²	\$ 105,393	\$ (2)	\$ 6,860	\$ 572	\$ 112,823
Land Easements	107,718		24	(977)	106,765
Construction in Progress	497,379	559,817	(337,209)		719,987
Total Non-Depreciable Assets	\$ 710,490	\$ 559,815	\$ (330,325)	\$ (405)	\$ 939,575
Depreciable Assets:					
Utility Plant in Service:					
Electric Plant	11,967,451	63,384	222,483	(33,168)	12,220,150
Gas Plant	1,143,051	18,372	52,070	(1,117)	1,212,376
General Plant	823,886	9,012	41,807	(41,334)	833,371
Intangibles:					
Software	249,080		13,967	(7,251)	255,796
Other	38,572				38,572
Leases	5,131				5,131
Nuclear Fuel	1,112,466	38,589			1,151,055
Total Depreciable Assets	\$ 15,339,637	\$ 129,357	\$ 330,327	\$ (82,870)	\$ 15,716,451
Accumulated Depreciation and Amortization:					
Utility Plant in Service:					
Electric Plant	(5,593,102)	(347,219)		45,004	(5,895,317)
Gas Plant	(440,921)	(26,050)		3,021	(463,950)
General Plant	(245,545)	(45,225)		52,502	(238,268)
Intangibles:					
Software	(82,340)	(25,749)		7,251	(100,838)
Other	(12,436)	2,007			(10,429)
Leases	(800)	(818)			(1,618)
Nuclear Fuel	(990,443)	(46,302)			(1,036,745)
Total Accumulated Depreciation, Depletion and Amortization	\$ (7,365,587)	\$ (489,356)	\$ -	\$ 107,778	\$ (7,747,165)
Total Capital Assets, net	\$ 8,684,540	\$ 199,816	\$ 2	\$ 24,503	\$ 8,908,861

¹ The beginning balance is restated to include \$5,131 lease assets, and \$(800) accumulated depreciation on lease assets.

² The \$(2) increases for land are for reversal of a prior year accrual, while the \$572 decreases for land are due to real estate transactions in prior year adjusted in current year.

Cash flow information – Cash paid for additions and net removal costs totaled \$610,506. This amount includes \$641,356 in additions to construction-in-progress and electric, gas and general plant plus net salvage and removal costs of \$21,253, partially offset by \$9,597 in donated assets.

Other – Depreciation and amortization expense for the period totaled \$443,054, while amortization of nuclear fuel of \$46,302 was included in fuel expense on CPS Energy's Statement of Revenues, Expenses and Changes in Net Position, in CPS Energy's separately issued financial statements.

Note 5 Capital Assets (Continued)**San Antonio Water System (SAWS)**

Capital asset activity for SAWS is as follows:

Capital Assets - San Antonio Water System					
	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Non-Depreciable Assets:					
Land	\$ 162,438	\$ -	\$ 6,830	\$ (246)	\$ 169,022
Intangible Assets:					
Water Rights	248,881				248,881
Other	370				370
Construction in Progress	521,627	474,037	(390,436)	(1,407)	603,821
Total Non-Depreciable Assets	\$ 933,316	\$ 474,037	\$ (383,606)	\$ (1,653)	\$ 1,022,094
Depreciable Assets:					
Utility Plant in Service:					
Structures and Improvements	1,002,070	394	58,808	(1,770)	1,059,502
Pumping and Purification	279,218	461	1,351		281,030
Distribution and Transmission System	3,610,086		138,633	(8,674)	3,740,045
Treatment Facilities	2,800,410		167,975	(16,194)	2,952,191
Total Utility Plant in Service	\$ 7,691,784	\$ 855	\$ 366,767	\$ (26,638)	\$ 8,032,768
Machinery and Equipment:					
Machinery and Equipment	477,239	7,802	16,839	(13,347)	488,533
Furniture and Fixtures	6,595			(4)	6,591
Computer Equipment	29,706	1,333		(527)	30,512
Software	55,607	80		(121)	55,566
Total Machinery and Equipment	\$ 569,147	\$ 9,215	\$ 16,839	\$ (13,999)	\$ 581,202
Intangible Assets	1,354				1,354
Total Depreciable Assets	\$ 8,262,285	\$ 10,070	\$ 383,606	\$ (40,637)	\$ 8,615,324
Accumulated Depreciation:					
Utility Plant in Service:					
Structures and Improvements	(276,667)	(28,011)		561	(304,117)
Pumping and Purification	(94,744)	(9,128)			(103,872)
Distribution and Transmission System	(872,534)	(70,716)		8,674	(934,576)
Treatment Facilities	(863,401)	(56,474)		10,686	(909,189)
Machinery and Equipment:					
Machinery and Equipment	(179,076)	(28,071)		13,190	(193,957)
Furniture and Fixtures	(6,294)	(70)		4	(6,360)
Computer Equipment	(21,409)	(2,066)		519	(22,956)
Software	(40,464)	(4,213)		121	(44,556)
Intangible Assets	(719)	(68)			(787)
Total Accumulated Depreciation	\$ (2,355,308)	\$ (198,817)	\$ -	\$ 33,755	\$ (2,520,370)
Total Depreciable Assets, net	\$ 5,906,977	\$ (188,747)	\$ 383,606	\$ (6,882)	\$ 6,094,954
Total Capital Assets, net	\$ 6,840,293	\$ 285,290	\$ -	\$ (8,535)	\$ 7,117,048

Note 5 Capital Assets (Continued)**San Antonio Water System (SAWS) (Continued)**

Asset Impairment – SAWS periodically reviews its capital assets for possible impairment. As part of SAWS capital improvement program, SAWS incurs costs to design capital improvement projects. These costs are included in capital assets as Construction in Progress. Periodically the actual construction of these projects may not occur due to changes in plans. Once it has been determined that construction will not proceed, any capitalized costs are charged off to operating expenses. Design and project costs written off totaled \$1,407 in 2021.

SAWS owns a water treatment plant in southwest Bexar County to treat water supplied from Medina Lake and the Medina River. During the height of the 2011-2014 drought, Medina Lake water levels were greatly diminished leading to poor water quality. As a result, the treatment plant was idled from April 2013 through August 2015. Due to heavy rainfall during the summer of 2015, lake levels increased to a peak of nearly 80.0% of capacity. SAWS restarted the treatment plant on September 1, 2015 and treated approximately 500 acre-feet of Medina River water (acre-feet not reported in thousands). Water quality concerns persisted and SAWS elected to idle the treatment plant again in October 2015. Additional investments in the treatment process may be required in order to eliminate these water quality concerns in the future. Current available water supplies are expected to be sufficient to meet customers' demand in the foreseeable future without utilizing the Medina supplies. The book value of the treatment plant at December 31, 2021 was \$10,470. SAWS is continuing to depreciate the treatment plant and management does not currently believe the plant has been permanently impaired.

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Note 6 Receivables and Payables**Disaggregation of Receivables and Payables****Primary Government (City)**

Net receivables at September 30, 2022 are as follows:

	<u>Customer Accounts</u>	<u>Taxes</u>	<u>Note and Loans</u>	<u>Accrued Interest</u>	<u>Other</u>	<u>Total Net Receivables</u>	<u>Lease Receivables</u>
Governmental Activities	\$ 150,494	\$ 31,327	\$ 97,923	\$ 3,516	\$ 60,816	\$ 344,076	\$ 104,471
Business-Type Activities	16,350			448		16,798	109,211
Total	<u>\$ 166,844</u>	<u>\$ 31,327</u>	<u>\$ 97,923</u>	<u>\$ 3,964</u>	<u>\$ 60,816</u>	<u>\$ 360,874</u>	<u>\$ 213,682</u>

The receivable balances for Governmental Activities have been reduced by estimated allowances for doubtful accounts of \$64,091 against customer accounts, \$3,281 against property and occupancy taxes, \$42,833 against notes and loans and \$36,831 against other receivables. The receivable balances for Business-Type Activities have been reduced by estimated allowances for doubtful accounts of \$372 against customer accounts.

Of the \$97,923 recorded in note and loans, only \$1,494 is expected to be collected within one year. The remaining \$96,429 note and loans receivables not expected to be collected within one year are related to General Fund, CDBG, HOME, Community Services and San Antonio Economic Development Corporation (SAEDC), net of allowance for doubtful accounts of \$42,833. The \$42,833 allowance is comprised of forgivable non-interest-bearing notes and loans and aged loans greater than 90 days that are collectible. The notes and loans not collectible within 60 days have a corresponding deferred inflows of resources balance recorded within the governmental funds.

Payables at September 30, 2022 are as follows:

	<u>Accounts</u>	<u>Accrued Payroll</u>	<u>Total Payables</u>	<u>Lease Payable</u>
Governmental Activities	\$ 241,553	\$ 10,856	\$ 252,409	\$ 92,547
Business-Type Activities	36,735	1,965	38,700	126
Total	<u>\$ 278,288</u>	<u>\$ 12,821</u>	<u>\$ 291,109</u>	<u>\$ 92,673</u>

CPS Energy

Disaggregation of Receivables – Net customer accounts receivable as of January 31, 2022, included \$64,173 for unbilled revenue receivables and \$274,559 for billed utility services. Interest and other receivables included \$17,607 for regulatory-related receivables, and \$73,348 for other miscellaneous receivables.

Disaggregation of Payables – At January 31, 2022, accounts payable and accrued liabilities included \$287,621 related to standard operating supplier and vendor accounts payables, including fuels payable; \$46,934 for employee-related payables; \$87,078 for customer related payables; \$31,922 for STP-related payables; and \$73,403 for other miscellaneous payables and accrued liabilities.

Note 6 Receivables and Payables (Continued)**Disaggregation of Receivables and Payables (Continued)****San Antonio Water System (SAWS)**

Disaggregation of Receivables – Gross customer accounts receivables as of December 31, 2021, included \$90,666 from customers; \$37,699 in unbilled revenue; \$808 receivable from other governmental agencies, and \$2,807 for interest receivable, less an allowance of \$43,870.

Disaggregation of Payables – At December 31, 2021, accounts payable and other current liabilities included \$35,693 in accounts payable; \$6,148 in vacation payable; \$1,739 in accrued payroll and benefits; \$46,562 in construction contracts; \$16,567 in customer deposits; and \$8,821 in other miscellaneous payables.

Interfund Receivable and Payable Balances**Primary Government (City)**

The following is a summary of interfund receivables and payables for the City as of September 30, 2022:

	Due From Other Funds	Due To Other Funds
General Fund:		
Debt Service Fund	\$ 68	\$ 507
COVID-19 Funds	42,149	13,352
Nonmajor Governmental Funds	27,567	
Total General Fund	\$ 69,784	\$ 13,859
Debt Service Fund:		
General Fund	507	68
Total Debt Service Fund	\$ 507	\$ 68
COVID-19 Funds:		
General Fund	13,352	42,149
Total COVID-19 Funds	\$ 13,352	\$ 42,149
Nonmajor Governmental Funds:		
General Fund		27,567
Nonmajor Governmental Funds	30,802	36,643
Nonmajor Enterprise Funds	168	
Total Nonmajor Governmental Funds	\$ 30,970	\$ 64,210
Nonmajor Enterprise Funds:		
Nonmajor Governmental Funds		168
Total Nonmajor Enterprise Funds	\$ -	\$ 168
Total	\$ 114,613	\$ 120,454

As of September 30, 2022, the interfund receivable and payable balances represent short-term loans resulting from timing differences between the dates that transactions are recorded in the accounting system and short-term borrowings at fiscal year-end. Of the \$69,784 due from other funds reported in General Fund, \$69,686 is as result of overdraws of pooled cash. All interfund balances are expected to be paid within one year.

Note 6 Receivables and Payables (Continued)**Interfund Receivable and Payable Balances (Continued)****Primary Government (City) (Continued)**

Different fiscal year-ends exist between the City and San Antonio Early Childhood Education Municipal Development Corporation (ECEMDC) component unit, (September 30th and June 30th, respectively); therefore, interfund receivables and payables do not eliminate by \$5,841. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the City's transfer to ECEMDC represents its obligation to provide the 1/8 cents sales tax collected 60 days after September 30; however, ECEMDC's due from other funds illustrates the City's 1/8 cents sales tax collected 60 days after June 30, 2022. These transactions are in accordance with legislative and contractual requirements.

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Note 7 Deferred Outflows and Inflows of Resources

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

Primary Government (City)

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

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Deferred Outflows of Resources:			
Deferred Outflows of Resources related to Pensions	\$ 94,250	\$ 3,689	\$ 97,939
Contributions Subsequent to Measurement Date related to Pensions	100,962	8,560	109,522
Deferred Outflows of Resources related to OPEB	156,773	25,147	181,920
Contributions Subsequent to Measurement Date related to OPEB	33,846	264	34,110
Deferred Outflows of Resources related to ARO	395	474	869
Unamortized Debt Reacquisition Costs	43,590	2,702	46,292
Total Deferred Outflows of Resources	\$ 429,816	\$ 40,836	\$ 470,652
Deferred Inflows of Resources:			
Deferred Inflows of Resources related to Pensions	\$ 489,208	\$ 28,234	\$ 517,442
Deferred Inflows of Resources related to OPEB	412,394	54,776	467,170
Deferred Inflows of Resources related to Leases	102,742	113,341	216,083
Total Deferred Inflows of Resources	\$ 1,004,344	\$ 196,351	\$ 1,200,695

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

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

	Governmental Funds
Deferred Inflows of Resources:	
Revenues associated with:	
Loan receivables	\$ 97,780
Accrued interest on loan receivables	62
Grants	52,879
Leases	100,595
Property Tax Collections	28,994
EMS Collections	24,950
Municipal Court Fines	2,662
Library Fines	721
Alarm Fees	1,353
Other entities	1,257
Total Deferred Inflows of Resources in the Balance Sheet - Governmental Funds Statement	\$ 311,253

Note 7 Deferred Outflows and Inflows of Resources (Continued)**CPS Energy**

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

	CPS Energy
Deferred Outflows of Resources:	
Unrealized pension contributions	\$ 62,101
Losses relating to pension	62,502
Unrealized contributions to the OPEB Plan	726
Losses related to OPEB	16,426
Unrealized losses on fuel hedges	15,138
Unamortized debt reacquisition costs	56,946
Unamortized costs for asset retirement obligations	510,879
Total Deferred Outflows of Resources	\$ 724,718
Deferred Inflows of Resources:	
Unrealized gains related to pension	\$ 65,428
Unrealized gains related to OPEB	37,960
Unrealized gains on fuel hedges	59,501
Leases	12,995
Sale of future revenues	77,583
Total Deferred Inflows of Resources	\$ 253,467

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	\$ 22,005
Decrease of fair value of hedging derivatives	10,357
Deferred outflow related to asset retirement obligation	32,108
Unrealized pension contributions	10,761
Losses related to pension	2,911
Unrealized OPEB contributions	10,442
Losses related to OPEB	2,376
Total Deferred Outflows of Resources	\$ 90,960
Deferred Inflows of Resources:	
Differences between expected and actual experience and changes of assumptions related to pension	\$ 32,712
Differences between expected and actual experience and changes of assumptions related to OPEB	23,328
Net Difference between projected and actual earnings on OPEB plan investments	9,951
Total Deferred Inflows of Resources	\$ 65,991

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 2022.

On May 7, 2022, voters approved a \$1,200,000 bond program, the largest bond program in the City's history. On August 9, 2022, the City issued a portion of the authorized bond in \$57,680 in General Improvement Bonds, Series 2022 and \$100,520 in General Improvement Bonds, Taxable Series 2022. The General Improvement Bonds, Series 2022 included a premium of \$6,790, and were issued to finance improvements to streets, bridges, and sidewalks; drainage and flood control; parks and recreation; library and cultural facilities; and public safety facilities. The Bonds have maturities ranging from 2023 to 2042, with interest rates ranging from 4.0% to 5.0%. The General Improvement Bonds, Taxable Series 2022 proceeds were issued to finance affordable housing. They have maturities ranging from 2023 to 2042, with interest rates ranging from 3.3% to 4.5%. These bonds represent the first installment of the Bond Program approved by voters in May 2022.

Additionally on August 9, 2022, the City issued \$79,830 in Combination Tax and Revenue Certificates of Obligation, Series 2022; and \$47,910 in Tax Notes, Series 2022. The Combination Tax and Revenue Certificates of Obligation, Series 2022 included a premium of \$9,398, and were issued to finance improvements to municipal facilities; streets, sidewalks and drainage; and parks and recreation. The Certificates have maturities ranging from 2023 to 2042, with interest rates ranging from 4.0% to 5.0%. The Tax Notes, Series 2022 proceeds included a premium of \$1,431, and were issued to finance improvements for information technology, municipal facilities, parks and recreation, and street maintenance projects. The Tax Notes have maturities ranging from 2023 to 2024, with an interest rate of 5.0%.

On August 30, 2022, the City issued \$292,880 in Texas Public Facilities Corporation Lease Revenue Refunding and Improvement Bonds, Series 2022 to refinance existing debt for interest cost savings and to fund improvements to the Convention Center Facility. The refunding proceeds of \$265,875 included a premium of \$33,594 and were used to fund an escrow account for the partial redemption discharge and defeasance of the Texas Public Facilities Corporation Improvement and Refunding Lease Revenue Bonds, Series 2012. As a result of the defeasance, the City will realize a total decrease of \$22,630 in debt service payments and total deferred charges of \$8,171. 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 \$11,915. The refunding portion of proceeds have maturities ranging from 2023 to 2037, with an interest rate of 5.0%. Additional proceeds of \$27,005 included a premium of \$3,190. The bonds have maturities ranging from 2026 to 2042, with an interest rate of 5.0%.

Note 8 Long-Term Obligations (Continued)**Primary Government (City) (Continued)****Governmental Activities Long-Term Obligations (Continued)****Issuances (Continued)**

On March 3, 2022, City Council approved the issuance of bonds in an aggregate principal amount not to exceed \$450,000 by a conduit issuer, the Public Finance Authority, a State of Wisconsin governmental entity to finance the costs of acquiring the Grand Hyatt San Antonio Riverwalk (Hotel) by CFC-SA, LLC an Arizona based non-profit. The Grand Hyatt San Antonio Riverwalk is the convention center headquarters hotel constructed on City owned land adjacent to the City's Convention Center. Proceeds of the 2022 issuance were used to pay Grand Hyatt for the purchase of the Hotel by CFC-SA, pay amounts owed to the City, fund certain reserves, and pay the costs of issuance. A portion of the sale proceeds were also used to defease the Convention Center Hotel Finance Corporation, a blended component unit of the City, Series 2005A and 2005B Bonds (originally issued to partially finance construction of the Hotel) in the outstanding amounts of \$129,930 and \$38,410, respectively. The 2005A and 2005B bonds had a pledge of certain City Hotel Occupancy Tax revenues in the event Hotel operating revenues were insufficient to pay all debt service. The City is not providing any support or pledged revenue for the 2022 bonds. Additionally, CFC-SA under its charitable purpose, will hold the Hotel in trust for the benefit of the City and once the bonds have been fully repaid, ownership of the Hotel will transfer from the non-profit to the City. Under a 30-year Qualified Management Agreement, Grand Hyatt continues to operate the Hotel as a premier, full-service, convention center hotel.

Pledges and Significant Terms

The City's General Obligation Bonds, Certificates of Obligation, Tax Notes, and Public Property Finance Contractual Obligations are secured by ad valorem taxes levied upon all taxable property located within the City, within the limitations prescribed by law. The Certificates of Obligations are additionally secured by a lien on and pledge of certain revenues of the City's municipal parks system not to exceed \$1 during the entire period the Certificates of Obligation or interest thereon remains outstanding in order to permit the Certificates of Obligation to be sold for cash. The total outstanding debt that is secured by an ad valorem tax pledge allocated to government-type activities is \$2,270,095. Remedies for nonpayment of ad valorem tax-backed debt is bondholder suit in mandamus to compel the City's payment of scheduled debt service to occur in a given year. There is no lien on property, right to accelerate, or default rate of interest for City non-payment.

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

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)**

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 ; fourth, from the Ambac Surety Policy in the debt service reserve fund; and fifth, from the Ambac Financial Guaranty Insurance Policy. In April 2022, bonds were issued by the Public Finance Authority, a State of Wisconsin governmental entity and a conduit issuer to finance the costs of acquiring the Grand Hyatt San Antonio Riverwalk by CFC-SA, LLC., an Arizona based non-profit. Proceeds of the 2022 issuance were used to pay Hyatt for the purchase of the Hotel by CFC-SA, pay amounts owed to the City, fund certain reserves, and pay the costs of issuance. A portion of the sale proceeds were also used to fully defease the outstanding Convention Center Hotel Finance Corporation Contract Revenue Empowerment Zone Bonds. The City is not providing any support or pledged revenue for the 2022 bonds. See "Issuances (Other)" in this section for additional detail.

The Texas Municipal Facilities Corporation (MFC) has secured bonds and loans. The 2011 MFC Bonds financed the construction of a new Fire and Police Emergency Dispatch Center, also known as the Public Safety Answering Point (PSAP) and are paid semi-annually by the General Fund. The payments from the General Fund are supported by appropriated lease payments which equal the annual debt service on the bonds. The 2021 MFC Bonds financed a portion of the acquisition and funded the renovation of the City Tower building for a consolidated City administrative office building. These Lease Revenue Bonds are paid semi-annually by the City Tower Fund and are supported by City department budget assessments, parking revenues, and external lease revenue held in the City Tower Lease Fund. The 2019 MFC Contract Revenue Notes financed the redevelopment of two buildings at Brooks City Base for the City and are paid by annually appropriated Brooks City-Base Tax Increment Reinvestment Zone revenues. Payment of debt service on the bonds and notes is solely dependent upon the payment by the City (as the "lessee" under the related lease agreement) of lease payments under the lease. In the event the City fails to appropriate for the payment of lease payments during any fiscal year, the lease will terminate at the end of the fiscal year for which sufficient appropriations have been made, and the City must, upon the expiration of such fiscal year, surrender possession and control of the assets to the lessor or the trustee. Remedies available under the lease upon a failure of the City to pay lease payments from appropriated funds could include some of the following: (i) immediate acceleration of all lease payments due or to become due during the current fiscal year, (ii) termination of the City's leasehold interest in the assets, (iii) the right of the trustee to take possession and control of the asset, and to sell, or lease or otherwise dispose of the asset upon foreclosure under the related mortgage and security agreement, (iv) with or without terminating the primary lease, immediate acceleration of all operating expenses due or to become due during the current fiscal year, and (v) take any other action at law or in equity that may be necessary or desirable to collect lease payments, including filing a suit in mandamus to compel payment. Remedies available under the trust agreement upon a failure of the issuer to pay debt service on the bonds or the occurrence of an event of default under the lease agreement include, (i) with or without terminating the lease and to the extent permitted by law, immediate acceleration of all outstanding bonds at the option of the trustee or if directed by the holders of at least 25.0% in principal amount of the outstanding bonds, and (ii) the right of the trustee to terminate the lease and take possession and control of the asset, and to sell, or lease, sublease or otherwise dispose of the asset upon foreclosure under the related mortgage and security agreement.

Note 8 Long-Term Obligations (Continued)**Primary Government (City) (Continued)*****Governmental Activities Long-Term Obligations (Continued)*****Pledges and Significant Terms (Continued)**

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

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Note 8 Long-Term Obligations (Continued)**Primary Government (City) (Continued)****Governmental Activities Long-Term Obligations (Continued)****Pledges and Significant Terms (Continued)**

Texas Public Facilities Corporation Improvement and Refunding Lease Revenue Bonds, Convention Center Facilities, are paid by annually appropriated lease payments from any money that has not been encumbered to secure the payment of any indebtedness of the City and that may lawfully be used with respect to any payment obligated or permitted under the lease agreement, including but not limited to unencumbered and lawfully available revenues derived by the City from hotel occupancy taxes levied by the City; annual ad valorem taxes levied for maintenance and operation purposes; the 1.0% general sales and use tax levied by the City; and transfers from City-owned utility systems. The finance plan is based upon the utilization of hotel occupancy taxes and no other sources are anticipated to be used. In the event the City (as the "sublessee" under the related lease agreement) fails to appropriate for the payment of lease payments during any fiscal year, (i) the sublease will terminate at the end of the fiscal year for which sufficient appropriations have been made (but the primary lease will remain in existence and will not terminate), (ii) the City must, upon the expiration of such fiscal year, surrender possession and control of the Convention Center facilities to the trustee, and (iii) the City will be prohibited from conducting any operations or activities at the Convention Center facilities. Remedies available under the lease agreement upon a failure of the City to pay lease payments from appropriated funds include, (i) terminating the sublease upon the trustee giving 30 days written notice to the City, after which the City must surrender possession and control of the Convention Center facilities to the trustee, (ii) with or without terminating the sublease, (a) immediate acceleration of all lease payments due or to become due during the current fiscal year, and (b) the right of the trustee to take possession and control of the Convention Center facilities and exclude the City from using the Convention Center facilities, (iii) with or without terminating the primary lease, immediate acceleration of all operating expenses due or to become due during the current fiscal year, and (iv) take any other action at law or in equity that may be necessary or desirable to collect lease payments, including filing a suit in mandamus to compel payment. Remedies available under the trust agreement upon a failure of the issuer to pay debt service on the bonds or the occurrence of an event of default under the lease agreement include, (i) with or without terminating the sublease and to the extent permitted by law, immediate acceleration of all outstanding bonds at the option of the trustee or if directed by the holders of at least 25.0% in principal amount of the outstanding bonds, and (ii) the right of the trustee to terminate the sublease and take possession and control of the Convention Center facilities, and to sublease the Convention Center facilities for a period up to but not exceeding the remaining term of the primary lease.

Prior Years' Defeased Debt

In prior years, the City advance refunded, prior to maturity, certain General Obligation Bonds, Revenue Bonds, Certificates of Obligation and Tax Notes. The refunding bonds were utilized to purchase securities, which are direct obligations of the United States of America (the Purchased Securities). The Purchased Securities plus cash were deposited into irrevocable escrow accounts in amounts scheduled to mature in principal amounts that, when added to interest earned on the Purchased Securities plus remaining balances in the escrow fund, are fully sufficient to make timely payment on the principal, premium if any, and interest scheduled to come due on the refunded obligations. The refunded obligations represent a legal defeasance and are no longer a liability of the City; therefore, they are not included in the City's financial statements. As of September 30, 2022, \$125,590 of previously defeased bonds are outstanding.

Note 8 Long-Term Obligations (Continued)**Primary Government (City) (Continued)****Governmental Activities Long-Term Obligations (Continued)**

The following table is a summary of changes for the year-ended September 30, 2022 for governmental activities:

Governmental Activities Long-Term Debt							
Issue	Time of Original Issuance			Balance Outstanding October 1, 2021	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2022
	Original Amount	Final Principal Payment	Interest Rates (%)				
Tax-Exempt General Obligation Bonds:							
Series 2012	\$ 148,600	2032	2.000-5.000	\$ 6,490	\$ -	\$ (6,490)	\$ -
Series 2013	114,435	2033	2.000-5.000	4,860		(4,860)	
Series 2014	227,030	2034	2.000-5.000	63,255		(19,605)	43,650
Series 2014 Refunding	51,955	2025	0.500-5.000	7,600		(1,740)	5,860
Series 2015 Refunding	233,220	2035	4.000-5.000	102,230		(6,570)	95,660
Series 2016 Refunding	193,875	2036	3.000-5.000	126,420		(17,615)	108,805
Series 2017	88,070	2037	4.000-5.000	67,660		(3,255)	64,405
Series 2018	154,850	2038	3.000-5.000	124,045		(4,810)	119,235
Series 2019 Refunding (HUD)	24,570	2025	2.000-5.000	14,655		(3,480)	11,175
Series 2019 Refunding	383,940	2040	3.000-5.000	366,505		(12,890)	353,615
Series 2020 Refunding	27,770	2023	4.000-5.000	9,705		(4,730)	4,975
Series 2020	145,565	2040	3.000-5.000	131,645		(4,395)	127,250
Series 2021	128,295	2041	4.000-5.000	128,295		(13,590)	114,705
Series 2022	57,680	2042	4.000-5.000		57,680		57,680
Total Tax-Exempt General Obligation Bonds	\$ 1,979,855			\$ 1,153,365	\$ 57,680	\$ (104,030)	\$ 1,107,015
Taxable General Obligation Bonds:							
Series 2020 Refunding	\$ 437,420	2034	0.314-2.013	\$ 428,710	\$ -	\$ (20,290)	\$ 408,420
Series 2022	100,520	2042	3.274-4.531		100,520		100,520
Total Taxable General Obligation Bonds	\$ 537,940			\$ 428,710	\$ 100,520	\$ (20,290)	\$ 508,940
Tax-Exempt Certificates of Obligation:							
Series 2012	\$ 19,340	2032	1.000-5.000	\$ 930	\$ -	\$ (930)	\$ -
Series 2013	15,145	2028	2.000-5.000	1,015		(1,015)	
Series 2015	36,360	2035	1.500-5.000	19,385		(1,460)	17,925
Series 2016	78,270	2036	2.000-5.000	64,510		(3,120)	61,390
Series 2017	67,295	2037	3.000-5.000	49,415		(2,465)	46,950
Series 2018	109,235	2038	4.000-5.000	98,455		(3,830)	94,625
Series 2019	30,235	2039	4.000-5.000	26,980		(1,690)	25,290
Series 2020	40,500	2040	3.000-5.000	38,780		(1,610)	37,170
Series 2021	41,425	2041	3.000-5.000	41,425		(1,410)	40,015
Series 2022	79,830	2042	4.000-5.000		79,830		79,830
Total Tax-Exempt Certificates of Obligation	\$ 517,635			\$ 340,895	\$ 79,830	\$ (17,530)	\$ 403,195
Taxable Certificates of Obligation:							
Series 2015	\$ 43,820	2035	0.880-4.162	\$ 33,175	\$ -	\$ (1,885)	\$ 31,290
Series 2016	24,830	2036	0.921-3.278	20,240		(1,645)	18,595
Series 2018	8,600	2038	2.580-4.050	7,655		(330)	7,325
Series 2020	15,440	2040	0.300-2.400	14,720		(695)	14,025
Series 2016 (Fixed Conversion)	47,000	2046	0.793-2.933	47,000			47,000
Series 2021A	22,890	2041	0.220-2.670	22,890		(1,040)	21,850
Total Taxable Certificates of Obligation	\$ 162,580			\$ 145,680	\$ -	\$ (5,595)	\$ 140,085
Tax Notes:							
Series 2019	\$ 34,535	2022	5.000	\$ 12,035	\$ -	\$ (12,035)	\$ -
Series 2020	43,795	2023	5.000	29,750		(14,510)	15,240
Series 2021	36,530	2024	5.000	36,530		(11,670)	24,860
Series 2022	47,910	2024	5.000		47,910		47,910
Total Tax Notes	\$ 162,770			\$ 78,315	\$ 47,910	\$ (38,215)	\$ 88,010
Revenue Bonds:							
Series 2013 Municipal Drainage	\$ 70,685	2030	3.000-5.000	\$ 44,370	\$ -	\$ (4,605)	\$ 39,765
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	38,410		(38,410)	
Series 2013 Starbright Industrial Dev Corp	20,890	2033	1.078-4.750	15,220		(1,035)	14,185
Series 2011 Municipal Facilities Corp	27,925	2041	2.000-5.000	22,350		(715)	21,635
Series 2021 Municipal Facilities Corp	59,760	2048	3.000-5.000	59,760			59,760
Series 2021 Taxable Municipal Facilities Corp	30,550	2050	0.894	30,550			30,550
Series 2012 Public Facilities Corp ¹	550,374	2042	3.000-5.100	535,344		(279,044)	256,300
Series 2022 Public Facilities Corp and Refunding	292,880	2042	5.000		292,880		292,880
Total Revenue Bonds	\$ 1,261,209			\$ 875,934	\$ 292,880	\$ (453,739)	\$ 715,075
Bonds from Direct Placements:							
Series 2019 Municipal Facilities Corp	\$ 6,065	2034	2.390	\$ 5,435	\$ -	\$ (360)	\$ 5,075
Series 2020 Public Facilities Corp - Contractual Obligations	11,300	2025	1.701	9,115		(2,220)	6,895
Series 2021 Taxable Certificates of Obligation	15,955	2035	2.010	15,955			15,955
Total Bonds from Direct Placements	\$ 33,320			\$ 30,505	\$ -	\$ (2,580)	\$ 27,925
Total	\$ 4,655,309			\$ 3,053,404	\$ 578,820	\$ (641,979)	\$ 2,990,245

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 accreted from the date of delivery and were fully refunded with the Series 2022 Public Facilities Corporation Refunding Bond.

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, 2022 are as follows:

Year-Ending September 30,	Principal and Interest Requirements					
	General Obligation Bonds ¹		Certificates of Obligation ²		Tax Notes	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 138,700	\$ 56,135	\$ 24,550	\$ 21,603	\$ 50,800	\$ 3,655
2024	113,140	52,248	26,505	20,796	37,210	1,249
2025	110,670	48,102	27,355	19,690		
2026	107,995	43,786	28,590	18,519		
2027	100,685	39,917	28,455	17,282		
2028-2032	493,425	147,758	153,765	66,912		
2033-2037	369,635	70,716	158,400	33,886		
2038-2042	181,705	14,184	79,205	8,775		
2043-2047			16,455	1,018		
Total	<u>\$ 1,615,955</u>	<u>\$ 472,846</u>	<u>\$ 543,280</u>	<u>\$ 208,481</u>	<u>\$ 88,010</u>	<u>\$ 4,904</u>

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

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

Year-Ending September 30,	Principal and Interest Requirements			
	Revenue Bonds		Bonds from Direct Placements	
	Principal	Interest	Principal	Interest
2023	\$ 9,210	\$ 30,822	\$ 2,630	\$ 559
2024	11,275	30,342	2,680	512
2025	14,005	30,162	3,660	445
2026	17,020	29,506	1,335	377
2027	19,630	28,669	1,340	349
2028-2032	122,295	128,134	7,810	1,292
2033-2037	179,880	94,944	8,470	261
2038-2042	287,960	45,614		
2043-2047	49,345	7,796		
2048-2052	4,455	2,476		
Total	<u>\$ 715,075</u>	<u>\$ 428,465</u>	<u>\$ 27,925</u>	<u>\$ 3,795</u>

Note 8 Long-Term Obligations (Continued)**Primary Government (City) (Continued)****Governmental Activities Long-Term Obligations (Continued)**

In May 2022, the citizens authorized the City to sell \$1,200,000 in debt for the 2022-2027 Bond Program. The program includes 183 projects designed to improve and enhance existing, as well as acquire or construct, streets, bridges, and sidewalks; drainage and flood control; parks, recreation, and open spaces; library, museum and cultural facilities; public safety facilities; and affordable housing. The Bonds are pledged with and will be repaid from ad valorem tax revenue the City collects on an annual basis.

Authorization Date	Purpose	Authorized but Unissued General Obligation Debt		
		Amount Authorized	Bonds Previously Issued	Bonds Authorized but Unissued
5/7/2022	Streets, Bridges, and Sidewalks ¹	\$ 471,557	\$ 30,653	\$ 440,904
5/7/2022	Drainage and Flood Control ¹	169,873	9,484	160,389
5/7/2022	Parks, Recreation, and Open Space ¹	271,915	17,089	254,826
5/7/2022	Library, Museum, and Cultural Facilities ¹	58,375	2,018	56,357
5/7/2022	Public Safety Facilities ¹	78,280	4,757	73,523
5/7/2022	Affordable Housing ²	150,000	100,520	49,480
Total		<u>\$ 1,200,000</u>	<u>\$ 164,521</u>	<u>\$ 1,035,479</u>

¹ The amount issued of \$64,001 includes the par value of the bonds in the amount of \$57,680, the premium of the bonds in the amount of \$6,790, and less the cost of issuance of \$469.

² The taxable amount issued of \$100,520 is the par value of the bonds, which include project funding of \$99,870 and cost of issuance of \$650.

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 2022 was \$156,336,528 which provides a debt ceiling of \$15,633,653. The total outstanding debt that is secured by an ad valorem tax pledge is \$2,371,095 including \$101,000 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 2022 Debt Service rate was 21.150 cents per \$100 of taxable valuation. (Amounts in this paragraph are not in thousands).

Note 8 Long-Term Obligations (Continued)**Primary Government (City) (Continued)****Governmental Activities Long-Term Obligations (Continued)****Interfund Borrowings**

In 2016, the City authorized proceeds of \$18,100 from the Combination Tax and Revenue Certificates of Obligation, Taxable Series 2016 to finance improvements to Hemisfair Park including continuing restoration of historic buildings, a civic park, landscaping, and other improvements. HPARC agreed to fund all regularly scheduled debt service on this debt. Until this debt has been fully repaid and retired, revenues from the North West Quadrant P3 development would be paid directly to the City, on behalf of HPARC, to fund the annual debt service requirements. To the extent that those revenues are not sufficient, HPARC would repay the debt service using other rental revenues. As a result of the COVID-19 pandemic and resulting delays in the development of the NW Quadrant P3, HPARC requested a five-year deferral with debt payments to the City resuming in fiscal year 2028. HPARC will begin accruing interest on the deferred amount in fiscal year 2023 at a rate of 4.0%. The first payment of \$1,264 is due February 1, 2028. The total deferred amounts will be paid in full with interest on or before September 30, 2029. Included in their repayment schedule is \$175 in cost of issuance expenses and \$259 in deferred interest expenses offset by an initial principal payment made on the bond.

The following is HPARC's restructured debt schedule for fiscal year-ended September 30, 2022:

Principal and Interest Requirements			
Year-Ending September 30,	Principal	Interest	Total
2023-2027	\$ -	\$ -	\$ -
2028-2032	12,582	3,081	15,663
2033-2037	5,952	335	6,287
Total	<u>\$ 18,534</u>	<u>\$ 3,416</u>	<u>\$ 21,950</u>

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

The following table is a summary of changes for the year-ended September 30, 2022:

Issue	Time of Original Issuance			Balance Outstanding October 1, 2021	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2022
	Original Amount	Final Principal Payment	Interest Rates (%)				
Series 2010	\$ 1,185	2025	3.676	\$ 380	\$ -	\$ (90)	\$ 290
Series 2015	4,000	2025	1.500-5.000	1,820		(420)	1,400
Series 2016	3,275	2031	2.000-5.000	2,420		(195)	2,225
Series 2018	1,315	2033	4.000-5.000	1,125		(70)	1,055
Series 2021	1,655	2031	5.000	1,655		(130)	1,525
Total	<u>\$ 11,430</u>			<u>\$ 7,400</u>	<u>\$ -</u>	<u>\$ (905)</u>	<u>\$ 6,495</u>

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

The City did not issue debt under Business-Type Activities in fiscal year 2022.

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

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

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

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

Note 8 Long-Term Obligations (Continued)**Primary Government (City) (Continued)*****Business-Type Activities Long-Term Obligations (Continued)*****Pledges and Significant Terms (Continued)**

The total outstanding debt that is secured by an ad valorem tax pledge allocated to business-type activities is \$101,000. Remedies for nonpayment of ad valorem tax-backed debt is bondholder suit in mandamus to compel the City's payment of scheduled debt service to occur in a given year. There is no lien on property, right to accelerate or default rate of interest for City non-payment.

Prior Years' Defeased Debt

As of September 30, 2022, business-type activities do not have previously defeased debt outstanding.

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Note 8 Long-Term Obligations (Continued)**Primary Government (City) (Continued)****Business-Type Activities Long-Term Obligations (Continued)**

The following table is a summary of changes for the year-ended September 30, 2022 for business-type activities:

Business-Type Long-Term Debt							
Issue	Time of Original Issuance			Balance Outstanding October 1, 2021	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2022
	Original Amount	Final Principal Payment	Interest Rates (%)				
Airport System:							
Revenue Bonds:							
Series 2012 Refunding	\$ 70,135	2027	2.000-5.000	\$ 33,730	\$ -	\$ (4,980)	\$ 28,750
Series 2012 PFC Refunding	25,790	2027	2.000-5.000	12,695		(1,855)	10,840
Series 2015	38,805	2045	5.000	37,250		(835)	36,415
Series 2015 CFC	123,900	2045	2.910-5.871	121,100		(1,450)	119,650
Series 2019A Refunding	47,255	2032	5.000	43,120		(3,040)	40,080
Series 2019B Refunding	36,280	2040	2.020-3.527	35,045		(1,260)	33,785
Series 2019A PFC Refunding	63,405	2032	5.000	57,100		(4,405)	52,695
Series 2019B PFC Refunding	31,535	2040	2.120-3.707	30,345		(1,215)	29,130
Subtotal	\$ 437,105			\$ 370,385	\$ -	\$ (19,040)	\$ 351,345
Bonds from Direct Placements:							
Taxable Tax Notes, Series 2017	\$ 36,000	2024	3.080	\$ 36,000	\$ -	\$ -	\$ 36,000
Taxable Tax Notes, Series 2021	26,000	2024	2.180	26,000			26,000
Subtotal	\$ 62,000			\$ 62,000	\$ -	\$ -	\$ 62,000
Solid Waste Management:							
Tax-Exempt General Obligation Bonds:							
Series 2014 Refunding	\$ 245	2023	5.000	\$ 100	\$ -	\$ (50)	\$ 50
Series 2015 Refunding	1,290	2028	4.000-5.000	1,290		(140)	1,150
Series 2016 Refunding	300	2026	3.000-5.000	155		(30)	125
Tax-Exempt Certificates of Obligation:							
Series 2016	6,585	2036	2.000-5.000	5,495		(250)	5,245
Series 2017	6,065	2037	3.000-5.000	4,465		(225)	4,240
Series 2018	22,375	2038	4.000-5.000	20,235		(785)	19,450
Subtotal	\$ 36,860			\$ 31,740	\$ -	\$ (1,480)	\$ 30,260
Development Services:							
Tax-Exempt Certificates of Obligation:							
Series 2019	\$ 6,190	2039	4.000-5.000	\$ 5,800	\$ -	\$ (210)	\$ 5,590
Subtotal	\$ 6,190			\$ 5,800	\$ -	\$ (210)	\$ 5,590
Parking System:							
Taxable General Obligation Bonds:							
Series 2020 Refunding	\$ 6,275	2024	0.314-0.613	\$ 4,715	\$ -	\$ (1,565)	\$ 3,150
Subtotal	\$ 6,275			\$ 4,715	\$ -	\$ (1,565)	\$ 3,150
Total	\$ 548,430			\$ 474,640	\$ -	\$ (22,295)	\$ 452,345

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, 2022 are as follows:

Year-Ending September 30,	Principal and Interest Requirements								
	Airport System			Airport System Bonds from Direct Placements			Solid Waste Management		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 20,115	\$ 17,109	\$ 37,224	\$ -	\$ 1,676	\$ 1,676	\$ 1,545	\$ 1,413	\$ 2,958
2024	21,260	16,190	37,450	62,000	1,676	63,676	1,625	1,335	2,960
2025	22,505	15,213	37,718				1,700	1,254	2,954
2026	23,960	14,171	38,131				1,795	1,170	2,965
2027	25,315	13,075	38,390				1,785	1,082	2,867
2028-2032	91,040	51,042	142,082				9,440	4,112	13,552
2033-2037	55,910	32,623	88,533				10,670	1,804	12,474
2038-2042	57,725	18,341	76,066				1,700	85	1,785
2043-2047	33,515	3,878	37,393						
Total	\$ 351,345	\$ 181,642	\$ 532,987	\$ 62,000	\$ 3,352	\$ 65,352	\$ 30,260	\$ 12,255	\$ 42,515

Year-Ending September 30,	Principal and Interest Requirements					
	Development Services			Parking System		
	Principal	Interest	Total	Principal	Interest	Total
2023	\$ 220	\$ 255	\$ 475	\$ 1,570	\$ 13	\$ 1,583
2024	230	244	474	1,580	5	1,585
2025	240	232	472			
2026	255	220	475			
2027	265	208	473			
2028-2032	1,545	824	2,369			
2033-2037	1,945	421	2,366			
2038-2042	890	54	944			
2043-2047						
Total	\$ 5,590	\$ 2,458	\$ 8,048	\$ 3,150	\$ 18	\$ 3,168

Note 8 Long-Term Obligations (Continued)**Primary Government (City) (Continued)****Government and Business-Type Activities Long-Term Obligations**

Long-term obligations and amounts due within one year:

	Beginning Balance (Restated)	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Tax-Exempt General Obligation Bonds	\$ 1,153,365	\$ 57,680	\$ (104,030)	\$ 1,107,015	\$ 77,255
Taxable General Obligation Bonds	428,710	100,520	(20,290)	508,940	61,445
Tax-Exempt Certificates of Obligation	340,895	79,830	(17,530)	403,195	18,885
Taxable Certificates of Obligation	145,680		(5,595)	140,085	5,665
Tax Notes	78,315	47,910	(38,215)	88,010	50,800
Revenue Bonds	875,934	292,880	(453,739)	715,075	9,210
Bonds from Direct Placements	30,505		(2,580)	27,925	2,630
Gross Bonds Payable	<u>\$ 3,053,404</u>	<u>\$ 578,820</u>	<u>\$ (641,979)</u>	<u>\$ 2,990,245</u>	<u>\$ 225,890</u>
Unamortized (Discount) / Premium	<u>\$ 194,557</u>	<u>\$ 54,403</u>	<u>\$ (44,836)</u>	<u>\$ 204,124</u>	<u>\$ 28,846</u>
Net Bonds Payable	<u>\$ 3,247,961</u>	<u>\$ 633,223</u>	<u>\$ (686,815)</u>	<u>\$ 3,194,369</u>	<u>\$ 254,736</u>
Other Payables:					
Leases Liability ⁴	\$ 84,723	\$ 14,883	\$ (7,059)	\$ 92,547	\$ 9,773
Financed Purchases ⁴	4,852	321	(1,419)	3,754	1,329
Notes from Direct Borrowings	147		(147)		
Accrued Leave Payable	245,897	102,701	(101,877)	246,721	109,695
Net Pension Liability ¹	732,908	886,778	(1,243,497)	376,189	
Net OPEB Liability ²	868,828	39,811	(150,485)	758,154	
Claims Payable Liability	65,664	164,142	(161,660)	68,146	28,913
Pollution Remediation Liability ⁵	3,489	1,917	(2,641)	2,765	2,696
Asset Retirement Obligations ⁵	718	199	(39)	878	111
Other Payable	13	6		19	
Total Other Payables	<u>\$ 2,007,239</u>	<u>\$ 1,210,758</u>	<u>\$ (1,668,824)</u>	<u>\$ 1,549,173</u>	<u>\$ 152,517</u>
Total Governmental Activities	<u>\$ 5,255,200</u>	<u>\$ 1,843,981</u>	<u>\$ (2,355,639)</u>	<u>\$ 4,743,542</u>	<u>\$ 407,253</u>
Business-Type Activities:					
Bonds Payable:					
Tax-Exempt General Obligation Bonds	\$ 1,545	\$ -	\$ (220)	\$ 1,325	\$ 220
Taxable General Obligation Bonds	4,715		(1,565)	3,150	1,570
Tax-Exempt Certificates of Obligation	35,995		(1,470)	34,525	1,545
Revenue Bonds	370,385		(19,040)	351,345	20,115
Bonds from Direct Placements	62,000			62,000	
Gross Bonds Payable	<u>\$ 474,640</u>	<u>\$ -</u>	<u>\$ (22,295)</u>	<u>\$ 452,345</u>	<u>\$ 23,450</u>
Unamortized (Discount) / Premium	<u>\$ 20,696</u>	<u>\$ -</u>	<u>\$ (3,784)</u>	<u>\$ 16,912</u>	<u>\$ 3,195</u>
Net Bonds Payable	<u>\$ 495,336</u>	<u>\$ -</u>	<u>\$ (26,079)</u>	<u>\$ 469,257</u>	<u>\$ 26,645</u>
Other Payables:					
Leases Liability ⁴	\$ 33	\$ 121	\$ (28)	\$ 126	\$ 33
Financed Purchases ⁴	1,146		(203)	943	210
Accrued Leave Payable	7,653	5,240	(5,737)	7,156	5,326
Net Pension Liability ¹	86,749	62,684	(71,289)	78,144	
Net OPEB Liability ²	64,342	2,853	(13,380)	53,815	
Accrued Landfill Postclosure Costs ³	856	159	(577)	438	211
Pollution Remediation Liability ⁵	1,274			1,274	
Asset Retirement Obligations ⁵	543	44		587	
Total Other Payables	<u>\$ 162,596</u>	<u>\$ 71,101</u>	<u>\$ (91,214)</u>	<u>\$ 142,483</u>	<u>\$ 5,780</u>
Total Business-Type Activities	<u>\$ 657,932</u>	<u>\$ 71,101</u>	<u>\$ (117,293)</u>	<u>\$ 611,740</u>	<u>\$ 32,425</u>

NOTE: 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 accreted from date of delivery and were fully refunded with the Series

¹ See Note 10 Pension and Retirement Plans for a description of the pension program.

² See Note 11 Other Postemployment Benefits for a description of the postemployment program.

³ See Note 13 Commitments and Contingencies for a description of the Landfill Postclosure Care Costs.

⁴ See Note 14 Leases for a description of Lease Liability and Financed Purchases reporting.

⁵ See Note 15 Other Obligations for a description of the Pollution Remediation Liability and Asset Retirement Obligations.

Note 8 Long-Term Obligations (Continued)**Primary Government (City) (Continued)****Government and Business-Type Activities Long-Term Obligations (Continued)****Accrued Leave**

The following is a summary of accrued leave payable for the fiscal year-ended September 30, 2022:

Fund Type	Governmental Activities				
	Short-Term Available	Short-Term Remaining	Total Short-Term	Long-Term	Total
Governmental Funds	\$ 7,656	\$ 98,204	\$ 105,860	\$ 134,932	\$ 240,792
Internal Service Funds		3,835	3,835	2,094	5,929
Total Governmental Activities	<u>\$ 7,656</u>	<u>\$ 102,039</u>	<u>\$ 109,695</u>	<u>\$ 137,026</u>	<u>\$ 246,721</u>

The General Fund accounts for approximately 63.2% 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.

Fund	Business-Type Activities		
	Short-Term	Long-Term	Total
Airport System	\$ 2,168	\$ 1,043	\$ 3,211
Solid Waste Management	1,836	704	2,540
Nonmajor Enterprise Funds	1,322	83	1,405
Total Business-Type Activities	<u>\$ 5,326</u>	<u>\$ 1,830</u>	<u>\$ 7,156</u>

Component Unit Debt Obligations

The City facilitates the issuance of bonds to enable IDA and EFC, 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, 2022, the aggregate principal amounts payable are as follows: eight series of EFC Revenue Bonds in the amount of \$367,125; and one series of IDA Revenue Bonds in the amount of \$4,500.

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, 2022, the amount of debt was \$771,047.

The City also facilitates the issuance of tax-exempt revenue bonds for SA Energy Acquisition Public Facility Corporation (SAEAPFC) to enter long-term prepaid purchases of natural gas. SAEAPFC, in turn, sells contracted volumes of the prepaid gas to CPS Energy monthly 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, 2022, SAEAPFC has one series of tax-exempt revenue bonds with an aggregate principal amount outstanding of \$133,925.

Note 8 Long-Term Obligations (Continued)**Primary Government (City) (Continued)****Government and Business-Type Activities Long-Term Obligations (Continued)****Component Unit Debt Obligations (Continued)**

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 and 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, 2022, these included fixed-rate and variable-rate bonds, as well as commercial paper. Relative to the bond instruments, provisions may be included that allow for refunding after specified time periods during the bond term.

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

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

CPS Energy's outstanding debt agreements specify certain events of default or breach of a financial covenant or failure to make debt service. Such an event would trigger a covenant requiring the City to charge rates sufficient to make debt service payments and satisfy debt service coverage. During the year-ended January 31, 2022, CPS Energy did not default on any terms of its debt agreements.

As of January 31, 2022, the bond ordinances for senior lien New Series Bonds contained, among others, the following provisions:

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

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

Note 8 Long-Term Obligations (Continued)**CPS Energy (Continued)**

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

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

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

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

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

Note 8 Long-Term Obligations (Continued)**CPS Energy (Continued)*****Revenue Bonds***

On April 8, 2021, CPS Energy issued \$330,700 of Tax Exempt New Series 2021A Junior Lien Revenue Refunding Bonds. Bond proceeds, including the \$91,606 premium associated with the bonds, were used to refund \$305,000, \$60,000, and \$55,000 par value of the Commercial Paper Series A, Series B, and Series C, respectively. The term rate for these bonds is 5.0%, with an initial yield of 1.3% to 2.1%. The true interest cost for this issue, which has maturities in 2031 through 2049, is 3.1%.

On December 1, 2021, CPS Energy remarketed \$104,150 of the Series 2015B Variable-Rate Junior Lien Revenue Refunding Bonds. The issuance of the \$19,651 premium, in conjunction with the remarketing, resulted in a principal paydown of the remarketed bonds of approximately \$19,125. The bonds were converted from junior lien variable interest rate, to a junior lien fixed interest rate. The true interest cost for this issue, which has maturities in fiscal year 2029 through fiscal year 2033, is 1.4%.

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Note 8 Long-Term Obligations (Continued)**CPS Energy (Continued)****Revenue Bonds (Continued)**

Issue	Long-Term Debt Activity						Balance Outstanding January 31, 2022
	Original Amount	Final Principal Payment	Interest Rates (%)	Balance Outstanding February 1, 2021	Additions During Year	Decreases During Year	
Revenue and Refunding Bonds:							
2009C Taxable New Series ¹	\$ 375,000	2039	6.051	\$ 375,000	\$ -	\$ -	\$ 375,000
2010A Taxable New Series ¹	380,000	2041	3.834	280,000			280,000
2010A Taxable Junior Lien ¹	300,000	2041	3.399	300,000			300,000
2012 Taxable New Series	521,000	2042	4.382	404,225			404,225
2012 Tax Exempt New Series	655,370	2025	2.552	579,615		(135,305)	444,310
2014 Tax Exempt Junior Lien	200,000	2044	4.142	200,000			200,000
2015A Tax Exempt Junior Lien	125,000	2033	Variable	124,205			124,205
2015B Tax Exempt Junior Lien	125,000	2033	1.427	123,275	104,150	(123,275)	104,150
2015 Tax Exempt Senior Lien	320,530	2032	2.992	237,700			237,700
2015 Tax Exempt Senior Lien	235,000	2039	3.476	235,000			235,000
2015C Tax Exempt Junior Lien	100,000	2045	Variable	99,740			99,740
2015D Tax Exempt Junior Lien	100,000	2046	Variable	99,450			99,450
2016 Tax Exempt Senior Lien	544,260	2034	2.144	372,565		(29,190)	343,375
2017 Tax Exempt Senior Lien	267,320	2047	3.804	267,320			267,320
2017 Tax Exempt Senior Lien	194,980	2047	3.619	194,980			194,980
2018 Tax Exempt Senior Lien	218,285	2028	2.745	122,425			122,425
2018A Tax Exempt Senior Lien	130,220	2048	3.654	130,220			130,220
2018 Tax Exempt Junior Lien	134,870	2048	Variable	134,870			134,870
2019 Tax Exempt Senior Lien	114,685	2030	1.462	114,685			114,685
2019 Tax Exempt Junior Lien	252,640	2041	2.885	252,640			252,640
2020 Tax Exempt Senior Lien	134,580	2049	3.132	134,580			134,580
2020 Tax Exempt Junior Lien	127,770	2049	Variable	127,770			127,770
2020 Taxable New Series	418,255	2048	2.864	418,255			418,255
2021A Tax Exempt Junior Lien	330,700	2049	3.139		330,700		330,700
Bonds Outstanding				\$ 5,328,520	\$ 434,850	\$ (287,770)	\$ 5,475,600
Bond Current Maturities				(164,495)	(5,295)		(169,790)
Bond (Discount)/Premium				335,654	111,257	(45,444)	401,467
Revenue Bonds, Net				\$ 5,499,679	\$ 540,812	\$ (333,214)	\$ 5,707,277
Tax Exempt Commercial Paper (TECP)			Variable	420,000	660,000	(420,000)	660,000
Long-term debt, Net				\$ 5,919,679	\$ 1,200,812	\$ (753,214)	\$ 6,367,277

¹ Direct Subsidy Build America Bonds

Note 8 Long-Term Obligations (Continued)**CPS Energy (Continued)*****Revenue Bonds (Continued)***

Build America Bonds Direct Subsidy - The American Recovery and Reinvestment Act of 2009 (ARRA) provided authority for the issuance of Build America Bonds (BABs), which were issuable in calendar years 2009 and 2010 as taxable bonds. The ARRA permitted the issuer or the issuer's paying agent to receive a subsidy payment equal to 35.0% of the bond's interest directly from the U.S. Department of Treasury. Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, the federal government has reduced the BABs subsidy through sequestration reduction. For the year-ended January 31, 2022, after a sequestration reduction totaling \$1,134, the total subsidy recorded for the 2009C and 2010A Senior Lien BABs and the 2010A Junior Lien BABs was \$18,423.

As of January 31, 2022, 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
2023	\$ 169,790	\$ 243,044	\$ (18,443)	\$ 394,391
2024	172,780	240,877	(18,443)	395,214
2025	180,880	233,960	(18,443)	396,397
2026	152,730	235,527	(18,443)	369,814
2027	180,220	234,663	(18,443)	396,440
2028-2032	950,800	1,073,378	(93,885)	1,930,293
2033-2037	1,265,894	819,416	(85,251)	2,000,059
2038-2042	1,440,088	470,103	(28,749)	1,881,442
2043-2047	794,703	171,686		966,389
2049-2049	167,715	12,583		180,298
Totals	<u>\$ 5,475,600</u>	<u>\$ 3,735,237</u>	<u>\$ (300,100)</u>	<u>\$ 8,910,737</u>

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

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

The 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 remarketed in fiscal year 2021 and utilize an interest rate of 1.1% through their term rate period's expiration in fiscal year 2027. A stepped rate of 7.0% is assumed in the previous table for each series thereafter through applicable final maturity.

Note 8 Long-Term Obligations (Continued)**CPS Energy (Continued)*****Revenue Bonds (Continued)***

The Series 2018 Junior Lien Bonds were issued as multi-modal variable-rate bonds 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.

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 2022 resulted in a difference between the reacquisition price and the net carrying amount of the old debt of approximately \$(2,017). Debt reacquisition costs reported as deferred outflows of resources totaled \$56,910 at January 31, 2022. These amounts are amortized as components of interest expense using the effective interest method over the shorter of the remaining life of the refunding or the refunded debt.

CPS Energy, as a rate-regulated entity and in accordance with guidance found in GASB Statement No. 62, establishes regulatory assets for debt issuance costs that would otherwise be required to be expensed in accordance with GASB Statement No. 65. This regulatory accounting treatment results in the amortization of these costs over the life of the related debt. Debt issuance costs, which are reported within other noncurrent assets on the Statement of Net Position, totaled \$37,239 at January 31, 2022.

Flexible Rate Revolving Notes

In fiscal year 2010, the San Antonio City Council adopted an ordinance authorizing the establishment of the Flexible Rate Revolving Note (FRRN) Private Placement Program (Series A Flex Notes), under which CPS Energy may issue taxable or tax exempt notes, bearing interest at fixed or variable rates. This ordinance provides for funding to assist in the interim financing of eligible projects that include the acquisition or construction of improvements, additions or extensions to the electric and gas systems, including capital assets and facilities incident and related to the operation, maintenance and administration of fuel acquisition and development and facilities for the transportation thereof; capital improvements to CPS Energy; and refinancing or refunding of any outstanding obligations secured by the net revenues of CPS Energy; or with respect to the payment of any obligation of CPS Energy pursuant to any credit. The note purchase agreement that was entered into in fiscal year 2019, under the program, was not renewed and terminated in calendar year 2019. On May 27, 2020, the Board authorized for CPS Energy to enter into a new FRRN note purchase agreement not to exceed \$100,000.

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

Note 8 Long-Term Obligations (Continued)**CPS Energy (Continued)*****Flexible Rate Revolving Notes (Continued)***

On February 26, 2021, CPS Energy issued a \$100,000 taxable Series A Flex Rate Note, with JPMorgan Chase Bank, National Association, as the note purchaser under this program, by contractual agreement effective through February 26, 2022. On February 26, 2021, proceeds from the note were used to pay purchased power costs and conceded natural gas costs.

The Series A Flex Note has been classified as current in accordance with the financing terms under the taxable Note Purchase Agreement and is reported on the Statements of Net Position under current maturities of debt. The outstanding notes under this agreement, are secured by proceeds of the sale of CPS Energy revenues, the amounts held from time to time in the Program Note Security Fund, and a lien on and pledge of the net revenues not to exceed \$100. The outstanding Series A Flex Rate Notes balance at January 31, 2022, was \$100,000.

On February 26, 2022, the Note Purchase Agreement expired and was not renewed. On February 25, 2022, CPS Energy entered into a new agreement and issued \$100,000 taxable Series A Flex Rate note with Wells Fargo Bank, National Association, as the note purchaser, by contractual agreement in effect through February 24, 2023. The proceeds from the note were used to pay down the \$100,000 Series A Flex Rate Note that had been previously issued under the agreement with JPMorgan Chase Bank.

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

When issued, Series B Flex Notes will be classified as long-term in accordance with the financing terms under the Note Purchase Agreement. Any outstanding notes under Series B Flex Note will be secured by a lien on and pledge of the net revenues of CPS Energy and the proceeds of sale. There are no Series B Flex Notes outstanding at January 31, 2022. The current taxable Note Purchase Agreement will expire on April 26, 2023, but through a renewal process may be extended through April 1, 2031.

Accrued Leave

Employees earn vacation benefits based upon their employment status and years of service. At January 31, 2022, the accruals for employee vested benefits were \$22,834, which were reported under Accounts Payable and Other Current Liabilities on the Statement of Net Position. CPS Energy does not accrue a liability for sick leave since there is no cash payment made for sick leave when an employee terminates or retires.

San Antonio Water System (SAWS)

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

Note 8 Long-Term Obligations (Continued)**San Antonio Water System (SAWS) (Continued)**

City Ordinance No. 75686 requires SAWS to make payments to the City each month after making all other payments required by the ordinance. The amount of the payment is determined by City Council from time to time and cannot exceed 5.0% of gross revenues. SAWS payment to the City in fiscal year 2021 was 4.0%. Gross Revenues consist of all revenue with respect to the operation and ownership of SAWS with the exception of capital contributions, payments received under the CPS Energy contract, the federal subsidy of interest on Build America Bonds and earnings on funds deposited in the Project Fund and Reserve Fund until the Reserve Fund contains the required reserve amount. The Ordinance does not allow for the provision of free services except for municipal fire-fighting purposes.

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

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

Revenue Bonds

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

On May 15, 2021, SAWS deposited \$33,890 from available cash on hand to the paying agent for the redemption of \$21,055 City of San Antonio, Texas Water System Revenue Refunding Bonds, Series 2011 and \$12,835 City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2011. The redemption of these bonds reduced future debt service by approximately \$38,393 between 2022 and 2031.

On July 13, 2021, SAWS issued \$274,375 City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2021A (No Reserve Fund). The proceeds from the sale of the bonds were used to (i) finance capital improvement projects, (ii) refund \$13,570 of the City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2011A, (iii) pay the cost of issuance. The refunding of the Series 2011A bonds reduced future debt service payments by approximately \$3,131 and resulted in an economic gain of \$2,033. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

On November 1, 2021, SAWS remarketed \$98,420 City of San Antonio, Texas Water System Variable Rate Junior Lien Revenue and Refunding Bonds, Series 2013F (No Reserve Fund) into a Fixed Rate Mode for a period of five years, ending October 31, 2026. The coupon rate for the bonds is 1.0% with a yield of 0.8%. The proceeds from the sale of the bonds were used to (i) pay the \$98,795 principal of the maturing bonds, and (ii) pay the cost of issuance. There was no economic gain or loss on this transaction. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior 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, 2021 consist of the Series 2009B, Series 2010B, Series 2012, and Series 2012A, outstanding in the amount of \$280,565. Senior lien revenue bonds are collateralized by a senior lien and pledge of the gross revenues of SAWS after deducting and paying the current expenses of operation and maintenance of SAWS and maintaining a two-month operating reserve for such expenses. Interest rates on senior lien bonds range from 3.5% to 5.9%, exclusive of any federal interest subsidy on the Series 2009B and 2010B Build America Bonds.

The junior lien water system revenue bonds are composed of two categories of debt: fixed rate debt and variable rate debt. The junior lien fixed rate debt is similar to the senior lien bonds, as they have fixed interest rates for the life of the bonds. The junior lien variable rate bonds have interest rates that are periodically reset throughout the life of the bonds. An additional component of the fixed rate junior lien debt is direct placement debt with the Texas Water Development Board (TWDB). Direct placement debt with TWDB is offered at subsidized interest rates for qualified water, wastewater and water supply projects. All the junior lien water system revenue bonds are collateralized by a junior lien and pledge of the gross revenue of SAWS after deducting the current expenses of operation and maintenance of SAWS, maintaining a two-month operating reserve for such expenses, and paying debt service on senior lien debt.

As of December 31, 2021, direct placement bonds with TWDB consist of Junior Lien Series 2012, Series 2013A, Series 2013C, Series 2013D, Series 2014C, Series 2014D, Series 2015A, Series 2016D, Series 2016E, Series 2018B, Series 2019B, Series 2020B, and Series 2020D in an outstanding amount of \$315,555. Interest rates on the TWDB junior lien fixed rate bonds range from 0.0% to 3.4%.

As of December 31, 2021, the remaining 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, Series 2019C, Series 2020A, Series 2020C, and Series 2021A (all No Reserve Fund), and Taxable Series 2016B an outstanding amount of \$1,947,250. Interest rates on the junior lien fixed rate bonds range from 2.0% to 5.0%.

The junior lien variable rate bonds, comprised of the Bonds Series 2013F, Series 2014B, and the Series 2019A (all No Reserve Fund) are outstanding in the amount of \$364,490 at December 31, 2021. The Series 2013F Bonds are tax-exempt variable rate notes initially issued in a Securities Industry and Financial Markets Association (SIFMA) Index Mode, with the interest rate reset weekly, through the initial interest period which expired October 31, 2016, at a par amount of \$100,000. On November 1, 2021, SAWS remarketed \$98,420 in Series 2013F Bonds into a five-year interest rate period ending October 31, 2026. The Series 2013F Bonds bear interest at 1.0% with a yield of 0.8%. 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 fixed interest rate period that ends October 31, 2022, the new interest period. The Series 2014B Bonds bear interest at 2.0% with a yield of 1.8%. The \$166,480 of 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, 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. The Bonds are not subject to the benefit of a liquidity facility provided by a third party. Accordingly, a failure to remarket the Bonds at the end of the initial interest period or subsequent new interest period will result in the rescission of the notice of mandatory tender with respect to the Bonds and SAWS has no obligation to purchase the Bonds at such time. The occurrence of a failed remarketing will not result in an event of default under the ordinance. Until SAWS redeems or remarkets the Bonds that had a failed remarketing, the Bonds shall bear interest at the stepped rate of 7.0% for the Series 2013F Bonds and Series 2014B Bonds, and 8.0% for the Series 2019A Bonds.

The following summarizes transactions of the Revenue Bonds for the year-ended December 31, 2021:

	Beginning Balance			Ending Balance		Due Within One Year
	January 1, 2021	Additions	Reductions	December 31, 2021		
Bonds Payable	\$ 2,414,435	\$ 372,795	\$ (194,925)	\$ 2,592,305	\$ 67,315	
Direct Placement Bonds	357,145		(41,590)	315,555	13,595	
Unamortized Premium	263,255	67,676	(31,043)	299,888		
Unamortized Discount	(790)		43	(747)		
Total Bonds Payable, Net	<u>\$ 3,034,045</u>	<u>\$ 440,471</u>	<u>\$ (267,515)</u>	<u>\$ 3,207,001</u>	<u>\$ 80,910</u>	

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:

Year-Ended December 31,	Annual Debt Service Requirements Revenue and Refunding Bonds							
	Fixed Rate				Variable Rate			
	Revenue Bonds		Direct Placement Bonds		Revenue Bonds			
	Principal	Interest Expense	Direct Subsidy ¹	Net Interest	Principal	Interest Expense	Principal	Interest Expense*
2022	\$ 67,315	\$ 103,189	\$ (1,908)	\$ 101,281	\$ 13,595	\$ 4,795	\$ -	\$ 7,346
2023	64,600	101,363	(1,908)	99,455	13,710	4,681		8,342
2024	69,175	98,021	(1,908)	96,113	13,835	4,554		8,654
2025	74,220	94,584	(1,875)	92,709	13,980	4,408		8,966
2026	80,420	90,849	(1,797)	89,052	14,155	4,242		8,966
2027-2031	419,620	393,404	(7,869)	385,535	73,685	18,229	40,935	52,874
2032-2036	526,935	279,903	(5,569)	274,334	63,900	12,243	97,255	41,403
2037-2041	495,740	148,953	(1,320)	147,633	56,490	6,980	112,280	25,718
2042-2046	254,355	69,179		69,179	42,880	1,705	84,360	9,383
2047-2051	175,435	16,033		16,033	9,325	115	29,660	1,353
Total	<u>\$ 2,227,815</u>	<u>\$ 1,395,478</u>	<u>\$ (24,154)</u>	<u>\$ 1,371,324</u>	<u>\$ 315,555</u>	<u>\$ 61,952</u>	<u>\$ 364,490</u>	<u>\$ 173,005</u>

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

* The variable rate bonds are currently in a fixed rate Term Mode through October 31, 2022, April 30, 2024, and October 31, 2026. Interest listed above is based on a 1.0%, 2.0%, or a 2.6% fixed rate through the interest period, and a budgeted rate of 3.0% thereafter.

Note 8 Long-Term Obligations (Continued)**San Antonio Water System (SAWS) (Continued)****Revenue Bonds (Continued)**

In fiscal year 2021, SAWS received a total of \$1,910 in BABs subsidy.

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

Under these bond ordinances, SAWS is required to establish and maintain rates and charges for services sufficient to produce Net Revenues sufficient to pay 1.3 times the annual debt service requirements on Senior Lien debt obligations (senior lien debt coverage ratio) and at least 1.0 times the current year annual debt service on outstanding Junior Lien debt. SAWS senior lien debt coverage ratio was 10.3 at December 31, 2021. The current annual combined debt coverage ratio was 1.7 at December 31, 2021.

In prior years, SAWS either legally defeased revenue bonds by placing revenues or proceeds of new bond issuance in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in SAWS' financial statements. At December 31, 2021, there were \$127,275 of SAWS bonds outstanding that are considered legally defeased and \$2,241 of the former Bexar Metropolitan Water District's bonds outstanding considered legally defeased.

Accrued Leave

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

<u>Year-Ended</u>	<u>Liability Beginning Balance</u>	<u>Current-Year Accruals</u>	<u>Payments</u>	<u>Liability Ending Balance</u>	<u>Estimated Due Within One Year</u>
December 31, 2021	\$ 13,197	\$ 6,485	\$ (6,148)	\$ 13,534	\$ 6,148

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Note 9 Commercial Paper Program

Primary Government (City)

The City had no commercial paper debt during fiscal year 2022.

CPS Energy

As of January 31, 2022, 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.

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 in the amount specified. The Series A agreement provides \$400,000 in liquidity support for the Series A Notes and is extended through June 21, 2026. 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 were extended through June 21, 2023 and June 21, 2025, respectively. 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, 2022, there was no amount outstanding under the revolving credit agreements. Further, there have been no borrowings under the agreements since inception of the program.

During fiscal year 2022, CPS Energy issued a total of \$660,000 in commercial paper. As of January 31, 2022, the outstanding commercial paper balance was \$660,000, of which \$410,000 was issued as tax-exempt to fund construction and \$250,000 was issued as taxable to fund fuel costs.

	<u>January 31, 2022</u>
Commercial Paper Outstanding	\$ 660,000
New Commercial Paper Issues	\$ 660,000
Weighted Average Interest Rate of Outstanding	0.1%
Average Life Outstanding (Number of Days)	31

Note 9 Commercial Paper Program (Continued)**San Antonio Water System (SAWS)**

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

The City has covenanted in the Ordinance authorizing the commercial paper program (Note Ordinance) the issuance of City of San Antonio, Texas Water System Commercial Paper Notes, Series A (Series A Notes), the issuance of City of San Antonio, Texas Water System Commercial Paper Notes, Series B (Series B Notes), and City of San Antonio, Texas Water System Commercial Paper Notes, Series C (Series C notes), and the maintenance at all times of credit facilities with banks or other financial institutions which would provide available borrowing capacity sufficient to pay the principal of the commercial paper program. The credit facility is maintained under the terms of a revolving credit agreement. The Note Ordinance also authorizes the ability to designate and issue subseries of notes. The Series A Notes are currently authorized as City of San Antonio, Texas Water System Commercial Paper Notes, Subseries A-1 (Subseries A-1 Notes) and City of San Antonio, Texas Water System Commercial Paper Notes, Subseries A-2 (Subseries A-2 Notes). The Subseries A-2 Notes are directly placed with JPMorgan Chase Bank under a Note Purchase Agreement. The capacity under the Series C Notes were fully consumed by a direct placement note with Wells Fargo Bank, N.A. with a maturity date of July 1, 2022. The \$100,000 direct placement Series C Notes were redeemed on July 1, 2022 with \$100,000 of notes from the Series A-1 Program.

The borrowings under the commercial paper program are equally and ratably secured by and are payable from (i) the proceeds from the sale of bonds or additional borrowing under the commercial paper program and (ii) borrowing under and pursuant to the revolving credit agreement. The capacity of the combined revolving credit and note purchase agreements is \$500,000 with the Revolving Credit Agreement with JPMorgan Chase 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 C Notes expiring January 5, 2024.

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

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

Commercial paper notes of \$234,020 are outstanding as of December 31, 2021 with \$132,020 outstanding under the subseries A-1 Notes, \$2,000 outstanding under Subseries A-2 Notes, and \$100,000 outstanding under Series C Notes. Interest rates on the Subseries A-1 Notes outstanding at December 31, 2021 range from 0.1% to 0.2% and maturities range from seven to 128 days. The interest rate on the Subseries A-2 Notes outstanding at December 31, 2021 is 1.4% with a maturity of 34 days. The interest rate on the Series C Notes outstanding at December 31, 2021 is 0.3% with a maturity of 269 days. All outstanding notes combined had an average rate of 0.3% and average 144 days to maturity.

SAWS intends to reissue maturing commercial paper, in accordance with the terms of the revolving credit agreement, and ultimately refund such maturities with proceeds from the issuance of long-term revenue bonds. Consistent with this intent, and since SAWS has the available \$500,000 revolving credit agreement described above, SAWS has classified nearly all outstanding commercial paper notes as long-term debt. In accordance with the amortization schedule of the interest rate swap agreement, SAWS intends to redeem \$4,435 of commercial paper in 2022. Therefore, this portion of outstanding commercial paper is classified as a current liability.

Note 9 Commercial Paper Program (Continued)**San Antonio Water System (SAWS) (Continued)**

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

The following table summarizes transactions of the program for the year-ended December 31, 2021.

	<u>Balance as of January 1, 2021</u>	<u>Additions during year</u>	<u>Deletions during year</u>	<u>Balance as of December 31, 2021</u>	<u>Due Within One Year</u>
Tax Exempt Commercial Paper Notes					
Subseries A-1 Notes	\$ 116,260	\$ 20,000	\$ (4,240)	\$ 132,020	\$ 4,435
Subseries A-2 Notes (Direct Placement)	2,000			2,000	
Series C Notes (Direct Placement)	100,000			100,000	
Total Tax Exempt Commercial Paper Notes	<u>\$ 218,260</u>	<u>\$ 20,000</u>	<u>\$ (4,240)</u>	<u>\$ 234,020</u>	<u>\$ 4,435</u>

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Note 10 Pension and Retirement Plans**Summary of Pension and Retirement Plans**

Pension and Retirement Plans provides information relating to various City and component unit pension plans. These pension and retirement plans include the City's TMRS Plan, the San Antonio Fire and Police Pension Plan, CPS 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	\$ 2,314,343	\$ 4,208,476	\$ 6,522,819	\$ 2,164,873	\$ 242,093	\$ 272,187	\$ 6,766
Plan Fiduciary Net Position	1,917,556	4,150,930	6,068,486	1,916,699	225,619	274,885	7,636
Net Pension Liability (Asset)	\$ 396,787	\$ 57,546	\$ 454,333	\$ 248,174	\$ 16,474	\$ (2,698)	\$ (870)
Total Deferred Inflows of Resources	\$ (129,686)	\$ (387,756)	\$ (517,442)	\$ (65,428)	\$ (6,153)	\$ (24,872)	\$ (1,687)
Deferred Outflows of Resources	16,748	81,191	97,939	62,502	483	1,734	694
Contributions Subsequent to Measurement Date	41,598	67,924	109,522	62,101	4,450	6,136	175
Total Deferred Outflows of Resources	\$ 58,346	\$ 149,115	\$ 207,461	\$ 124,603	\$ 4,933	\$ 7,870	\$ 869
Pension Expenses	\$ 26,800	\$ (25,704)	\$ 1,096	\$ 15,719	\$ 1,766	\$ 1,338	\$ (39)

Primary Government (City)**Texas Municipal Retirement System (TMRS)**

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

TMRS administers a defined benefit cash-balance plan for the eligible employees of 901 participating cities. Under GASB, TMRS is an agent multiple-employer public employee retirement system.

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

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

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, retiree life with 100.00% survivor benefit payments, retiree life with 75.00% survivor benefit payments, retiree life with 50.00% survivor benefit payments, retiree life with five years guaranteed balance payout to survivor, retiree life with ten years guaranteed balance payout to survivor, retiree life with 15 years guaranteed balance payout to survivor. Employees may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments under the retiree life only option, which cannot exceed 75.00% of the total employee's deposits and interest. The City may elect to increase the annuities of its retirees, either annually or on an annually repeating basis, effective January 1 of the calendar year. The City may also adopt annuity increases at a rate equal to 30.00%, 50.00%, or 70.00% of the increase in the Consumer Price Index – all Urban Consumers between the December preceding the employee's retirement date and the December one year before the effective date of the increase, minus any previously granted COLA increases.

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

The following table presents information about TMRS Pension Plan participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability, as of the measurement date of December 31, 2021, for the fiscal year-ended September 30, 2022, were:

Number of:	
Active Members	7,057
Retirees and Beneficiaries	5,366
Inactive Members ¹	3,449
Total	<u>15,872</u>

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

In the fiscal year 2022 budget, City Council adopted a one-time annuity increase that was provided to retired employees and to beneficiaries of deceased employees. The amount of the increase is computed as the sum of the prior service and current service annuities on the effective date of retirement of the person on whose service the annuities are based. This number was multiplied by 70.00% of the percentage change in the Consumer Price Index – all Urban Consumers, from December of the year immediately preceding the effective date of the person's retirement to the December that is 13 months before the effective date of the increase. The provision for the one-time annuity contribution increased from 12.35% to 12.40%, effective January 1, 2022.

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 12.40% for calendar year 2022, both as adopted by City Council. The City's contribution to TMRS for fiscal year 2022 was \$83,592, with \$27,276 contributed by City employees and \$56,316 contributed by the City. These amounts were equal to required contributions.

As of September 30, 2022, the City reported a payable to TMRS in the amount of \$9,329 for the outstanding amounts of contributions from the City and active civilian employees.

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Note 10 Pension and Retirement Plans (Continued)**Primary Government (City) (Continued)****Texas Municipal Retirement System (TMRS) (Continued)**

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

Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 years (longest amortization ladder)
Asset Valuation Method	Ten-year smoothed market; 12.00% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%, including inflation, net of pension plan investment expense
Retirement Age	Experience-based table of rates specific to the City.
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.
Notes	Opened plan to current and future San Antonio Council Aides Corporation employees.

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

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, 2021. 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 24 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:

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

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:

	<u>1.00% Decrease 5.75%</u>	<u>Current Discount Rate 6.75%</u>	<u>1.00% Increase 7.75%</u>
Net Pension Liability	\$ 709,514	\$ 396,787	\$ 138,897

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>.

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, 2022, based on the measurement date and actuarial valuation date of December 31, 2021.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	\$ 60,570
Interest Cost	146,526
Difference Between Expected and Actual Experience	17,753
Benefit Payments,	
including Refunds of Employee Contributions	<u>(101,939)</u>
Net Change in Total Pension Liability	\$ 122,910
Total Pension Liability - Beginning	<u>2,191,433</u>
Total Pension Liability - Ending	<u><u>\$ 2,314,343</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 49,827
Contributions - Employee	24,213
Net investment Income	224,308
Benefit Payments,	
including Refunds of Employee Contributions	(101,939)
Administrative Expense	(1,039)
Other	<u>7</u>
Net change in Plan Fiduciary Net Position	\$ 195,377
Plan Fiduciary Net Position - Beginning	<u>1,722,179</u>
Plan Fiduciary Net Position - Ending	<u><u>\$ 1,917,556</u></u>
Net Pension Liability	<u><u>\$ 396,787</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%

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, 2022, based on the actuarial valuation of December 31, 2021, the City recognized pension expense of \$26,800.

Schedule of Pension Expense	
Total Service Cost	\$ 60,570
Interest Cost	146,526
Employee Contributions (Reduction of Expense)	(24,213)
Projected Earnings on Plan Investments (Reduction of Expense)	(116,248)
Administrative Expense	1,039
Other Changes in Fiduciary Net Position	(7)
Expensed Portion of Current Year Period Differences Between Expected and Actual Experience	4,227
Expensed Portion of Current Year Period Differences Between Projected and Actual Earnings	(21,612)
Current Year Recognition of Deferred Inflows Established in Prior Years	(6,186)
Current Year Recognition of Deferred Outflows Established in Prior Years	(17,296)
Total Pension Expense	<u>\$ 26,800</u>

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At September 30, 2022, the City reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference in Expected and Actual Experience	\$ 13,527	\$ (14,569)
Changes of Assumptions	3,221	
Net Difference in Projected and Actual Earnings on Pension Plan Investments		(115,117)
Contributions Subsequent to the Measurement Date	41,598	
Total	<u>\$ 58,346</u>	<u>\$ (129,686)</u>

\$41,598 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, 2023.

Note 10 Pension and Retirement Plans (Continued)**Primary Government (City) (Continued)****Texas Municipal Retirement System (TMRS) (Continued)**

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

Year-Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (21,446)
2024	(49,323)
2025	(21,403)
2026	(20,766)
Total	<u>\$ (112,938)</u>

City Deferred Compensation

The City has a deferred compensation program for its employees, created in accordance with Internal Revenue Code Section 457(b). The program, available to all full-time civilian and uniform employees, permits them to defer a portion of their salary on a pre-tax basis. The compensation deferred under this program is not available to employees until termination, retirement, death, loan, or qualifying unforeseeable emergency. Participation in the program is voluntary. In fiscal year 2012, the City implemented a matching contribution of up to 1.00% of base salary to eligible executives who participated in the program. In fiscal year 2015, the City increased its matching contribution for executives up to 2.00% of base salary. 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, this was only in place for three years, from fiscal years 2018 to 2020 for performance of years 2017 to 2019. This 1.00% continues for the three years, where awarded continues to be paid annually by the City. Performance pay contributions do not count towards the employer match program. The City has no liability for losses under this plan and it does not meet the criteria of fiduciary activity as defined in GASB Statement No. 84, *Fiduciary Activities*.

Fire and Police Pension Plan

The Pension Fund is a single-employer defined benefit pension plan established in accordance with the laws of the State of Texas, administered by the San Antonio Fire and Police Pension Fund. The governing document for the Pension Fund is found in Vernon's Texas Civil Statutes, Article 6243o. The pension law governing the Pension Fund was amended on October 1, 2009. The Pension Fund meets the criteria of a fiduciary fund of the City as established by governmental standards and is therefore included in the City's financial statements as a pension trust fund. A more complete description of the Pension Fund is provided in the Pension Fund's 2021 separately issued financial statements.

Note 10 Pension and Retirement Plans (Continued)**Primary Government (City) (Continued)****Fire and Police Pension Plan (Continued)**

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

Number of:	
Active Members	4,155
Retirees and Beneficiaries	3,135
Inactive Members ¹	20
Total	<u>7,310</u>

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

Currently, the Pension Fund provides retirement benefits to eligible uniformed employees of the fire and police departments of the City who have served for 20 years or more. Employees who terminate prior to accumulating 20 years of service may apply to receive a refund of their contributions. Upon application for a service retirement pension from the Pension Fund, retiring employees are entitled to a retirement annuity computed based on the average of the employee's total salary, excluding overtime pay, for the highest three years of the last five years. The retirement annuity computation for employees retiring during the period covered by the financial statements and following, is 2.25% of such average for each of the first 20 years served, plus 5.00% of the participant's average total salary for each of the next seven years, plus 2.00% of the participant's average total salary for each of the next three years of service, plus 0.50% of the participant's average total salary for each of the next three years of service, with fractional years of service prorated based on full months served as a contributing participant. In making the computation for a year, the year is considered to begin on the first day a contribution is made. A retirement annuity under this subsection may not exceed, as of the date of retirement, 87.50% of the member's average total salary.

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

There is also a provision for a 13th and 14th pension check. At the end of each fiscal year, the Board may authorize the disbursement of a 13th monthly pension check if the annualized yield on the Pension Fund's investments exceeds the actuarial projections for the preceding five-year fiscal period by at least 100 basis points (basis points not reported in thousands). In the same way, the Board may authorize a 14th monthly pension check if the annualized yield on the Pension Fund's investments exceeds the actuarial projections for the preceding five-year period by at least 300 basis points. The 13th and 14th pension checks are paid to each retiree and beneficiary receiving a pension at the end of the fiscal year and are in an amount equal to the pension check paid in the last month of the preceding fiscal year of the Pension Fund (retirees/beneficiaries with less than one year of benefits will receive a prorated check, and no check will be paid to members who retired after the end of the fiscal year). Authorization for one year does not obligate the Board to authorize a 13th and 14th check for any other year. The Pension Fund met the criteria for the 13th and 14th checks for the year-ended December 31, 2021.

Note 10 Pension and Retirement Plans (Continued)**Primary Government (City) (Continued)*****Fire and Police Pension Plan (Continued)***

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

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

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

The estate of an active member who dies and does not leave a beneficiary will receive either ten times the amount of an annuity computed according to the Annuity Computation, using the deceased member's service credit and average total salary as of the date of death, or the deceased member's contributions that were 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.

Note 10 Pension and Retirement Plans (Continued)**Primary Government (City) (Continued)****Fire and Police Pension Plan (Continued)**

The Pension Fund is funded in accordance with Texas state statutes and is not actuarially determined. In fiscal year 2022, the City was required to contribute 24.64% of salary, or \$90,949, excluding overtime pay, and the employee contribution rate was 12.32%, or \$45,474. New firefighters and police officers are immediately eligible for membership after they receive state certification and complete all other requirements. The new member contributes to the Pension Fund upon becoming eligible.

On September 30, 2022, the City paid the Pension Fund \$5,172 for contributions from the City and active uniform employees. There was not an outstanding payable as of year-end.

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

The total pension liability was determined by an actuarial valuation as of January 1, 2021, using the following actuarial assumptions, applied to the period included in the measurement, with the results rolled forward to December 31, 2021:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, using 3.00% annual increases
Remaining Amortization Period	12.09 years remaining as of January 1, 2021
Asset Valuation Method	Five-year smoothed market value based on expected return of 7.25%.
Inflation	3.00%
Salary Increases	3.00% (plus merit scale of 0.00% - 11.00%)
Investment Rate of Return	7.25% including inflation, net of pension plan investment expense
Cost-of-living Adjustments	3.00% for retirements before October 1, 1999; 2.25% for retirements on or after October 1, 1999
Retirement Rates	Fire: Rates based on years of service ranging from 20 to 43 years, with 100.00% retirement at the earlier of age 65 or 43 years of service. Police: Rates based on years of service ranging from 20 to 40 years, with 100.00% retirement at the earlier of age 65 or 40 years of service.
Mortality:	
Pre-retirement	Sex-distinct PUBS-2010 Safety Employee Amount-Weighted Table.
Healthy Annuitant	Sex-distinct PUBS-2010 Safety Healthy Retiree Amount-Weighted Table.
Disabled Annuitant	Sex-distinct PUBS-2010 Safety Disabled Retiree Amount-Weighted Table.
Beneficiaries	Sex-distinct PUBS-2010 Safety Contingent Survivor Amount-Weighted Table.
Future Improvement	Generational Projection using Scale SSA2019-2D improvement scale.

Note 10 Pension and Retirement Plans (Continued)**Primary Government (City) (Continued)****Fire and Police Pension Plan (Continued)**

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These return are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table as of December 31, 2021:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic) ¹
Large Cap U.S. Equities	22.00%	6.20%
Small Cap U.S. Equities	5.00%	7.20%
International Equities	10.00%	6.80%
International Small Cap Equities	3.00%	8.20%
Emerging Markets Equities	6.00%	8.50%
Private Equity	7.00%	10.40%
Core Bonds	5.00%	0.40%
High Yield	5.00%	2.60%
Bank Loans	5.00%	2.10%
TIPS	3.00%	0.30%
Emerging Market Debt	5.00%	2.80%
Private Debt	9.00%	5.30%
Unconstrained Fixed Income	3.00%	1.15%
Real Estate	7.00%	3.90%
Real Assets	5.00%	6.20%
Total	100.00%	

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

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

Note 10 Pension and Retirement Plans (Continued)**Primary Government (City) (Continued)****Fire and Police Pension Plan (Continued)**

The following presents the net pension liability of the City, calculated using the discount rate of 7.25%, for the year-ended September 30, 2022, as well as what the City's net pension liability (asset) 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:

	<u>1.00% Decrease</u> <u>6.25%</u>	<u>Current Discount</u> <u>Rate 7.25%</u>	<u>1.00% Increase</u> <u>8.25%</u>
Net Pension Liability (Asset)	\$ 652,852	\$ 57,546	\$ (428,852)

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

Schedule of Changes in Net Pension Liability and Related Ratios — The following table presents the changes in the net pension liability for the year-ended September 30, 2022, based on the measurement date of December 31, 2021 and actuarial valuation date of January 1, 2021.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	\$ 78,637
Interest Cost	293,337
Difference Between Expected and Actual Experience	(16,681)
Benefit Payments,	
including Refunds of Employee Contributions	(228,416)
Net Change in Total Pension Liability	\$ 126,877
Total Pension Liability - Beginning	4,081,599
Total Pension Liability - Ending	<u>\$ 4,208,476</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 86,324
Contributions - Employee	43,213
Net Investment Income	521,575
Benefit Payments,	
including Refunds of Employee Contributions	(228,415)
Administrative Expense	(2,963)
Net change in Plan Fiduciary Net Position	\$ 419,734
Plan Fiduciary Net Position - Beginning	3,731,196
Plan Fiduciary Net Position - Ending	<u>\$ 4,150,930</u>
Net Pension Liability	<u>\$ 57,546</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.63%

Note 10 Pension and Retirement Plans (Continued)**Primary Government (City) (Continued)****Fire and Police Pension Plan (Continued)**

For the fiscal year-ended September 30, 2022, based on December 31, 2021 measurement date, the City recognized a reduction in pension expense of (\$25,704). Amounts recognized in the fiscal year represent changes between current and prior measurement dates:

Schedule of Pension Expense	
Service Cost	\$ 78,637
Interest Cost	293,337
Employee Contributions	(43,213)
Administrative Expenses	2,963
Expected Return on Assets	(266,820)
Expensed Portion of Current Year Period Differences	
Between Expected and Actual Experience	(1,854)
Expensed Portion of Current Year Period Assumption Changes	
Expensed Portion of Current Year Period Differences	
Between Projected and Actual Earnings	(50,951)
Current Year Recognition of Deferred Outflows	
Established in Prior Years	92,655
Current Year Recognition of Deferred Inflows	
Established in Prior Years	(130,458)
Total Expense	<u>\$ (25,704)</u>

At September 30, 2022, 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	\$ 27,809	\$ (74,217)
Changes of Assumptions	53,382	
Net Difference in Projected and Actual Earnings on Pension Plan Investments		(313,539)
Contributions Subsequent to the Measurement Date	67,924	
Total	<u>\$ 149,115</u>	<u>\$ (387,756)</u>

\$67,924 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, 2023.

Note 10 Pension and Retirement Plans (Continued)**Primary Government (City) (Continued)****Fire and Police Pension Plan (Continued)**

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

Year-Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (49,923)
2024	(120,387)
2025	(77,081)
2026	(52,286)
2027	1,751
Thereafter	(8,639)
Total	<u>\$ (306,565)</u>

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 210, San Antonio, Texas 78216 or by calling (210) 534-3262. You may also access the financial report at www.safppf.org.

CPS Energy**All Employee Plan**

Plan Description — The CPS Energy Pension Plan (the Pension Plan) is a self-administered, single-employer, defined-benefit contributory pension plan covering substantially all employees who have attained age 21 and completed one year of service. The Pension Plan is sponsored by and may be amended at any time by CPS Energy, acting by and through the Employee Benefits Oversight Committee (EBOC), which includes the President and CEO, the Chief Financial Officer, and the Audit & Finance Committee 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.

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, 2021 measurement date, for the fiscal year-ended January 31, 2022, were:

Number of:	
Active Members	2,929
Retirees and Beneficiaries	2,525
Inactive Members ¹	<u>234</u>
Total	<u><u>5,688</u></u>

¹Inactive 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 2022, the amount to be funded was established using a general target near the 30-year layered amortization funding contribution level as determined by the Pension Plan's actuary using the entry-age normal cost method.

Note 10 Pension and Retirement Plans (Continued)**CPS Energy (Continued)*****All Employee Plan (Continued)***

Actuarial Assumptions — Significant actuarial assumptions used in the January 1, 2020, valuation include:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent; Layered Periods
Remaining Amortization Period	27 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.
Discount Rate	7.00%
Inflation	2.20%, compounded annually.
Salary Increases	5.54%, average including inflation
Investment Rate of Return	7.00% per year, compounded annually
Cost-of-living Increases	1.25% per year
Mortality	Mortality rates were based on the Pri-2012 Employee/Retiree Mortality Tables (separate tables for males/females) projected with Mortality Improvement Scale MP-2019. Separate tables are used for disabled participants and contingent annuitants.

The actuarial assumptions used in the January 1, 2020 valuation for amounts reported in fiscal year 2022 were based on the results of an actuarial experience study completed in 2020 covering experience for the period January 1, 2017, through December 31, 2019.

The long-term expected rate of return on Pension Plan investments was determined based on a blend of historical performance data and future expectations for each major asset class, while also reflecting current capital market conditions, developed on a geometric basis. An economic simulation method was used in which best-estimate ranges of expected future rates of return (expected returns net of Pension Plan investment expense) for each major asset class were combined using simulations that ensure the economic consistency of each individual trial, and then reduced by a factor representing inflation to produce long-term expected real rates of return for each major asset class.

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%	4.28%
Debt securities	25.50%	1.87%
Alternative Investments	22.00%	4.14%
Total Investments	100.00%	

Discount Rate — The discount rate used to measure the total pension liability for fiscal year 2022 was 7.00%, which was lowered from 7.25% from fiscal year 2021, to more closely reflect actual experience based on the actuarial experience study that was completed in 2020. 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 6.00%	Current Discount 7.00%	1.00% Increase 8.00%
Net Pension Liability	\$ 520,067	\$ 248,174	\$ 20,913

Pension Plan Fiduciary Net Position — The financial results of the Pension Plan are included, in combination with the Employee Benefits Plans, in CPS Energy's Statement of Fiduciary Net Position. Detailed information about the Pension Plan's fiduciary net position is available in separately issued Pension Plan financial statements. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position for the Pension Plan, and additions to/deductions from the Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Pension Plan. Investments are stated at fair market value. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the terms of the Pension Plan.

Note 10 Pension and Retirement Plans (Continued)**CPS Energy (Continued)****All Employee Plan (Continued)**

Schedule of Changes in Net Pension Liability and Related Ratios — CPS Energy's net pension liability as of January 31, 2022 was measured as of January 31, 2021. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2020 and rolled forward using generally accepted actuarial procedures to the January 31, 2021 measurement date.

Changes in Net Pension Liability	
Total Pension Liability	
Service Cost	\$ 35,403
Interest Cost	148,068
Difference Between Expected and Actual Experience	(846)
Changes of Assumptions	28,832
Benefit Payments	(106,825)
Net Change in Total Pension Liability	<u>\$ 104,632</u>
Total Pension Liability - Beginning	<u>2,060,241</u>
Total Pension Liability - Ending	<u>\$ 2,164,873</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 56,025
Contributions - Employee	13,890
Net Investment Earnings	187,600
Benefit Payments	(106,825)
Administrative Expense	(510)
Net Change in Plan Fiduciary Net Position	<u>\$ 150,180</u>
Plan Fiduciary Net Position - Beginning	<u>1,766,519</u>
Plan Fiduciary Net Position - Ending	<u>\$ 1,916,699</u>
Net Pension Liability - Ending	<u>\$ 248,174</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.54%

CPS Energy recorded \$15,719 in pension expense for the year-ended January 31, 2022.

Note 10 Pension and Retirement Plans (Continued)**CPS Energy (Continued)****All Employee Plan (Continued)**

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension – The following table presents information about the pension-related deferred outflows of resources and deferred inflows of resources for CPS Energy as of January 31, 2022:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	\$ 5,395	\$ (17,226)
Changes of Assumptions	57,107	(8,189)
Net Difference in Projected and Actual Earnings on Pension Plan Investments		(40,013)
Contributions Subsequent to the Measurement Date	62,101	
Total	<u>\$ 124,603</u>	<u>\$ (65,428)</u>

\$62,101 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, 2023.

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
2023	\$ (5,758)
2024	18,953
2025	(11,471)
2026	(8,510)
2027	3,860
Total	<u>\$ (2,926)</u>

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, 2020 measurement date, for the fiscal year-ended December 31, 2021, were:

Number of:	
Active Members	1,767
Retirees and Beneficiaries	1,326
Inactive Members ¹	754
Total	<u>3,847</u>

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 3.64% in calendar year 2020. SAWS' contribution to TMRS totaled \$8,100 for the year-ended December 31, 2020, with \$3,660 contributed by SAWS' employees, and \$4,440 contributed by SAWS. The total contribution equaled the required contributions.

Note 10 Pension and Retirement Plans (Continued)**San Antonio Water System (SAWS) (Continued)****Texas Municipal Retirement System (TMRS) (Continued)**

Actuarial Assumptions — The total pension liability calculated in the December 31, 2020 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	25 years
Asset Valuation Method	Ten-year smoothed market value; 12.00% soft corridor.
Inflation Rate	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Investment Rate of Return	6.75%, including inflation, net of pension plan investment expense
Retirement Age	Experience-based table of rates that are specific to SAWS plan of benefits.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

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

Plan assets are managed on a total return basis with emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

Note 10 Pension and Retirement Plans (Continued)**San Antonio Water System (SAWS) (Continued)****Texas Municipal Retirement System (TMRS) (Continued)**

The target allocation and best estimates of arithmetic real rates of return for each major asset class. The long-term expected real rate of return amounts do not include inflation and are summarized in the following table:

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

The discount rate of 6.75% was used to measure the total pension liability in the December 31, 2020 actuarial valuation. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the TMRS pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate — The following presents the net pension liability (asset) as of December 31, 2021, calculated using the discount rate of 6.75%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1.00% lower, 5.75%, or 1.00% higher, 7.75%, than the current rate:

	1.00% Decrease 5.75%	Current Discount Rate 6.75%	1.00% Increase 7.75%
Net Pension Liability (Asset) - TMRS	\$ 47,908	\$ 16,474	\$ (9,657)

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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, 2021, based on the measurement date and actuarial valuation date of December 31, 2020.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	\$ 6,233
Interest Cost	15,448
Difference Between Expected and Actual Experience	(189)
Benefit Payments	<u>(10,294)</u>
Net Change in Total Pension Liability	\$ 11,198
Total Pension Liability - Beginning	<u>230,895</u>
Total Pension Liability - Ending	<u>\$ 242,093</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 4,440
Contributions - Employee	3,660
Net Investment Income	16,073
Benefits Payments, including Refunds of Employee Contributions	(10,294)
Administrative Expense	(104)
Other	<u>(4)</u>
Net change in Plan Fiduciary Net Position	\$ 13,771
Plan Fiduciary Net Position - Beginning	<u>211,848</u>
Plan Fiduciary Net Position - Ending	<u>\$ 225,619</u>
Net Pension Liability	<u>\$ 16,474</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.20%

San Antonio Water System Retirement Plan (SAWSRP)

Plan Description — The San Antonio Water System Retirement Plan (SAWSRP) is a single-employer pension plan controlled by the provisions of Ordinance No. 75686, which serves as a supplement to TMRS and Social Security. The plan has both a defined benefit and a defined contribution component. SAWS delegated to Principal Financial Group the authority to manage plan assets and administer the payment of benefits under the plan.

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

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, 2021 measurement date, for the fiscal year-ended December 31, 2021, were:

Number of:	
Active Members	975
Retirees and Beneficiaries	1,145
Inactive Members ¹	558
Total	<u>2,678</u>

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

Benefits Provided — Eligible employees hired prior to June 1, 2014 participate in the defined benefit component of the plan. Eligible employees vest in this plan after completion of five years of service.

Covered employees are eligible to retire upon attaining the normal retirement age of 65. An employee may elect early retirement, with reduced benefits, upon attainment of 20 years of vesting service regardless of age or five years of vesting service and at least age 60. An employee is automatically 100.00% vested upon attainment of age 65 or upon becoming totally and permanently disabled.

The normal retirement benefit is based upon two factors: average compensation and years of vesting service. Average compensation is defined as the monthly average of total compensation received for the three consecutive years-ending December 31, out of the last ten compensation years prior to normal retirement date, which gives the highest average.

The normal retirement benefit under SAWSRP is equal to the following:

- 1.20% of the average compensation, times years of credited service not in excess of 25 years, plus
- 0.75% of the average compensation, times years of credited service in excess of 25 years but not in excess of 35 years, plus
- 0.38% of the average compensation, times years of credited service in excess of 35 years.

Upon retirement, an employee must select from one of eight alternative payment plans. Each payment plan provides for monthly payments as long as the retired employee lives. The options available address how plan benefits are to be distributed to the designated beneficiary of the retired employee. The program also provides disability benefits.

Note 10 Pension and Retirement Plans (Continued)**San Antonio Water System (SAWS) (Continued)*****San Antonio Water System Retirement Plan (SAWSRP) (Continued)***

The funding policy provides for actuarially determined periodic contributions so that sufficient assets will be available to pay benefits when they are due. Contribution requirements are established and may be amended by the SAWS Board. The actuarially determined contribution for 2021 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, 2021, SAWS made contributions to participants' individual retirement accounts totaling \$1,814, net of forfeitures of \$21, and employees contributed \$1,576.

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Note 10 Pension and Retirement Plans (Continued)**San Antonio Water System (SAWS) (Continued)****San Antonio Water System Retirement Plan (SAWSRP) (Continued)**

Actuarial Assumptions — The total pension liability calculated in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions:

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

The expected long-term return on plan assets assumption was developed as a weighted average rate based on target asset allocation of the plan and the Long-Term Capital Market Assumptions (CMA) May 2020. The capital market assumptions were developed with a primary focus on forward-looking valuation models, interest rates, risk-premium, and long-term performance patterns of the applicable asset classes. Due to the long-term nature of pension obligations, the investment horizon for the CMA 2020 is 20 years.

Note 10 Pension and Retirement Plans (Continued)**San Antonio Water System (SAWS) (Continued)****San Antonio Water System Retirement Plan (SAWSRP) (Continued)**

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table. The Long-term Expected Real Rate of Return amounts do not include inflation.

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

The discount rate used to measure the total pension liability was 6.25% at December 31, 2021. The projection of cash flows used to determine the discount rate assumed that contributions will be made based on actuarial determined amounts. Based on that assumption, the SAWSRP defined benefit component's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

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

	1.00% Decrease 5.25%	Current Discount 6.25%	1.00% Increase 7.25%
Net Pension Liability (Asset) - SAWSRP	\$ 32,580	\$ (2,698)	\$ (31,986)

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 liability for the fiscal year-ended December 31, 2021, based on the measurement date and actuarial valuation date of January 1, 2021.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	\$ 5,187
Interest Cost	16,403
Difference Between Expected and Actual Experience	(66)
Changes of Assumptions	(1,063)
Benefit Payments	<u>(10,090)</u>
Net Change in Total Pension Liability	\$ 10,371
Total Pension Liability - Beginning	<u>261,816</u>
Total Pension Liability - Ending	<u><u>\$ 272,187</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 9,131
Contributions - Employee	2,095
Net Investment Income	31,582
Benefit Payments	(10,090)
Administrative Expense	<u>(294)</u>
Net Change in Plan Fiduciary Net Position	\$ 32,424
Plan Fiduciary Net Position - Beginning	<u>242,461</u>
Plan Fiduciary Net Position - Ending	<u><u>\$ 274,885</u></u>
Net Pension Assets	<u><u>\$ (2,698)</u></u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.99%

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). In 2016, DSP was merged into SAWS and DSPRP is now governed by SAWS, which is authorized to establish and amend all plan provisions. SAWS has delegated to Standard Insurance Company the authority to manage plan assets and administer the payment of benefits under the plan.

Note 10 Pension and Retirement Plans (Continued)**San Antonio Water System (SAWS) (Continued)****District Special Project Retirement Income Plan (DSPRP) (Continued)**

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

The following table presents information about DSPRP Pension Plan participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability, as of the January 1, 2021 measurement date, for the fiscal year-ended December 31, 2021, were:

Number of:	
Active Members	90
Retirees and Beneficiaries	12
Inactive Members ¹	38
Total	<u>140</u>

¹ Inactive members are vested employees no longer employed by DSP, but are entitled to a deferred retirement benefit.

Amounts not in thousands.

Benefits Provided — Prior to freezing entry into the plan, employees were eligible to enter on May 1st or November 1st following the completion of 12 months of employment and attaining the age of 21. Participating employees accrued benefits if they worked at least one hour per plan year (note: hours are reported in thousands). Eligible employees vested in this plan after the completion of five years of service. Employees are 100.00% vested in any benefits derived from employee contributions regardless of years of service. A terminating participant who has completed five years of service is entitled to receive a vested benefit starting on their normal retirement date.

The normal retirement benefit is a percentage of average monthly earnings. Prior to March 1, 1996, the monthly benefit was 60.00% of average monthly earnings reduced proportionately for less than 15 years of service. Effective March 1, 1996, the monthly benefit is 40.00% of average monthly earnings reduced proportionately for less than 20 years of service. Prior to March 1, 1996, average monthly earnings were based on the monthly earnings during the five consecutive and complete calendar years that produced the highest average. After March 1, 1996, average monthly earnings are determined by the ten consecutive and complete calendar years after December 31, 1990 which produce the highest average. Upon retirement, retirees may choose from three different types of annuities or receive a single lump sum distribution.

Contributions — The plan's funding policy provides for actuarially determined periodic contributions so that sufficient assets will be available to pay benefits as they come due. The contribution requirements of the plan are established and may be amended by the SAWS Board. The unit credit method was used to calculate the actuarial determined contribution for 2021. 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.

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

Actuarial Cost Method	Unit Credit
Amortization Method	Rolling level amortization over a declining period.
Remaining Amortization Period	Six-years
Asset Valuation Method	Fair Value with smoothing
Inflation	2.25%
Salary Increase	Earned benefits frozen in 2008.
Investment Rate of Return	6.25%, net of pension plan investment expense, including inflation.
Retirement Age	Normal retirement age - the earlier of (a) age 65 or (b) the "rule of 90" where the participant's age and years of service added together equal 90 or greater.
Mortality	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 target allocation and best estimates of arithmetic real rates of return for each major asset class for the January 1, 2021 valuation are summarized in the following table:

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

The discount rate used to measure the total pension liability was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions will be made equal to the actuarially determined contributions. Based on those assumptions, the defined benefit component's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the defined benefit component's investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 10 Pension and Retirement Plans (Continued)**San Antonio Water System (SAWS) (Continued)****District Special Project Retirement Income Plan (DSPRP) (Continued)**

Sensitivity of the Net Pension Asset to Changes in the Discount Rate — The following table presents the net pension asset, calculated at December 31, 2021 using the discount rate of 6.25%, as well as what the net pension asset would be if it were calculated using a discount rate that is 1.00% lower, 5.25%, or 1.00% higher, 7.25%, than the current rate.

	1.00% Decrease	Current Discount	1.00% Increase
	5.25%	6.25%	7.25%
Net Pension Asset - DSPRP	\$ (372)	\$ (870)	\$ (1,296)

Schedule of Changes in Net Pension Liability and Related Ratios — The following table summarizes the changes in the DSPRP net pension liability (asset) for the fiscal year-ended December 31, 2021 based on the measurement date of January 1, 2021.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	\$ 241
Interest Cost	409
Difference Between Expected and Actual Experience	375
Benefit Payments	(408)
Net Change in Total Pension Liability	\$ 617
Total Pension Liability - Beginning	6,149
Total Pension Liability - Ending	<u>\$ 6,766</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 400
Net Investment Income	998
Benefit Payments, Including Refunds of Employee Contributions	(408)
Administrative Expense	(6)
Net change in Plan Fiduciary Net Position	\$ 984
Plan Fiduciary Net Position - Beginning	6,652
Plan Fiduciary Net Position - Ending	<u>\$ 7,636</u>
Net Pension Assets	<u>\$ (870)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	112.86%

Note 10 Pension and Retirement Plans (Continued)**San Antonio Water System (SAWS) (Continued)****Other Pension Disclosures**

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

Pension Expense — For the year-ended December 31, 2021, SAWS recognized pension expense under the TMRS, SAWSRP, and DSPRP plans as follows:

Schedule of Pension Expense	
TMRS	\$ 1,766
SAWSRP - Defined Benefit	(476)
SAWSRP - Defined Contribution	1,814
DSPRP	(39)
Total Pension Expense	<u>\$ 3,065</u>

Amounts payable to the pension plans by SAWS for contributions totaled \$225 at December 31, 2021.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At December 31, 2021, 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	\$ 366	\$ (148)	\$ 850	\$ (58)	\$ 424	\$ (899)	\$ 1,640	\$ (1,105)
Changes of Assumptions	117		884	(1,090)	270		1,271	(1,090)
Net Difference in Projected and Actual Earnings on Pension Plan Investments		(6,005)		(23,724)		(788)		(30,517)
Contributions Subsequent to the Measurement Date	4,450		6,136		175		10,761	
Total	<u>\$ 4,933</u>	<u>\$ (6,153)</u>	<u>\$ 7,870</u>	<u>\$ (24,872)</u>	<u>\$ 869</u>	<u>\$ (1,687)</u>	<u>\$ 13,672</u>	<u>\$ (32,712)</u>

\$10,761 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-ended December 31, 2022.

Note 10 Pension and Retirement Plans (Continued)**San Antonio Water System (SAWS) (Continued)****Other Pension Disclosures (Continued)**

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

Net Deferred Outflows (Inflows) of Resources				
Year-Ending December 31,	TMRS	SAWSRP	DSPRP	Combined
2022	\$ (2,072)	\$ (7,122)	\$ (292)	\$ (9,486)
2023	323	(4,356)	(206)	(4,239)
2024	(3,544)	(8,384)	(297)	(12,225)
2025	(377)	(3,276)	(174)	(3,827)
2026			(46)	(46)
Thereafter			22	22
Total	<u>\$ (5,670)</u>	<u>\$ (23,138)</u>	<u>\$ (993)</u>	<u>\$ (29,801)</u>

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Note 11 Other Postemployment Benefits**Summary of Other Postemployment Benefits**

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

	Retiree Health Care Fund	Retiree Health & Wellness SA Fire and Police Fund (Health Fund)	Total City OPEB Plans	CPS Energy: Health, Life, and Disability	SAWS Retiree Health Trust
Total OPEB Liability	\$ 265,083	\$ 1,117,052	\$ 1,382,135	\$ 303,117	\$ 120,795
Plan Fiduciary Net Position	5,906	564,260	570,166	358,018	104,337
Net OPEB Liability (Asset)	<u>\$ 259,177</u>	<u>\$ 552,792</u>	<u>\$ 811,969</u>	<u>\$ (54,901)</u>	<u>\$ 16,458</u>
Total Deferred Inflows of Resources	\$ (271,451)	\$ (195,719)	\$ (467,170)	\$ (37,960)	\$ (33,279)
Deferred Outflows of Resources	126,452	55,468	181,920	16,426	2,376
Contributions Subsequent to Measurement Date		34,110	34,110	726	10,442
Total Deferred Outflows of Resources	<u>\$ 126,452</u>	<u>\$ 89,578</u>	<u>\$ 216,030</u>	<u>\$ 17,152</u>	<u>\$ 12,818</u>
Total OPEB Expense	\$ 8,773	\$ 37,909	\$ 46,682	\$ (9,718)	\$ (7,521)

Primary Government (City)

Plan Description — In addition to the pension benefits discussed in Note 10 Pension and Retirement Plans, the City provides a single-employer defined benefit postemployment benefit plan for Medicare eligible civilian retirees, pre-Medicare eligible civilian retirees, and uniform employees who retired prior to October 1, 1989. Activity related to the postemployment benefits is reported in the Fiduciary Component Unit Retiree Health Care Fund. Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the City is required to account for and disclose its other postemployment liability for this plan. The City administers the plan and continues to actively review and have actuarial valuations performed for all programs as required. This plan is administered through an equivalent arrangement.

Medicare eligible retirees and surviving spouses, who have reached age 65 or have otherwise become eligible for Medicare may participate in one of three plans, Medicare Advantage PPO Plus, Medicare Advantage PPO, or a fully insured Medicare Part D Drug Plan. All retirees and surviving spouses are required to apply for and maintain Medicare Parts A & B coverage in order to participate in any of the three programs previously listed. Of the current 1,176 participating Medicare retirees and surviving spouses, 140 participate in Medicare Advantage PPO Plus plan, 1,034 participate in a Medicare Advantage PPO plan, and two participate in the Medicare Part D Drug Plan (participants not in thousands).

Pre-Medicare retirees and surviving spouses are covered under a program comprised of three self-funded medical plans administered by Blue Cross Blue Shield of Texas; Blue Essential HMO, Consumer Choice PPO, and New Value PPO. These plans may be amended at any time with approval from the City Council. As of September 30, 2022, there were 475 retirees and surviving spouses, who have not reached age 65 and are not eligible for Medicare, participating in the pre-Medicare eligible program (participants not in thousands).

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

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)**

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

A dental and vision insurance benefit is made available to eligible retired employees on a fully contributory basis. Since retirees pay the full premium for dental and vision benefits, there is no liability associated with either benefit.

Contributions — The two postemployment benefit programs are funded on a pay-as-you-go basis with an aggregate sharing of premium costs based on the following targets: 67.00% by the City and 33.00% by the retiree for those retirees hired prior to October 2007. With the adoption of the fiscal year 2008 Budget, additional changes were made to this retirement health plan. For all non-uniformed employees beginning employment on or after October 1, 2007, a revised schedule for sharing of the costs on a pay-as-you-go basis is effective. The revised schedule is as follows: (1) Employees who separate from the City with less than five years of service are not eligible to participate in the program; (2) Employees who separate with at least five years of service but less than ten years of service are eligible to participate in the program but without City subsidy; and (3) Employees who separate from employment with ten years of service or more will pay for 50.00% of the pay-as-you-go contributions to the program and the City will contribute the remaining 50.00%. The program requires employees to meet the retirement eligibility criteria set forth by TMRS and accrued actual years of service with the City.

Retirees may waive coverage at retirement but must do so at the exact time of retirement. These retirees are allowed a one-time opportunity to re-enter the plan at a later date upon submitting proof of continuous health coverage. Retirees may only enroll dependents that were covered at the time coverage was waived. Dependents must return to the plan with the retiree, otherwise coverage for the dependent is forfeited.

The following table presents information about OPEB participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the total OPEB liability, as of the measurement date, for the fiscal year-ended September 30, 2022, were:

Number of:	
Active Members	7,413
Retirees and Beneficiaries	1,629
Inactive Members ¹	1,307
Total	<u>10,349</u>

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 2022 to prefund benefits. Total contributions by the City and Retirees for fiscal year-ended September 30, 2022 were \$6,666 and \$1,599 respectively. The plan's fiduciary net position is a result of the accumulation of prescription rebates earned and savings from claim payments being lower than anticipated.

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)**

Actuarial Assumptions — Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. This valuation's assumptions are as follows:

Actuarial Cost Method	Entry Age Normal based on level percentage of projected salary
Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 12.1 years starting on the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service)
Asset Valuation Method	Fair Market Value
Inflation	2.00%
Remaining Amortization Period	11.1 years
Salary Increase Rate	3.50% per annum
Discount Rate	4.00% per annum (EOY)
Healthcare and Prescription Cost Trend Rates	Pre-65 Select 7.00% and Ultimate 4.00%; Post-65 Select 6.00% and Ultimate 4.00%; Stop Loss Fees Select 7.00% and Ultimate 4.00%; Administrative Fees Select 4.00% and Ultimate 4.00%
Mortality	PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

The City's retiree participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 60.00% of all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan. Additionally, current waived retirees that are eligible to return to the plan have a 10.00% participation rate for returning to a Medicare Advantage plan.

Annual retirement probabilities have been determined based on the TMRS Actuarial Valuation as of December 31, 2021. The annual retirement probability is dependent on an employee's gender, entry age group, and age. Additional criteria that adjust the base table rates include employee contribution rate, employer match, and if the City has a recurring cost-of-living adjustment.

The rate of withdrawal for reasons other than death and retirement has been developed from the TMRS Actuarial Valuation as of December 31, 2021. 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.

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)**

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

Asset Class	Target Allocation
U.S. Government Agency Securities	42.50%
U.S. Treasuries	37.10%
Money Market Mutual Funds	6.70%
Government Investment Pool	13.60%
Repurchase Agreement	0.10%
Total	100.00%

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

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

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate — The following shows the net OPEB liability, calculated using the discount rate of 4.00% in comparison to what the net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (3.00%) or 1.00% higher (5.00%) than the current rate:

	1.00% Decrease 3.00%	Current Discount 4.00%	1.00% Increase 5.00%
Net OPEB Liability	\$ 287,406	\$ 259,177	\$ 228,839

Sensitivity of the Net OPEB Liability to Changes in the Health Care Trend Rates — The following shows the current net OPEB liability, calculated using the assumed health benefit cost trend rates, in comparison to what the net OPEB liability would be if it were calculated using trend rates that are 1.00% lower (6.00% decreasing to 3.00%) or 1.00% higher (8.00% decreasing to 5.00%) than the assumed health benefit costs trend rates:

	1.00% Decrease (6.00% decreasing to 3.00%)	Assumed Rates (7.00% decreasing to 4.00%)	1.00% Increase (8.00% increasing to 5.00%)
Net OPEB Liability	\$ 224,243	\$ 259,177	\$ 293,717

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)**

Changes in the Net OPEB Liability — The following table shows the changes in the net OPEB liability as of the fiscal year-ended September 30, 2022.

Changes in the Net OPEB Liability	
Total OPEB Liability	
Service Cost	\$ 12,177
Interest Cost	7,157
Difference Between Expected and Actual Experience	(792)
Changes of Assumptions	(56,399)
Benefit Payments	(7,607)
Net Change in Total OPEB Liability	<u>\$ (45,464)</u>
Total OPEB Liability - Beginning	<u>310,547</u>
Total OPEB Liability - Ending	<u><u>\$ 265,083</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 6,666
Contributions - Employee	1,599
Net investment income (loss)	(61)
Benefit Payments, including Refunds of Employee Contributions	(7,607)
Administrative Expense	(24)
Other	5,333
Net change in Plan Fiduciary Net Position	<u>\$ 5,906</u>
Plan Fiduciary Net Position - Beginning	<u>-</u>
Plan Fiduciary Net Position - Ending	<u><u>\$ 5,906</u></u>
Net OPEB Liability	<u><u>\$ 259,177</u></u>
Plan Fiduciary Net Position as a Percentage of the Net OPEB Liability	2.23%

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)**

OPEB Expense — For the year-ended September 30, 2022, the City recognized OPEB expense of \$8,773.

Schedule of OPEB Expense	
Service Cost	\$ 12,177
Interest Cost	7,157
Expected return on assets	(61)
Employee Contributions	(1,599)
Administrative expenses	24
Current Recognized Deferred Outflows/(Inflows):	
Differences Between Expected and Actual Experience	(25,480)
Changes in Assumptions or Other Inputs	16,531
Projected Investment earnings difference	24
Total OPEB Expense	<u>\$ 8,773</u>

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — At September 30, 2022, the City reported OPEB related deferred outflows of resources and deferred inflows of resources from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Net difference in projected and actual earnings on OPEB plan investments	\$ 97	\$ -
Changes of Assumptions	126,355	(62,506)
Difference in Expected and Actual Experience		(208,945)
Total	<u>\$ 126,452</u>	<u>\$ (271,451)</u>

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)**

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

<u>Year-Ending September 30,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2023	\$ (8,926)
2024	(8,926)
2025	(6,741)
2026	(7,105)
2027	(17,580)
Thereafter	(95,721)
Total	<u>\$ (144,999)</u>

Contact Information — For additional information regarding the separately issued actuarial valuation report contact the City of San Antonio Human Resource Department, Employee Benefit Division, at P.O. Box 839966, San Antonio, Texas, 78283-3966. The City's Retiree Health Care Fund's financials are reported as a fiduciary fund in the City's Annual Comprehensive Financial Report (ACFR). The City's ACFR is available for viewing at www.sanantonio.gov.

Retiree Health & Wellness SA Fire and Police Fund

Plan Description — The Retiree Health & Wellness San Antonio Fire and Police Fund (Health Fund) is a Texas statutory retirement health trust for firefighters and police officers of the City, established under Article 6243q, Vernon's Texas Civil Statutes. The trust holds assets and liabilities of the City's Fire and Police Retiree Health Care Plan (Plan). This Plan is a single-employer defined benefit postemployment health care plan that was created in October 1989 in accordance with provisions established by contract with the local fire and police unions to provide postemployment healthcare benefits to police officers and firefighters of the City retiring after October 1, 1989. Authority to establish and amend the Plan's postemployment health care benefits is based on regulations enacted by the Texas Legislature that control the operation of the Health Fund. The statutory trust is governed by a Board of Trustees that meet on a monthly basis. The Board consists of nine members: the Mayor or his representative; two members of the City Council; one retired and two active duty police officers; and one retired and two active duty firefighters. The City is the only participating employer in the Plan. The plan is operated on an advance-funded basis and has established the Health Fund as the trust for accumulating assets.

WEB-TPA Employer Services, LLC and WellDyncRx serve as the medical and prescription third party administrators for the Health Fund.

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)****Retiree Health & Wellness SA Fire and Police Fund (Continued)**

Benefits Provided — The Health Fund provides postretirement health benefits for uniform employees of the fire and police departments who become eligible retirees, and their spouses. Eligible retirees are those who retire after October 1, 1989. Eligible spouses are spouses at the time of retirement of the eligible retirees and either remain married to or survive the eligible retiree. In addition, eligible spouses include the surviving spouses of active members whose death was duty-related or who died while eligible for retirement. Retirement eligibility is according to the provisions of the Fire and Police Pension Fund, San Antonio, which requires 20 or more years of service after completing the required training to be certified.

The health benefits are indemnity style coverage. As of January 1, 2022 actuarial valuation date, the maximum in-network annual deductible per individual was \$997 and the maximum in-network out-of-pocket payments per individual were \$3,786 (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, 2022 valuation date, the contributions required by the City were 14.30% of average covered pay of the combined fire and police departments for the City's fiscal year 2022. For the active fire and police employees, the contributions required were 7.15% of the average covered pay for the City's fiscal year 2022.

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Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)****Retiree Health & Wellness SA Fire and Police Fund (Continued)**

Total contributions by the City and active members for fiscal year-ended September 30, 2022 were \$46,098 and \$23,054 respectively.

Going forward, the total statutorily determined contribution rates effective October 1, 2022 through October 1, 2024 are presented in the table below.

Contribution Rates			
Effective Date	City	Member	Total
10/1/2022	14.30%	7.15%	21.45%
10/1/2023 ¹	14.30%	7.15%	21.45%
10/1/2024 ¹	14.30%	7.15%	21.45%

¹ The January 1, 2023 actuarial valuation will determine the actual increase beginning October 1, 2024, where necessary.

Ultimately, the contribution policy also depends upon the total return of the Health Fund's assets, which varies from year to year. Investment policy decisions are established and maintained by the Board of Trustees. The Board selects and employs investment managers with the advice of their investment consultant who is completely independent of the investment managers. For the year-ending December 31, 2021, the money-weighted rate of return on plan investments was 11.98%. 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 of December 31, 2021, were:

Number of:	
Active Members	4,124
Retirees and Beneficiaries	4,385
Total	8,509

Amounts not in thousands.

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)****Retiree Health & Wellness SA Fire and Police Fund (Continued)**

Actuarial Assumptions — The net OPEB liability in the January 1, 2022 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Period	21 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 service
Discount Rate	7.00%
Health Benefit Costs Trend Rates	6.25% for 2023, 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 four plan years ending in 2018. The discount rate was based on the expected long-term rate of return for the Health 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 5.30%) and by adding expected inflation (2.75%). In addition, the final 7.00% assumption was selected by rounding down.

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)****Retiree Health & Wellness SA Fire and Police 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	15.00%	6.39%
Domestic Small/Mid Cap	5.00%	6.37%
International Developed	6.00%	6.48%
Emerging Markets	8.00%	8.14%
Fixed Income		
Domestic Core Plus	5.00%	2.13%
Domestic Treasury Inflation Protected Securities	4.00%	1.39%
Bank Loans	5.00%	2.56%
Emerging Markets	3.00%	2.22%
Domestic High Yield	4.00%	2.72%
Alternatives		
Private Equity	20.00%	7.76%
Real Estate	10.00%	3.56%
Private Debt	14.00%	4.35%
Cash	1.00%	0.00%
Total	100.00%	
Weighted Average		5.30%

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, 2022 actuarial valuation showed that expected contributions would pay the normal cost and amortize the unfunded actuarial accrued liability (UAAL) in 21 years beginning in 2022. Because the 21-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	\$ 722,765	\$ 552,792	\$ 414,559

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)****Retiree Health & Wellness SA Fire and Police Fund (Continued)**

Sensitivity of the Net OPEB Liability to Changes in the Health Care Trend Rates — The following shows the current net OPEB liability, calculated using the assumed health benefit cost trend rates, in comparison to what the net OPEB liability would be if it were calculated using trend rates that are 1.00% lower (5.25% decreasing to 3.25%) or 1.00% higher (7.25% decreasing to 5.25%) than the assumed health benefit costs trend rates:

	1.00% Decrease (5.25% decreasing to 3.25%)	Assumed Rates (6.25% decreasing to 4.25%)	1.00% Increase (7.25% decreasing to 5.25%)
Net OPEB Liability	\$ 399,047	\$ 552,792	\$ 746,990

Changes in the Net OPEB Liability — The following table shows the changes in the net OPEB liability for the year ended September 30, 2022 based on the measurement period ended December 31, 2021.

Changes in the Net OPEB Liability	
Total OPEB Liability	
Service Cost	\$ 28,869
Interest Cost	78,094
Difference Between Expected and Actual Experience	2,387
Changes of Assumptions	(59,131)
Benefit Payments	(39,850)
Net Change in Total OPEB Liability	<u>\$ 10,369</u>
Total OPEB Liability - Beginning	1,106,683
Total OPEB Liability - Ending	<u><u>\$ 1,117,052</u></u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 42,030
Contributions - Employee	21,012
Net Investment Income	59,256
Benefit Payments, including Refunds of	
Employee Contributions	(39,849)
Administrative Expense	(3,794)
Other	1,545
Net change in Plan Fiduciary Net Position	<u>\$ 80,200</u>
Plan Fiduciary Net Position - Beginning	484,060
Plan Fiduciary Net Position - Ending	<u><u>\$ 564,260</u></u>
Net OPEB Liability	<u><u>\$ 552,792</u></u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	50.51%

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)****Retiree Health & Wellness SA Fire and Police Fund (Continued)**

OPEB Expense — For the year-ended September 30, 2022, based on the actuarial valuation of December 31, 2021, the recognized OPEB expense was \$37,909. Amounts recognized in the fiscal year represent changes between current and prior measurement dates.

Schedule of OPEB Expense	
Service Cost	\$ 28,869
Interest Cost	78,094
Employee Contributions	(21,012)
Projected Earnings on OPEB Plan Investments	(34,617)
Amortization of Differences Between Projected and Actual Earnings on Plan Investments	1,052
Amortization of Changes of Assumptions	(20,953)
Amortization of Differences Between Expected and Actual Experience	4,228
OPEB plan administrative expenses	3,793
Other Contributions (Retirees)	(1,545)
Total OPEB Expense	<u>\$ 37,909</u>

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — At September 30, 2022, the City reported OPEB related deferred outflows of resources and deferred inflows of resources from the following:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference in Expected and Actual Experience	\$ 34,839	\$ (2,672)
Changes of Assumptions	20,629	(170,145)
Net Difference in Projected and Actual Earnings on OPEB Plan Investments		(22,902)
Contributions Subsequent to the Measurement Date	34,110	
Total	<u>\$ 89,578</u>	<u>\$ (195,719)</u>

\$34,110 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, 2023.

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)****Retiree Health & Wellness SA Fire and Police Fund (Continued)**

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

Year-Ended September 30,	Net Deferred Outflows (Inflows) of Resources
2023	\$ (15,665)
2024	(25,521)
2025	(26,964)
2026	(21,653)
2027	(16,725)
Thereafter	(33,723)
Total	<u>\$ (140,251)</u>

Contact Information — Additional information regarding the Health Fund separately issued stand-alone financial report, or the actuarial valuation report for OPEB, may be obtained at 11603 W. Coker Loop, Suite 210, San Antonio, Texas, 78216.

CPS Energy

CPS Energy provides certain health, life insurance and disability income benefits for active and retired employees. CPS Energy employees and their dependents may elect to participate in the plans and most CPS Energy employees continue eligibility upon retirement from CPS Energy. Disclosures in this footnote are limited to information related only to those benefits provided on a postemployment basis. Assets of the plans are held in three separate, single-employer defined benefit contributory plans:

- CPS Energy Group Health Plan (Health Plan) – a defined-benefit contributory group health plan that provides health, dental and vision insurance benefits.
- CPS Energy Group Life Insurance Plan (Life Plan) – a defined-benefit contributory plan that provides life insurance benefits.
- CPS Energy Long-Term Disability Income Plan (Disability Plan) – a defined-benefit contributory plan that provides disability income benefits.

The Employee Benefit Plans may be amended at any time by CPS Energy, acting by and through the Employee Benefits Oversight Committee (EBOC), which includes the President and CEO, the Chief Financial Officer, and the Audit & Finance Committee of the Board.

Note 11 Other Postemployment 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 asset, as of the measurement dates, for the fiscal year-ended January 31, 2022, were:

	<u>Health</u>	<u>Life</u>	<u>Disability</u>
Number of:			
Active Members	2,900	2,900	3,000
Retirees and Beneficiaries	<u>1,927</u>	<u>2,438</u>	<u>75</u>
Total	<u>4,827</u>	<u>5,338</u>	<u>3,075</u>
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, 2020 valuation was the basis for contributions in fiscal year 2022.

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 2022.

Note 11 Other Postemployment 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 \$924 for fiscal year 2022. In accordance with GASB Technical Bulletin 2006-01, *Accounting and Financial Reporting by Employers for Payments from the Federal Government Pursuant to the Retiree Drug Subsidy Provisions of Medicare Part D*, future projected payments from the federal government have not been used to lessen total projected obligations under CPS Energy's Health Plan.

Active employees contribute to the Life Plan at a rate of \$0.13 per \$1 of insurance per month on amounts in excess of \$20. Employees who retired prior to February 1, 1993, contribute to the Life Plan at a rate of \$0.13 per \$1 of insurance per month on amounts in excess of \$20 plus 2.25% of the difference between that amount and the aggregate rate for retiree coverage for each year the sum of retirement age and service is less than 95. Those who retired on or after February 1, 1993, contribute \$0.13 per \$1 of insurance per month on amounts in excess of \$20 plus a percentage of the CPS Energy contribution, based on number of years of service, if they retired with less than 35 years of service. Based on the funded status of the Life Plan, CPS Energy made no contributions in fiscal year 2022.

Beginning in fiscal year 2015, the Disability Plan has been funded by a combination of employee and employer contributions. Active employee contribution rates are determined by CPS Energy and may be adjusted on an annual basis. CPS Energy's contributions are determined on a discretionary basis and are generally based on the actuarial valuation calculations. Retired employees are not eligible to participate and therefore do not contribute to the Disability Plan. Prior to fiscal year 2015, the Disability Plan was funded completely by CPS Energy. CPS Energy's average contribution rate was 0.28% of covered-employee payroll in fiscal year 2022.

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Note 11 Other Postemployment Benefits (Continued)**CPS Energy (Continued)**

Actuarial Methods and Assumptions — Significant actuarial assumptions used in the calculations for the January 1, 2020, actuarial valuation for fiscal year 2022 included:

	<u>Health</u>	<u>Life</u>	<u>Disability</u>
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level percent; layered periods	Level dollar; layered periods	Level dollar; layered periods
Remaining Amortization Period	27 years	Five years	Five 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	2.20%, compounded annually	2.20%, compounded annually	2.20%, compounded annually
Salary Increase	3.20% to 11.47%	3.20% to 11.47%	3.20% to 11.47%
Investment Rate of Return	7.00% per year, compounded annually	7.00% per year, compounded annually	7.00% per year, compounded annually
Healthcare Cost Trend Rates	6.70% initial, decreasing to an ultimate rate of 3.80%.	N/A	N/A
Mortality	Based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with MP-2019, with employee rates before termination and healthy annuitant rates after termination.	Based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with MP-2019, with employee rates before termination and healthy annuitant rates after termination.	Healthy mortality based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with MP-2019 Disabled mortality based on Pri-2012 Private Retirement Plans Disabled Mortality Table (headcount weighted) projected with Mortality Improvement Scale MP-2020 (adopted January 1, 2021).

The actuarial assumptions used in the January 1, 2020 valuation for amounts reported in fiscal year 2022 were based on the results of an actuarial experience study completed in 2020 covering experience for the period January 1, 2017 through December 31, 2019.

Note 11 Other Postemployment Benefits (Continued)**CPS Energy (Continued)**

The long-term expected rate of return on OPEB plan investments was determined based on a blend of historical performance data and future expectations for each major asset class, while also reflecting current capital market conditions, developed on a geometric basis. An economic simulation method was used in which best-estimate ranges of expected future rates of return (expected returns on Employee Benefit Plans investment expense) for each major asset class were combined using simulations that ensure the economic consistency of each individual trial, then reduced by a factor representing inflation to produce long-term expected real 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.

Asset Class	<u>Assumed Asset Allocation</u>	<u>Expected Real Rate of Return</u>
Equities	54.50%	4.27%
Debt Securities	28.50%	1.78%
Alternative Investments	17.00%	4.32%
Total Investments	<u>100.00%</u>	

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate — The discount rate used to measure the total OPEB liability for fiscal year 2022 was 7.00%. The projection of cash flows used to determine the discount rate assumed that CPS Energy contributions will be made in a manner consistent with the current contribution practices. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table present the sensitivity of the net OPEB (asset) calculation to a 1.00% increase and a 1.00% decrease in the discount rate used to measure the total OPEB liability:

	<u>1.00% Decrease 6.00%</u>	<u>Current Discount 7.00%</u>	<u>1.00% Increase 8.00%</u>
Health	\$ (32,871)	\$ (57,804)	\$ (79,281)
Life	9,302	2,314	(3,395)
Disability	831	589	363
Total	<u>\$ (22,738)</u>	<u>\$ (54,901)</u>	<u>\$ (82,313)</u>

Note 11 Other Postemployment Benefits (Continued)**CPS Energy (Continued)**

Sensitivity of the Net OPEB Asset to Changes in the Health Care Trend Rates - The following table presents the sensitivity of net Health Plan OPEB asset calculation to a 1.00% increase and a 1.00% decrease in the healthcare cost trend rates used to measure the total Health Plan OPEB asset:

	1.00% Decrease (5.70%) decreasing to 2.80%)	Current Discount (6.70%) decreasing to 3.80%)	1.00% Increase (7.70%) decreasing to 4.80%)
Health Plan OPEB (Asset)	\$ (83,560)	\$ (57,804)	\$ (26,854)

Net OPEB Asset — CPS Energy's net OPEB asset at January 31, 2022 was measured as of January 31, 2021. The total OPEB liability used to calculate the net OPEB asset was determined by actuarial valuations as of January 1, 2020, rolled forward using generally accepted actuarial procedures to the January 31, 2021 measurement date. At January 31, 2022, the net OPEB asset was (\$54,901), and is reflected as part of the Other Noncurrent Assets on the Statement of Net Position.

Changes in Net OPEB Asset				
	Health	Life	Disability	Total
Total OPEB Liability				
Service Cost	\$ 3,772	\$ 517	\$ 557	\$ 4,846
Interest Cost	17,089	3,400	384	20,873
Differences Between Expected and Actual Experience	(11,592)	4,766	(156)	(6,982)
Changes of Assumptions	(5,962)	4,044	1,993	75
Benefit Payments	(13,398)	(3,987)	(1,142)	(18,527)
Net Change in Total OPEB Liability	\$ (10,091)	\$ 8,740	\$ 1,636	\$ 285
Total OPEB Liability - Beginning	250,115	47,260	5,457	302,832
Total OPEB Liability - Ending	<u>\$ 240,024</u>	<u>\$ 56,000</u>	<u>\$ 7,093</u>	<u>\$ 303,117</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ -	\$ -	\$ 614	\$ 614
Contributions - Employee		1,077	276	1,353
Medicare Part D Payment	924			924
Earnings on Plan Assets	26,613	4,031	539	31,183
Benefit Payments	(13,398)	(3,987)	(1,142)	(18,527)
Administrative Expense	(1,297)	(25)	(21)	(1,343)
Net Change in Plan Fiduciary Net Position	\$ 12,842	\$ 1,096	\$ 266	\$ 14,204
Plan Fiduciary Net Position - Beginning	284,986	52,590	6,238	343,814
Plan Fiduciary Net Position - Ending	<u>\$ 297,828</u>	<u>\$ 53,686</u>	<u>\$ 6,504</u>	<u>\$ 358,018</u>
Net OPEB (Asset) Liability	<u>\$ (57,804)</u>	<u>\$ 2,314</u>	<u>\$ 589</u>	<u>\$ (54,901)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	124.08%	95.87%	91.70%	118.11%

CPS Energy recorded (\$9,718) in OPEB expense for the year-ended January 31, 2022.

Note 11 Other Postemployment Benefits (Continued)**CPS Energy (Continued)**

Plan Fiduciary Net Position — Detailed information about the OPEB plans' fiduciary net position is available in the separately issued Employee Benefit Plans financial statements. For purposes of measuring the net OPEB asset, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position for the Employee Benefit Plans and additions to/deductions from the Employee Benefit Plans' fiduciary net position have been determined on the same basis as they are reported by the Employee Benefit Plans. Investments are stated at fair value. Benefit payments are recognized when due and payable in accordance with the terms of the Employee Benefit Plans.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — The following table presents information about the OPEB-related deferred outflows of resources and deferred inflows of resources for CPS Energy at January 31, 2022:

	<u>Health</u>	<u>Life</u>	<u>Disability</u>	<u>Total</u>
Deferred Outflows of Resources				
Differences Between Expected and Actual Experience in the Measurement of Total OPEB Liability	\$ 1,100	\$ 5,308	\$ 73	\$ 6,481
Changes of Assumptions	4,139	3,967	1,839	9,945
Contributions Subsequent to the Measurement Date			726	726
Total Deferred Outflows of Resources	<u>\$ 5,239</u>	<u>\$ 9,275</u>	<u>\$ 2,638</u>	<u>\$ 17,152</u>
Deferred Inflows of Resources				
Differences Between Projected and Actual Earnings on OPEB Assets	\$ (3,939)	\$ (61)	\$ (10)	\$ (4,010)
Differences Between Expected and Actual Experience in the Measurement of Total OPEB Liability	(23,085)	(504)	(949)	(24,538)
Changes in Assumptions	(9,216)	(196)		(9,412)
Total Deferred Inflows of Resources	<u>\$ (36,240)</u>	<u>\$ (761)</u>	<u>\$ (959)</u>	<u>\$ (37,960)</u>

\$726 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 an adjustment of the net OPEB asset in the year-ending January 31, 2023.

Note 11 Other Postemployment Benefits (Continued)**CPS Energy (Continued)**

The following table presents the future amortization of OPEB-related deferred outflows of resources and deferred inflows of resources, excluding the balance attributable to the employer's contribution to the Employee Benefit Plans in the current fiscal year and subsequent to the net OPEB asset measurement date. The deferred outflows of resources balance for such contribution amounts at the end of a fiscal period are recognized fully as adjustments to the net OPEB (asset) in the subsequent fiscal year.

Year-ended January 31,	Health	Life	Disability	Total
2023	\$ (6,636)	\$ 1,540	\$ 160	\$ (4,936)
2024	(2,105)	2,429	218	542
2025	(8,378)	887	60	(7,431)
2026	(7,512)	1,418	130	(5,964)
2027	(4,774)	1,439	218	(3,117)
Thereafter	(1,596)	801	167	(628)
Total	<u>\$ (31,001)</u>	<u>\$ 8,514</u>	<u>\$ 953</u>	<u>\$ (21,534)</u>

San Antonio Water System (SAWS)

SAWS provides certain healthcare and life insurance benefits for eligible retirees, their spouses, and their dependents through San Antonio Water System Retiree Health Trust (SAWS OPEB Plan), a single-employer defined benefit plan administered by SAWS. The authority to establish and amend the OPEB provisions is vested in the SAWS Board of Trustees.

SAWS does not issue a separate financial report for its OPEB plan.

By State law, any employee that retires under either the TMRS or SAWS retirement plans is eligible, at the time of retirement, to obtain health insurance benefits similar to those offered to active SAWS employees. Retirees may also purchase coverage for their spouse and qualifying dependents at group rates partially subsidized by SAWS. Any plan participant eligible for Medicare is required to enroll in a Medicare Advantage Plan. No supplemental health benefits are provided to those participants enrolled in Medicare Advantage Plans. Employees hired after December 31, 2013 will not be eligible for any subsidized medical benefits upon retirement from SAWS.

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

Number of:	
Active Members	957
Retirees and Beneficiaries	<u>801</u>
Total	<u><u>1,758</u></u>
Amount not in thousands.	

Note 11 Other Postemployment Benefits (Continued)**San Antonio Water System (SAWS) (Continued)**

Contributions — The contribution requirements of plan participants are established and may be amended by the SAWS Board. Contributions made by retirees for health insurance benefits vary based on retirement date, years of service, and the health care options selected. Plan participants made contributions toward plan benefits totaling \$1,840 for year-ended December 31, 2021.

SAWS contributions to the plan are also established by the SAWS Board. Prior to 2012, SAWS only funded the shortfall between annual benefit payments and retiree contributions (current benefit payments). In March 2012, SAWS established an OPEB Trust for the exclusive purpose of prefunding future benefit 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.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between SAWS and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Methods and Assumptions — Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The following table summarizes the actuarial methods and assumptions used in the most recent actuarial valuation for SAWS' OPEB plan.

Actuarial Cost Method	Entry Age Normal
Actuarial Value of Assets	Market Value
Remaining Amortization Period	13 Years - Closed
Inflation Rate	2.50%
Salary Increases	3.75% to 9.00%, varies by age
Investment Rate of Return	6.25%
Healthcare Cost Trend:	
Initial	Pre-65 initial trend is 6.00%. Post 65 trend is -2.00%.
Ultimate	4.04%
Mortality	In 2021, the mortality rate was based on PubG-2010 General base rate mortality table projected to future years with historical and assumed mortality improvement rates that were issued by the SOA. PubG-2010 is the baseline mortality rate table underlying the SOA Pub-2010 experience study published in January 2019. The mortality improvement scale is based on MP-2020 published in October 2020.

Note 11 Other Postemployment Benefits (Continued)**San Antonio Water System (SAWS) (Continued)**

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The discount rate used to measure the total OPEB liability at December 31, 2021 was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions will be made equal to the actuarially determined contributions. Based on those assumptions, the defined benefit component's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the defined benefit component's investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table presents the SAWS OPEB Plan net OPEB liability calculated at December 31, 2021 using the discount rate of 6.25%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%) than the current rate.

	1.00% Decrease	Current Discount	1.00% Increase
	5.25%	6.25%	7.25%
Net OPEB Liability	\$ 30,909	\$ 16,458	\$ 4,443

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, 2021 assuming healthcare cost trends decrease or increase by one percentage point from the assumptions used in total OPEB liability.

	1.00% Decrease	Assumed Rates	1.00% Increase
	(5.00%/-3.00%	(6.00%/-2.00%	(7.00%/-1.00%
	decreasing to	decreasing to	decreasing to
	3.04%)	4.04%)	5.04%)
Net OPEB Liability	\$ 7,630	\$ 16,458	\$ 27,032

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table. The long-term expected rate of return amounts does not include inflation.

Asset Class	Target Allocation	Long-term expected real rate of return
Fixed Income - Core Bond	37.00%	1.46%
Domestic Equity - Large Cap	30.40%	6.54%
Foreign Equity - Developed International	11.30%	5.93%
Domestic Equity - Small Cap	6.40%	8.06%
Domestic Equity - Mid Cap	6.30%	7.36%
Foreign Equity - Emerging Markets	3.10%	8.28%
Fixed Income - High Yield	3.00%	4.46%
Real Estate	2.50%	6.14%
Total	<u>100.00%</u>	

Note 11 Other Postemployment Benefits (Continued)**San Antonio Water System (SAWS) (Continued)**

The following table summarizes the change in net OPEB liability at December 31, 2021.

Changes in the Net OPEB Liability	
Total OPEB Liability	
Service Cost	\$ 1,750
Interest Cost	7,688
Difference Between Expected and Actual Experience	(8,867)
Changes of Assumptions	2,089
Benefit Payments	(6,141)
Net change in Total OPEB Liability	\$ (3,481)
Total OPEB Liability - Beginning	124,276
Total OPEB Liability - Ending	<u>\$ 120,795</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 13,641
Contributions - Employee	
Net Investment Income	13,747
Benefit Payments	(6,141)
Administrative Expense	(187)
Net change in Plan Fiduciary Net Position	\$ 21,060
Plan Fiduciary Net Position - Beginning	83,277
Plan Fiduciary Net Position - Ending	<u>\$ 104,337</u>
Net OPEB Liability	<u>\$ 16,458</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	86.38%

SAWS recognized (\$7,521) in OPEB expense for the fiscal year-ended December 31, 2021 based on a measurement date of December 31, 2020.

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, 2021 from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference in Expected and Actual Experience	\$ -	\$ (21,371)
Changes of Assumptions	2,376	(1,957)
Net Difference in Projected and Actual Earnings on OPEB Plan Investments		(9,951)
Contributions Subsequent to the Measurement Date	10,442	
Total	<u>\$ 12,818</u>	<u>\$ (33,279)</u>

Note 11 Other Postemployment Benefits (Continued)**San Antonio Water System (SAWS) (Continued)**

\$10,442 is reported as deferred outflows of resources related to OPEB resulting from SAWS contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB liability in the year-ending December 31, 2022.

Other amounts reported as deferred inflow of resources will be recognized in OPEB expense as follows:

<u>Year-Ended December 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2022	\$ (10,978)
2023	(7,733)
2024	(9,173)
2025	(3,019)
Thereafter	
Total	<u>\$ (30,903)</u>

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Note 12 CPS Energy South Texas Project (STP)

Joint Operations

Units 1 and 2 – CPS Energy is one of three participants in STP, a two-unit nuclear power plant located in Matagorda County, Texas approximately ten miles from the Texas gulf coast. The units have a combined nominal output of 2,633 MW. CPS Energy's ownership share (40.0%) in STP Units 1 and 2 represents approximately 1,053 MW of total plant capacity. In addition, STP is owned by NRG Energy (44.0%) and the City of Austin, Texas (16.0%).

The units, along with their support facilities and administrative offices, are located on a 12,220-acre site that is adjacent to the lower Colorado river in Matagorda County. In-service dates for STP were August 1988 for Unit 1 and June 1989 for Unit 2.

Effective November 17, 1997, the Participation Agreement among the owners of STP was amended and restated. At that time, South Texas Nuclear Operating Company (STPNOC), a Texas nonprofit, nonmember corporation created by the owners, assumed responsibility as the licensed operator of STP. The participants share costs in proportion to ownership interests, including all liabilities and expenses of STPNOC. STPNOC is financed and controlled by the owners pursuant to an operating agreement among the owners and STPNOC. Currently, a four-member board of directors governs STPNOC, with each owner appointing one member to serve with STPNOC's chief executive officer.

In September 2017, the Nuclear Regulatory Commission (NRC) approved STPNOC's license renewal applications for STP Units 1 and 2, which extends the operating licenses to 2047 and 2048, respectively.

Under the Nuclear Waste Policy Act (NWPA), the Department of Energy (DOE) has an obligation to provide for the permanent disposal of high-level radioactive waste, which includes used nuclear fuel at U.S. commercial nuclear power plants such as STP. To fund that obligation, all owners or operators of commercial nuclear power plants entered into a standard contract under which the owners paid a fee to the DOE based on the amount of electricity generated and sold from the power plant, along with additional assessments. In exchange for collecting this fee and the assessments, the DOE undertook the obligation to develop a high-level waste repository for safe, long-term storage of the fuel and, no later than January 31, 1998, to transport and dispose of the used fuel. The National Association of Regulatory Utility Commissioners (NARUC) challenged further collection of this fee; and on November 19, 2013, the Court ruled in favor of NARUC and ordered the DOE to submit to the U.S. Congress a proposal to reduce the fee to zero until certain conditions are met. While the reporting to the DOE of used nuclear fuel volumes will continue, effective May 16, 2014, the rate was reduced to zero.

Multiple cases have been filed in the U.S. Court of Federal Claims by the existing owners or operators of nuclear facilities against the DOE related to its failure to meet its obligations under the NWPA. The owners/operators were seeking damages related to ongoing used nuclear fuel storage costs incurred because the DOE did not meet its obligation. On August 31, 2000, in *Maine Yankee Atomic Power Company, et al. v. United States*, the U.S. Court of Appeals for the Federal Circuit affirmed that the DOE had breached its obligations to commercial nuclear power plant owners for failing to live up to its obligations to dispose of used nuclear fuel. STPNOC, on behalf of the owners of STP, and other utilities have reached settlement agreements with the DOE. In the most recent settlement agreement dated September 1, 2020, the DOE extended its commitment to reimburse STP for allowable spent fuel management expenditures through calendar year 2022.

Note 12 CPS Energy South Texas Project (STP) (Continued)**Joint Operations (Continued)**

Pursuant to STPNOC's analysis of NRC guidance, the first dry cask storage campaign was completed in calendar year 2019, with 12 dry casks stored at the Independent Spent Fuel Storage Installation (ISFSI). On January 20, 2022, STP completed the dry cask loading prerequisites and commenced the second dry cask loading campaign. In total, STP plans to load 444 fuel assemblies into 12 casks (222 assemblies and 6 casks per unit). The loading campaign was completed in July 2022.

Ongoing costs for the spent fuel management project are being funded by the STP owners as expenditures are incurred. CPS Energy is entitled to request reimbursements at its discretion from its Decommissioning Trusts for CPS Energy's portion of allowable costs. Annually, STPNOC submits claims to the DOE for the reimbursement of allowable costs for spent fuel management. Allowable costs are returned to the owners by STP upon receipt of funds from the DOE. Qualifying spent fuel management costs not reimbursable by the DOE are funded by the Trusts. Any costs not reimbursable by the DOE or the Trusts are recorded as an STP operating and maintenance expense or capital costs.

Nuclear Insurance

STP maintains required insurance coverage pursuant to the Price-Anderson Act, providing limitations on liability and governmental indemnities with respect to nuclear incidents. Pursuant to the Price-Anderson Act, the maximum amount that each licensee may be assessed as secondary financial protection following a nuclear incident at any insured facility is \$138,000 taking into account a 5.0% adjustment for administrative fees and subject to adjustment for inflation every five years, with the next adjustment expected to be effective no later than November 1, 2023, for the number of operating nuclear units and for each licensed reactor, payable at \$20,000 per year per reactor for each nuclear incident. CPS Energy and each of the other participants of STP are subject to such assessments, which will be borne on the basis of their respective ownership interests. For purposes of these assessments, STP currently has two licensed reactors. The participants have purchased the maximum limits of nuclear liability insurance, as required by law, and have executed indemnification agreements with the NRC in accordance with the financial protection requirements of the Price-Anderson Act. A nuclear liability policy, with a maximum limit of \$450,000 for the nuclear industry, provides primary protection from nuclear-related liability claims. A Master Worker Certificate policy, also with a maximum limit of \$450,000 for each nuclear facility, provides primary protection from radiation tort claims of workers at nuclear facilities. A Master Worker Certificate policy, with a maximum limit of \$450,000 for the nuclear industry, provides protection from radiation tort liability claims of workers at nuclear facilities.

NRC regulations require licensees of nuclear power plants to obtain on-site property damage nuclear accident stabilization and decontamination insurance in a minimum amount of approximately \$1,100,000. NRC regulations also require that the proceeds from this insurance be used first to ensure that the licensed reactor is in a safe and stable condition so as to prevent any significant risk to the public health or safety, and then to complete any decontamination operations that may be ordered by the NRC. Any funds remaining would then be available for covering direct losses to property.

The owners of STP Units 1 and 2 currently maintain nuclear property insurance at or above the regulatory required amount. CPS Energy also maintains accidental outage insurance through STP's Nuclear Elective Insurance Limited (NEIL) membership that provides weekly indemnity payments for an insured property loss subject to an applied deductible period. The nuclear property and/or accidental insurance may be subject to a retrospective assessment being paid by members of NEIL and European Mutual Association for Nuclear Insurance (EMANI). A retrospective assessment could occur if losses, as a result of an accident at any nuclear plant insured by NEIL or EMANI, exceed the desired funds of NEIL and/or EMANI.

Note 12 CPS Energy South Texas Project (STP) (Continued)**Nuclear Decommissioning**

In 1991, CPS Energy started accumulating funds for the decommissioning of its 28% ownership in STP Units 1 and 2 in an external trust in accordance with the NRC regulations. The 28% Decommissioning Trust's assets and related liabilities are included in CPS Energy's financial statements as a component unit. Excess or deficient funds related to the 28% Trust will be distributed to or received from CPS Energy's ratepayers after decommissioning is complete.

In conjunction with the acquisition of the additional 12.0% interest in STP Units 1 and 2 in May 2005, CPS Energy also assumed control of a relative portion of the Decommissioning Trust previously established by the prior owner, American Electric Power (AEP). The 12% Decommissioning Trust's assets and related liabilities are also included in CPS Energy's financial statements as a component unit. Subject to Public Utility Commission of Texas (PUCT) approval as may be requested in the future, excess or deficient funds related to the 12% Trust will be distributed to or received from AEP's ratepayers after decommissioning is complete.

CPS Energy, together with the other owners of STP Units 1 and 2, files a certificate of financial assurance with the NRC for the decommissioning of the nuclear power plant every two years or upon transfer of ownership. The certificate assures that CPS Energy and the other owners meet the minimum decommissioning funding requirements mandated by the NRC. The owners agreed in the financial assurance plan that their estimate of decommissioning costs would be reviewed and updated periodically.

In fiscal year 2009, CPS Energy determined that some 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 2022. In fiscal year 2022, 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 2021. For the 12% Trust, preshutdown costs were funded by AEP's ratepayers. The 12% Trust incurred no preshutdown decommissioning expenses in calendar year 2021.

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, 2021, CPS Energy had accumulated \$557,205 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, 2020, the 28% Trust funds allocated to decommissioning costs totaled \$329,048 which exceeded the calculated financial assurance amount of \$118,270. Financial assurance is performed every two calendar years and will be performed at the end of calendar year 2022.

Note 12 CPS Energy South Texas Project (STP) (Continued)**Nuclear Decommissioning (Continued)**

As of December 31, 2021, \$204,635 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, 2020, the 12% Trust funds allocated to decommissioning costs totaled \$131,406 which exceeded the calculated financial assurance amount of \$50,687. Financial assurance is performed every two calendar years and will be performed at the end of calendar year 2022.

CPS Energy accounts for decommissioning in accordance with GASB Statement No. 83 by recognizing its pro rata share of an ARO based on the best estimate of the current values of outlays expected to be incurred, determined by the most recent cost study. A new cost study is performed every five years; in years subsequent to the latest study, GASB Statement No. 83 requires the current value of CPS Energy's ARO be adjusted for the effects of inflation or deflation, at least annually. In addition to the ARO, CPS Energy has recorded a deferred outflow of resources that is being amortized over the remaining useful life of the plant.

Both Decommissioning Trusts also have separate calendar year financial statements, which are separately audited and can be obtained by contacting the Controller at CPS Energy.

STP Pension Plans and Other Post-Retirement Benefits

STPNOC maintains several pension and other post-retirement benefit plans covering most employees, including a noncontributory defined-benefit pension plan, defined-benefit post-retirement plan, supplementary nonqualified unfunded pension plan, supplemental retirement plan, deferred compensation program, and a contributory savings plan. The owners of STPNOC, including CPS Energy, although not sponsors to the STPNOC plans, share in all plan costs in the same proportion as their respective ownership percentages.

The noncontributory defined-benefit pension plan covers certain employees. Effective January 1, 2007, STPNOC approved a change to the pension plan to preclude the eligibility of employees hired after December 31, 2006, in the plan. Employees hired after this date receive enhanced matching contributions under the STP Nuclear Operating Company Savings Plan.

On June 4, 2019, STP's Board of Directors approved freezing the Retirement Plan for non-bargaining participants, effective December 31, 2021.

STPNOC also maintains a defined-benefit post-retirement plan that provides post-retirement health and welfare benefits. As of May 1, 2014, certain STPNOC employees voted to transition STPNOC's medical plan to a Taft-Hartley multi-employer health and welfare plan. During calendar year 2018, there were additional plan design changes related to the STPNOC post-retirement health and welfare benefits resulting in additional employees transitioning to the Taft-Hartley multi-employer plan, therefore, reducing STPNOC's OPEB liability as of December 31, 2019. STPNOC pays monthly premiums for the benefits, to be partially funded by participating employees.

Employees whose eligible compensation exceeds the limitations established under the 1974 Employee Retirement Income Security Act, \$290 for calendar year 2021, 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.

Note 12 CPS Energy South Texas Project (STP) (Continued)**STP Pension Plans and Other Post-Retirement Benefits (Continued)**

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 \$43,415 for fiscal year 2022 and was reflected as an Adjustment for STP Pension Cost on the Statement of Activities.

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Note 13 Commitments and Contingencies**Primary Government (City)****Grants**

The City has received significant financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a materially adverse effect on the City's financial position at September 30, 2022. Grant and local funding received from federal, state, and other governmental agencies but not yet earned as of September 30, 2022 was \$251,904, of which \$240,539 is reported in the COVID-19 Funds.

Capital Improvement Program

The City will be undertaking various capital improvements during fiscal year 2023. The estimated cost of these improvements is \$651,387; of this amount \$114,285 will be funded from the 2017 General Obligation Bond Program, and \$159,195 will be funded from the 2022 General Obligation Bond Program. The 2023 Capital Improvements Program consists of the following:

<u>Function/Program</u>	<u>2023</u>
General Government	
Information Technology	\$ 30,482
Municipal Facilities and Other	72,469
Total General Government	<u>\$ 102,951</u>
Public Health & Safety	
Drainage	\$ 42,607
Fire Protection	2,577
Law Enforcement	14,617
Total Public Health & Safety	<u>\$ 59,801</u>
Recreation & Culture	
Libraries	\$ 10,005
Parks	84,525
Total Recreation & Culture	<u>\$ 94,530</u>
Transportation	
Air Transportation	\$ 83,329
Street	210,906
Total Transportation	<u>\$ 294,235</u>
Total Neighborhood Improvements	<u>\$ 99,870</u>
Total Capital Plan	<u>\$ 651,387</u>

These projects are scheduled to be funded with a combination of grants, contributions from others, bonds, certificates, notes and other designated City resources.

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 \$31,064. 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.

Rogelio Carlos III, et al. v. Carlos Chavez, et al. SAPD SWAT officers were assisting High-Intensity Drug Trafficking Areas (HIDTA) in searching for a fleeing suspect. Plaintiff was misidentified by the HIDTA officer as being the suspect. The HIDTA officer engaged and attempted to physically apprehend Plaintiff and was assisted by SAPD SWAT officers. Plaintiff suffered minor injuries as a result of the arrest, although he later complained of neck and shoulder/arm pain. Several months after the incident, Plaintiff underwent surgery. The plaintiff was left paralyzed by the surgical procedure. Plaintiff has filed suit against the City and various officers under 42 U.S.C. § 1983. Discovery is completed. Motions for summary judgment were filed on behalf of the City and all officers. In April 2020, the Court entered its order dismissing all claims against the City and two officers. Claims against the three remaining officers are pending trial. This case is not currently 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.

Associated Builders & Contractors of South Texas, Inc., et. al. v. City of San Antonio, et al. In 2018, the City was served with a petition to enact a paid sick leave ordinance or to place the initiative on the ballot for election. On August 16, 2018, the City enacted Ordinance No. 2018-08-16-0620 mandating that all private employers provide employees paid sick leave. This suit was filed by various business organizations alleging that the ordinance violated the Texas Minimum Wage Act. Plaintiffs sought a temporary injunction and declaratory judgment. A temporary injunction was granted. While this matter was on appeal, the Texas Supreme Court issued an opinion in an Austin case concerning a similar ordinance, finding the ordinance was preempted. Plaintiffs in this case are seeking attorney's fees in an amount in excess of \$250 which is still pending. This matter is not currently set for trial.

Note 13 Commitments and Contingencies (Continued)**Primary Government (City) (Continued)*****Litigation (Continued)***

Morgan Harrison v. City of San Antonio. On July 28, 2021, Plaintiff was attending a convention at the Henry B. Gonzalez Convention Center. Plaintiff was walking across the lobby, which had been recently cleaned with a floor scrubbing machine, when she slipped and fell. Plaintiff suffered a compound fracture to her leg that required surgery. Discovery is on-going. This matter was continued from the January 23, 2023 trial date. A new trial date has not yet been set.

Marlo Ondrej, et. al. v. City of San Antonio and David Perry. San Antonio Police received a call reporting a female at a local shopping center with an automatic weapon. SAPD officer David Perry arrived on the scene and saw Plaintiff's decedent, Hannah Westall in the parking lot. Officer Perry exited his vehicle and drew his weapon instructing Westall to raise her hands. Westall initially complied, then turned her body to show what appeared to be an automatic weapon in the back waistband of her pants. As Westall turned back, she lowered her hands towards her back waist. Officer Perry discharged his weapon, fatally striking Westall. Subsequent examination of the weapon revealed that it was a toy. 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.

Alamo Aircraft, Ltd, v. City of San Antonio. Alamo Aircraft, Ltd. owned and/or leased business properties at 2602 SW 36th Street, 2613 SW 36th Street, and 2602 SW 36th Street for the business of buying and selling commercial and military aircraft parts, tools and ground support equipment. The business required wide street access for tractor-trailer entering and exiting the property. In approximately 2009, the City began a roadway project for the upgrade and widening of SW 36th Street, and acquired portions of multiple properties, including Plaintiffs properties. Plaintiff alleges the project as built, substantially altered portions of Plaintiffs properties, impacting its ability to conduct business, including forcing Plaintiff to relocate its businesses. Plaintiff also claims the City violated a relocation agreement between the parties, Plaintiff filed suit for review of the City's actions and recovery for alleged violations of 42 USC 4621 and 49 CFR, Part 24 ("URA") and the Texas Property Code Section 21.046. Plaintiff seeks an Order setting aside and reversing the City's relocation determinations and rulings, an award of unspecified amount of damages for relocation entitlements and payments due and owing to Plaintiff, and attorney's fees and costs. This case is not currently set for trial.

Alexander Lance v. City of San Antonio. et al. On May 30, 2020, Plaintiff and two friends were spectators at a George Floyd protest march in downtown San Antonio. As an unidentified SAPD officer walked past, Plaintiff yelled out that the rifle the officer carried had better have the safety on. Plaintiff alleges the officer shot him at close range in the arm and leg with a rubber bullet. Plaintiff alleges other officers rushed over to surround the officer and used flashlights to prevent other witnesses from taking cell phone video. He also claims he was denied medical assistance. Plaintiff filed sued in federal court under 42 U.S.C. § 1983 alleging use of excessive force, negligent retention and failure to train and supervise. Plaintiff sued the City and unnamed John Doe Officers. During the course of discovery, the names of the officers were disclosed and the officers have been served and answered. Discovery is ongoing and the case has not been set for trial.

Note 13 Commitments and Contingencies (Continued)**Primary Government (City) (Continued)*****Litigation (Continued)***

Anja Contreras, individually and as Representative and Beneficiary to the Estate of Asante Contreras, Deceased v. Mazda Motor Corporation, Mazda Motor of America, Inc., City of San Antonio, Joseph W. Woolard, and Stephen Palade. On May 3, 2020, Defendant Joseph Woolard was wanted on four felony warrants for firing a shotgun at a Bexar County Sheriff's Office deputy. When police officers attempted to contact him at a gas station, he fled for 40 minutes before going the wrong way on IH 35, striking a vehicle and causing the death of Asante Contreras. Plaintiff filed suit in state court alleging violations of 42 U.S.C. § 1983, the Texas Tort Claims Act and general negligence. Plaintiff's has also asserted claims against Mazda Motor Corp. alleging negligence for the design and safety flaws of the Mazda 3 decedent was driving. Discovery is ongoing. This case is set for trial February 5, 2024.

Tyshell Klinedinst, Indiv. and a/n/f of Shyla Klinedinst, Jhase Klinedinst, and Dominik Sally, Minor children, and Necoa Baker v. City of San Antonio. Tyshell Klinedinst, three minor children and a passenger were driving east on Rigsby Avenue near W.W. White Road when their vehicle was rear-ended by a City Public Works pick-up. Plaintiff suffered a back injury with a recommendation for future surgery. Discovery is on-going. The trial of this matter was continued to February 12, 2024.

Crystal Bass v. City of San Antonio. On May 4, 2018, Plaintiff was driving on Roosevelt Avenue when she claims a Parks & Recreation vehicle failed to yield right of way and collided with her vehicle. Plaintiff suffered significant bodily injuries to her neck and back. Discovery is on-going. This matter is tentatively set for trial on July 17, 2023.

Jordan Foster Construction v. City of San Antonio. Jordan Foster Construction entered into a contract with the City to provide construction of a drainage project on McCullough Avenue. Jordan Foster made a claim for underpayment of pay applications and quantities, owner caused delays, and failure to timely designate date of substantial completion. After initial attempts to negotiate a resolution, Jordan Foster filed suit against the City alleging breach of contract. The City contends that the work performed by Jordan Foster is faulty and must be repaired. This case is recently filed. No trial date has been set.

Angelic Barron, et al. v City of San Antonio, et al. SAPD responded to a call for shots fired in an apartment with children inside. Officers identified the apartment and surrounded it. Subsequently, plaintiff Barron and the children were released from the apartment without incident. Officers then entered the apartment and found decedent Plaintiff Victor Sanchez in a bathroom with a weapon. Officers attempted to talk to Sanchez but at some point, he brandished the weapon, placing officers in fear that he would shoot them. Several officers opened fire, killing Sanchez. Plaintiff Barron filed suit on her own behalf, on behalf of the minor children in the apartment, and on behalf of decedent Sanchez. Suit was filed in Federal Court pursuant to 42 U.S.C. § 1983 against the City and several officers at the scene, alleging use of excessive force. Discovery is on-going. This case has not been set for trial.

Note 13 Commitments and Contingencies (Continued)**Primary Government (City) (Continued)*****Litigation (Continued)***

Maria Monsibais v City of San Antonio. Plaintiff alleges that she was involved in a hit and run with a City vehicle. She claims to have followed the vehicle and photographed it. The City had no record of any vehicle involved in an accident on the date in question. Recently, facts have developed which indicate a City driver may have been involved. Plaintiff alleges back and neck injuries with a future medical recommendation. This matter is not currently set for trial.

Texas Disposal System v City of San Antonio. Texas Disposal System (TDS) holds a contract with the City of San Antonio to operate the City's waste transfer station on Starcrest Road. TDS alleges that the rates allowed under the contract, even with Consumer Price Index adjustments, does not properly compensate them and sought to change the terms of the contract, which the City denied. TDS brought suit against the City in late 2022 claiming the City has breached the terms of the contract and seeking damages in excess of \$250. This case is set for trial on December 4, 2023.

Samantha Nichole Houston Goodale, Individually and as next friend of L.R.G., Minor Child of Randall Glen Goodale, Jr., Deceased v. Mark Seguin, Nathan Bundy, and The City of San Antonio, Texas. SAPD officers assisted the U.S. Marshall's office in executing a federal felony warrant on Randall Goodale at his home. When the Marshall service arrived at his home, Goodale jumped into his truck and started the engine. A Marshall made a statement indicating that the car was in drive. The SAPD officer heard a gun fire and the windshield cracked. The SAPD officer then shot toward the driver's side window. The suspect's car proceeded forward, hitting a vehicle placed to block the driveway. Goodale was determined to be deceased. Plaintiffs filed suit against the Marshall, the SAPD officer and the City. The Marshall has been dismissed on qualified immunity. This case is still in the discovery phase. No trial date has been set.

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Note 13 Commitments and Contingencies (Continued)**Primary Government (City) (Continued)*****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, 2022, resulted in an estimated postclosure care liability for the Nelson Gardens Landfill of \$438. 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 \$418 from the prior fiscal year.

Texas Commission on Environmental Quality (TCEQ) Financial Assurance

The City is required, under the provision of the Texas Administrative Code, to provide financial assurance to the Texas Commission on Environmental Quality (TCEQ) related to the closure of municipal solid waste operations including, but not limited to, storage, collection, handling, transportation, processing, and disposal of municipal solid waste. In relation to new and modification permits for closed landfills from TCEQ, the City has an obligation to provide financial assurance of the postclosure cost estimates for landfills. Additionally, financial assurance is required to demonstrate financial responsibility for underground storage petroleum facilities. Based on the number of underground petroleum storage tanks, the City is required to provide \$1,000 of financial assurance related to the underground storage facilities. The City completes and submits its financial assurance to TCEQ annually.

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, 2022, the City has no arbitrage liability for its governmental or proprietary funds.

Note 13 Commitments and Contingencies (Continued)**CPS Energy*****Litigation***

In the normal course of business, CPS Energy is involved in legal proceedings related to alleged personal and property damages, breach of contract, condemnation appeals, and discrimination cases. In addition, CPS Energy's power generation activities and other utility operations are subject to extensive state and federal environmental regulation. In the opinion of CPS Energy's management, the outcome of such proceedings will not have a material adverse effect on the financial position or results of operations of CPS Energy.

Other

Purchase and construction commitments approximated \$6,075,360 at January 31, 2022. 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 noncarbon emitting sources. As a community owned provider and as part of the *Flexible Path*SM 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 *Reliability, Customer Affordability, Safety, Security, Environmental Responsibility, and Resiliency*. The *Flexible Path*SM strategy has a foundational commitment of an 80% reduction in carbon emissions by 2040. In August 2019, the CPS Energy Board signed a resolution to support the City of San Antonio's Climate Action and Adaptation Plan (CAAP) with a target of net-zero carbon emissions by 2050 through implementation of the *Flexible Path*SM. To be sustainable, CPS Energy needs 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 since inception, through the middle of fiscal year 2028.

In fiscal year 2003, CPS Energy entered into a 20-year agreement with Brooks, a component unit of the City, 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 benefited CPS Energy's Systems. As of January 31, 2022, capital renewals and upgrades of \$15,147 have surpassed the \$12,646 commitment. Brooks has met its obligation, net of annual interest, of \$4,192.

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 of San Antonio in renewable energy technologies and energy research. The original agreement under the Strategic Alliance called for CPS Energy to invest up to but not exceeding \$50,000 over ten years. The original agreement expired September 2020 with all commitments met by CPS Energy. In October 2020, CPS Energy entered into a new annual research agreement with UTSA to continue the Strategic Alliance with no commitments on funding amounts and annual renewal terms. As of January 31, 2022, CPS Energy has renewed the annual agreement that is focused on UTSA conducting energy industry related research that will benefit both our utility and local community.

CPS Energy sells excess power into the wholesale market with a balanced portfolio that includes a mix of short-term (less than a month) and mid-term (one month to a year) transactions with market participants 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. 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 2022 and December 2025. The capacities committed under these agreements represent approximately 5.0% of current nameplate capacity.

On June 20, 2011, CPS Energy announced its New Energy Economy initiative. The program is designed to focus on more clean energy sources rather than traditional energy sources and includes several major initiatives to which CPS Energy has committed:

- CPS Energy offers customers the opportunity to better manage their home's energy use through the Wi-Fi Thermostat Rewards program. The program gives customers access to a wide choice of programmable thermostat options. Customers benefit from better control of their home's air conditioning use and the visibility to program settings from their mobile devices. Customers in Wi-Fi Thermostat Rewards can choose to have a CPS Energy contractor install a free programmable thermostat in their place of residence. Alternatively, they can purchase and self-install their own thermostat from a list of qualifying devices and receive a rebate from CPS Energy. In exchange for the rebate, customers allow CPS Energy to periodically control and interrupt service to manage peak energy periods. The program is funded through Save for Tomorrow Energy Plan (STEP). As of January 31, 2022, there were 149,329 (not reported in thousands) CPS Energy customers enrolled in Wi-Fi Thermostat Rewards.
- CPS Energy completed the replacement of approximately 23,500 high pressure sodium vapor streetlights with 250-Watt equivalent Light Emitting Diode (LED) streetlights for the City. The streetlights use 60.0% less energy than standard sodium lights and are designed to last 12 to 15 years, thereby reducing maintenance costs. Approximately \$2,200 of the deployment costs were funded through STEP, with the remainder being funded by the City. The installation of an additional 1,500 LED streetlights is currently on hold pending direction from the City on lighting for the downtown area. (Streetlights in this paragraph are not reported in thousands).

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 streetlight 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 \$47,570 at January 31, 2022. 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 494 MW for all solar farm facilities included in 25-year power purchase agreements mentioned above:

Facility	Capacity in MW ¹	Achieved Commercial Operations
Alamo 1	39.2	December 2013
St. Hedwig (Alamo 2)	4.4	March 2014
Walzem (Alamo 3)	5.5	January 2015
Eclipse (Alamo 4)	37.6	August 2014
Helios (Alamo 5)	95.0	December 2015
Sirius 1 (Alamo 6)	108.3	March 2017
Solara (Alamo 7)	104.5	September 2016
Sirius 2 (Pearl)	49.1	October 2017
Lamesa 2 (Ivory)	50.0	December 2018
Total 25-years Power Purchase Agreements	493.6	

¹ Capacity in MW from facilities may vary from year to year based on revised annual output estimates.

Note 13 Commitments and Contingencies (Continued)**CPS Energy (Continued)*****Other (Continued)***

- Simply Solar is the trademarked name for CPS Energy's Roofless Solar and SolarHostSA Programs. Roofless Solar was launched by CPS Energy in 2015 in partnership with Clean Energy Collective (CEC). CEC built a 1 MW community solar farm in the CPS Energy service territory and sold 107.5-Watt panels in the array to customers who wanted to enjoy the benefits of solar power without having to install their own system. On June 18, 2015, CPS Energy entered into an agreement to purchase the output from the solar farm for 25 years. During fiscal year 2021, CPS Energy opted to purchase the solar farm from CEC and assumed maintenance and operational responsibility for the solar farm. On December 17, 2018, CPS Energy entered into a 25-year agreement with Big Sun SA 1 (Big Sun) to expand the Roofless Solar program by an additional 5 MW. Big Sun successfully installed community solar panels on carports at commercial businesses across San Antonio. The panels were sold to customers who will receive bill credits from CPS Energy for their share of the solar production. For the SolarHostSA program, CPS Energy partnered with PowerFin Partners to install up to 5 MW of rooftop systems on customer homes and businesses. The program provides participating customers a monthly credit for hosting the systems on their rooftops. The program makes solar accessible to more customers by eliminating the significant upfront cost of traditional rooftop systems. On August 12, 2015, CPS Energy entered into an agreement to purchase the output from the rooftop systems for an initial term of 20 years.

In fiscal year 2018, CPS Energy entered into a 50-year Utilities Privatization Contract (Contract) with the Defense Logistics Agency to operate and maintain the natural gas and the electric utility systems at three Joint Base San Antonio (JBSA) installations: JBSA Randolph, JBSA Lackland and JBSA Chapman Training Annex (formerly Lackland Training Annex). The DOD will reimburse CPS Energy for the costs to operate, maintain and upgrade these systems throughout the contract term. Should the contract be terminated, the assets associated with the utility systems at the three JBSA installations owned by CPS Energy would be transferred back to Department of Defense ownership. Additionally, CPS Energy would be reimbursed by the Government for any unrealized investments made into the systems prior to the contract termination date.

In December 2021, ERCOT completed the Public Utility Regulatory Act Chapter 39, Subchapter M, disbursement of an \$800,000 securitization to market participants that were owed due to short payments for operating days February 12 to 20, 2021. Over the next 25 to 30 years, ERCOT is requiring CPS Energy to make monthly payments of its share of the \$800,000, which are expected to total \$16,000, and CPS Energy is currently making these payments under protest. Additionally, ERCOT claims that CPS Energy may be responsible for additional market uplifts related to other market participants that are in default with ERCOT. The amount of CPS Energy's share of these possible uplifts, which are currently being disputed, cannot be estimated at this time.

Note 13 Commitments and Contingencies (Continued)**CPS Energy (Continued)*****Other (Continued)***

On March 12, 2021, CPS Energy filed suit against ERCOT in the Bexar County District Court seeking, among other things, a declaratory judgment to prevent ERCOT from wrongfully declaring a default by CPS Energy based on a force majeure event and due to ERCOT's prior material breach for \$18,264 in short payments to CPS Energy, of which approximately \$10,057 remains outstanding. The requested judgment also seeks to prevent ERCOT from requiring CPS Energy and its customers to pay for other market participants' default (i.e., Uplift) based on excessive prices and to prevent ERCOT from charging CPS Energy for any amounts associated with the Pricing Errors identified in the Potomac report issued by the Independent Market Monitor. In December 2021, the Fourth Court of Appeals dismissed CPS Energy's petition on procedural grounds, without addressing the merits of the case, stating that the PUCT has exclusive original jurisdiction. On January 27, 2022, CPS Energy filed its petition for review to the Texas Supreme Court. On February 15, 2022, the Texas Supreme Court requested that ERCOT file a response, which it did on April 18, 2022. The outcome of this pending litigation remains uncertain.

CPS Energy purchases natural gas from its suppliers pursuant to market standard contracts promulgated by the North American Energy Standards Boards. Pursuant to these market standard contracts, CPS Energy, in the event of a dispute concerning the payment, is permitted to pay the undisputed portion of amounts invoiced for natural gas delivered and withhold the balance pending resolution of the payment dispute (Disputed Payment Provision). CPS Energy was charged exorbitant amounts for natural gas deliveries throughout Winter Storm Uri, with some suppliers charging more than \$500/MMBtu. CPS Energy believes that these charges, reflective in some cases representing a 15,000% price increase compared to the pre-storm price of the same commodity, are unconscionable and reflect predatory pricing for items essential to its customers during and after declared disasters, such as Winter Storm Uri. CPS Energy has challenged these prices under the Disputed Payment Provision and anticipates continuing to use this contractual procedure when appropriate for each of its natural gas supply contracts. (Amounts in this paragraph are not in thousands)

CPS Energy has and will continue to timely pay its natural gas suppliers, once properly invoiced, in accordance with the Disputed Payment Provision and other applicable provisions of the natural gas supply contracts. CPS Energy makes no guarantees or predictions regarding the success or failure of its efforts to dispute purported natural gas charges under the Disputed Payment Provision or the reactions of its natural gas suppliers in response to CPS Energy's invoking the Disputed Payment Provision.

CPS Energy is currently engaged in litigation against four natural gas suppliers, in which CPS Energy is disputing (under the Disputed Payment Provision) approximately \$362,251 in natural gas prices charged by those suppliers for natural gas during Winter Storm Uri as being unconscionable and in violation of public policy in Texas. The pending gas supplier lawsuits have been consolidated and assigned to a judge in Bexar County for pretrial proceedings. The outcomes of these pending cases remain uncertain.

CPS Energy has also been named as one of many defendants in various other lawsuits arising out of the Winter Storm. The outcomes of these pending lawsuits remain uncertain. Additionally, CPS Energy is involved in a number of other lawsuits unrelated to the Winter Storm. The outcomes of these pending lawsuits are uncertain.

Note 13 Commitments and Contingencies (Continued)**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 orally notified by Region 6 of the United States Environmental Protection Agency (EPA) of alleged failures to comply with the Clean Water Act due to the occurrence of sanitary sewer overflows (SSOs). The EPA subsequently referred the matter to the United States Department of Justice (DOJ) for enforcement action. SAWS engaged in settlement negotiations with the EPA and the DOJ to resolve the allegations. In June 2013, the Board approved a Consent Decree between SAWS and the United States of America and the State of Texas to resolve this enforcement action. During the 10 to 12-year term of the Consent Decree, SAWS estimated the cost to perform the operating and maintenance requirements of the Consent Decree to be approximately \$250,000. SAWS estimates that capital expenditures associated with the requirements of the Consent Decree could range from \$1,200,000 to \$1,300,000. As with any estimate, the actual amounts incurred could differ materially.

Through December 31, 2021, capital expenditures related to the Consent Decree totaled \$952,767, which includes certain work which was previously planned prior to entry into the Consent Decree. Since entry into the Consent Decree, SAWS has performed its obligations under the terms of the Consent Decree and management believes SAWS is in material compliance with such terms, conditions and requirements. Since 2010, SAWS has seen a significant reduction in annual SSOs, from 538 in 2010 to 228 in 2021. (Sanitary sewer overflows not reported in thousands).

SAWS operated the Mitchell Lake Site Wastewater Treatment Facility pursuant to a Texas Pollutant Discharge Elimination Permit (Permit) issued by the TCEQ under a delegation of authority from the EPA. In October 2015, the EPA notified SAWS that SAWS violated the effluent discharge limitations provided in that Permit as a result of discharges occurring during significant rainfall events.

On August 18, 2016, SAWS received an Administrative Order from the EPA that alleged SAWS violated the Permit by failing to meet effluent limits, as required by the Permit. Mitchell Lake is not a standard brick and mortar wastewater treatment facility. Instead, Mitchell Lake is a unique and environmentally sensitive natural facility that has become a wildlife refuge and an active destination attraction within the City. Mitchell Lake and adjacent wetlands cover approximately 600 acres (not in thousands) and provide an essential habitat where migrating birds can rest and feed. Discharges from Mitchell Lake only occur after significant rainfall events. The intermittent nature of the discharges after rainfall makes traditional treatment options impractical.

Upon receiving the Administrative Order, SAWS began working with consulting experts and conducted preliminary feasibility evaluations of a potential solution that has two major components: (a) modifications to the existing dam with the construction of a new spillway and (b) constructing treatment wetlands of approximately 83 acres (not in thousands) below Mitchell Lake.

Note 13 Commitments and Contingencies (Continued)**San Antonio Water System (SAWS) (Continued)*****Other (Continued)***

By letter dated February 28, 2019, the EPA delivered a second Administrative Order to SAWS that includes a Schedule of Activities, which requires completion of the wetlands project by September 30, 2024. To inform the design and operation of a full-scale constructed wetlands, SAWS commenced a pilot wetlands study in 2019 of approximately 1.3 acres. Operations began in the summer of 2019 and after a one-year operation period, a final report was produced in December of 2020. This report adequately documented the efficacy of using constructed wetlands to comply with permitted water quality requirements. SAWS had previously purchased a 283-acre tract of land, a portion of which has been determined to be surplus to the needs of SAWS, and the balance of which 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 \$72,000. To date, no monetary penalties have been assessed, although the EPA reserves all rights to seek any appropriate remedies. (Acres referenced in this paragraph are not reported in thousands).

In January 2020, SAWS partnered with the U.S. Army Corps of Engineers (USACE) on an Aquatic Ecosystem Restoration Feasibility Study for Mitchell Lake. The study identified potential future projects for restoring lost and/or degraded ecological functions in several areas adjacent to Mitchell Lake. SAWS cost-share portion of funding for the study was \$520.

In March 2021, engineering design commenced for the dam modifications, new spillway and constructed wetlands. Construction is currently scheduled to commence in 2024. At the direction of EPA, SAWS explored the conversion of Mitchell Lake from its long-held classification as a wastewater treatment facility to a new classification as a Best Management Practice in a Municipal Separate Storm Sewer System (MS4) permit held jointly by SAWS and the City. The new permit was issued by the TCEQ on December 17, 2021.

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, 2021, SAWS has no arbitrage rebate liability associated with any outstanding bonds.

Note 14 Leases**Primary Government (City)**

In fiscal year 2022, the City implemented GASB Statement No. 87, *Leases*. A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset for a specified period of time. The contractual right to use must be for a period of greater than one year in an exchange or exchange-like transaction.

For leases in which the City is the lessee, the leases are recognized as a lease liability and a lease asset. The lease liability is measured at the present value of the payments expected to be made for the duration of the lease term, with the liability reduced as payments are made. An outflow of resources is recognized for interest paid on the liability. The lease asset is recognized at the initial measurement amount of the lease liability plus additional payments made to the lessor at or before the commencement of the lease and applicable direct costs. The asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

For leases in which the City is the lessor, the leases are recognized as a lease receivable measured at the present value of payments expected to be received during the lease term. A deferred inflow of resources is recognized at the measured value of the receivable plus additional payments made at or before the commencement of the lease term for future periods. Additionally, interest revenue is recognized with the lease receivable and as an inflow of resources from the deferred inflow of resources.

Governmental Activities**Lessee**

The City leases various assets such as copiers and office buildings. The various contractual agreements include both fixed payments and variable payments that are fixed in substance. Variable payments that are fixed in substance are based on indexes and rates such as market interest rates or the Consumer Price Index. The following table is a summary of the leases for the year-ended September 30, 2022.

	October 1, 2021				September 30, 2022
	(Restated)	Additions	Reductions		
Lease Asset:					
Land	\$ 11,958	\$ -	\$ -	\$ -	\$ 11,958
Buildings	53,941	12,393			66,334
Equipment	18,824	2,490			21,314
Total	<u>\$ 84,723</u>	<u>\$ 14,883</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 99,606</u>
Accumulated Amortization:					
Land	\$ -	\$ 603	\$ -	\$ -	\$ 603
Buildings		7,756			7,756
Equipment		1,752			1,752
Total	<u>\$ -</u>	<u>\$ 10,111</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,111</u>
Lease Asset, Net	<u>\$ 84,723</u>	<u>\$ 4,772</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,495</u>

Note 14 Leases (Continued)**Primary Government (City) (Continued)****Governmental Activities (Continued)****Lessee (Continued)**

As of September 30, 2022, the principal and interest requirements to maturity for lease liability are as follows:

Year-Ending September 30,	Principal	Interest	Total
2023	\$ 9,773	\$ 1,745	\$ 11,518
2024	8,626	1,563	10,189
2025	7,145	1,409	8,554
2026	7,184	1,266	8,450
2027	6,530	1,129	7,659
2028-2032	21,283	4,015	25,298
2033-2037	8,722	2,765	11,487
2038-2042	7,630	1,899	9,529
2043-2047	6,005	1,272	7,277
2048-2052	1,527	851	2,378
2053-After	8,122	3,967	12,089
Total	<u>\$ 92,547</u>	<u>\$ 21,881</u>	<u>\$ 114,428</u>

Lessor

The City leases and subleases City-Owned properties such as land, buildings, and infrastructure. Similar to the City's lessee agreements, as lessor, the City's contracts include fixed payments and variable payments that are fixed in substance. The variable payments that are fixed in substance are based on market interest rates, the Consumer Price Index, and future performance. Variable payments that are fixed in substance are included in the measurement of the lease receivable. The major leasing activities of the City's governmental funds are presented in the discussion that follows.

The major contributors to the City's lease revenue include Community & Visitor Facilities Fund which accounts for revenues generated from Convention and Tourism activities relating from City of San Antonio owned facilities such as the Convention Center and Alamodome. Also, the Center City Development Operations division leases tenant space of La Villita and the Riverwalk area under various leases, a majority of which are non-cancellable. Hemisfair Park Area Redevelopment Corporation (HPARC) has leases with various parties involving building, restaurant, and parking garage spaces in areas in or adjacent to Hemisfair through 2095. Certain provisions of the leases provide for fixed and variable rental payments, and all are generally designed to allow the City to meet its debt service requirements and recover certain operating and maintenance costs. In addition, certain of the agreements under which the City receives revenue are from the operation of concessions and provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a guaranteed minimum. Total lease revenue received for the fiscal year-ended September 30, 2022 was \$33,459 which consisted of \$15,279 in fixed payments and \$18,180 in variable payments, including interest, for Governmental Activities.

Note 14 Leases (Continued)**Primary Government (City) (Continued)****Governmental Activities (Continued)****Lessor (Continued)**

As of September 30, 2022, the principal and interest to maturity for the lease receivable are as follows:

Year-Ending September 30,	Principal	Interest	Total
2023	\$ 12,977	\$ 1,880	\$ 14,857
2024	13,363	1,625	14,988
2025	12,840	1,365	14,205
2026	12,645	1,107	13,752
2027	12,217	854	13,071
2028-2032	13,804	3,222	17,026
2033-2037	6,450	2,308	8,758
2038-2042	3,330	1,856	5,186
2043-2047	3,529	1,514	5,043
2048-2052	3,892	1,134	5,026
2053-2057	2,780	807	3,587
2058-2062	2,718	515	3,233
2063-After	3,926	1,333	5,259
Total	<u>\$ 104,471</u>	<u>\$ 19,520</u>	<u>\$ 123,991</u>

Financed Purchases

The City has lease-purchase contracts that transfer ownership of the underlying asset to the City by the end of the contract. Per GASB Statement No. 87, these contracts are reported as financed purchases and accounted for separately from the City's leases. Total expenditures for financed purchases for fiscal year-ended September 30, 2022 were \$537.

As of September 30, 2022, the City had future minimum payments for financed purchases with a remaining term in excess of one year for governmental activities as follows:

Year-Ending September 30,	Principal	Interest	Total
2023	\$ 1,329	\$ 113	\$ 1,442
2024	830	73	903
2025	770	45	815
2026	687	21	708
2027	138	1	139
Total	<u>\$ 3,754</u>	<u>\$ 253</u>	<u>\$ 4,007</u>

Note 14 Leases (Continued)**Primary Government (City) (Continued)****Business-Type Activities****Lessee**

The Business-Type Activities lease copiers and water dispensers. The terms and conditions for these leases vary and they include both fixed payments and variable payments that are fixed in substance. Variable payments that are fixed in substance are based on indexes and rates such as market interest rates or the Consumer Price Index. The agreement terms, including renewal periods, are through August 2027. The following table is a summary of the leases for Business-Type activities for the year-ended September 30, 2022.

	October 1, 2021			
	(Restated)	Additions	Reductions	September 30, 2022
Lease Asset				
Equipment	\$ 34	\$ 121	\$ -	\$ 155
Total	<u>\$ 34</u>	<u>\$ 121</u>	<u>\$ -</u>	<u>\$ 155</u>
Accumulated Amortization				
Equipment	\$ -	\$ 27	\$ -	\$ 27
Total	<u>\$ -</u>	<u>\$ 27</u>	<u>\$ -</u>	<u>\$ 27</u>
Lease Asset, Net	<u>\$ 34</u>	<u>\$ 94</u>	<u>\$ -</u>	<u>\$ 128</u>

As of September 30, 2022, the principal and interest requirements to maturity for lease liability are as follows:

Year-Ending			
September 30,	Principal	Interest	Total
2023	\$ 33	\$ 2	\$ 35
2024	27	2	29
2025	26	1	27
2026	25	1	26
2027	15		15
Total	<u>\$ 126</u>	<u>\$ 6</u>	<u>\$ 132</u>

Note 14 Leases (Continued)**Primary Government (City) (Continued)*****Business-Type Activities (Continued)*****Lessor**

The City leases property, buildings, and infrastructure. Similar to the City's lessee agreements, as lessor the City's contracts include fixed payments and variable payments that are fixed in substance. The variable payments that are fixed in substance are based on market interest rates, the Consumer Price Index, and future performance. Variable payments that are fixed in substance are included in the measurement of the lease receivable. The leasing activities of the City's enterprise funds is presented in the discussion that follows.

The Airport System leases terminal space (except for regulated leases), aircraft maintenance and overhaul facilities, cargo facilities, hangars, and other structures to air carriers and other tenants under various leases, a majority of which are noncancellable and terminate no later than December 2047. Certain provisions of the leases provide for fixed and variable rental payments, and all are generally designed to allow the Airport System to meet its debt service requirements and recover certain operating and maintenance costs. In addition, certain of the agreements under which the Airport System receives revenue is from the operation of concessions at San Antonio International Airport and provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a guaranteed minimum.

The Solid Waste Management System leases land for the use of disposal services. The Nonmajor Enterprise Fund's leases consist of Market Square and Parking System. Market Square accounts for all the lease revenues from the tenants of the Farmers Market, El Mercado, Market Square Parking Lot and Centro De Artes localities. The Parking System leases consist of leasing parking spaces in the Downtown area of the City.

Total lease revenue received for the fiscal year-ended September 30, 2022 was \$46,660 for Business-Type Activities, which consisted of \$30,646 in fixed payments and \$14,402 in variable payments for the Airport System. Solid Waste Management revenues consisted of \$119 in fixed payments. Nonmajor Enterprise Funds revenues consisted of \$1,428 in fixed payments and \$65 in variable payments, including interest.

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Note 14 Leases (Continued)**Primary Government (City) (Continued)****Business-Type Activities (Continued)****Lessor (Continued)**

As of September 30, 2022, the principal and interest to maturity for the lease receivable are as follows:

Year-Ending September 30,	Principal	Interest	Total
2023	\$ 12,557	\$ 2,039	\$ 14,596
2024	12,025	1,795	13,820
2025	9,938	1,579	11,517
2026	9,603	1,386	10,989
2027	9,508	1,195	10,703
2028-2032	32,999	3,607	36,606
2033-2037	9,915	1,707	11,622
2038-2042	6,633	902	7,535
2043-After	6,033	273	6,306
Total	<u>\$ 109,211</u>	<u>\$ 14,483</u>	<u>\$ 123,694</u>

Regulated Leases

The City and United Airlines (“United”), Southwest Airlines (“Southwest”), Delta Air Lines (“Delta”), American Airlines (“American”), FedEx, and UPS the (“Signatory Airlines”) entered into Airport Use and Lease agreements (“Regulated Leases”) for usage of San Antonio International Airport facilities for the purpose of conducting business as air transportation businesses. These agreements are noncancellable and terminate no later than September 2027 and go into holdover until a new agreement is negotiated. Under the terms of these agreements, Signatory Airlines pay the Airport System monthly based on the annual rental rate/fee schedule. Rate calculations are based on total estimates of costs and expenses, estimates of passengers and total landed weight, and other factors. Final settlements are made each year after the audit of Airport System Fund’s ACFR. Other airlines operating at San Antonio International Airport are billed at rates established by the annual rate/fee schedules. During the holdover period, the airlines will be charged rates per the existing agreement or a Rates by Ordinance may be instituted.

Under the agreements with Signatory Airlines, they have exclusive and preferential use of certain spaces and facilities of terminals A and B at San Antonio International Airport and preferential use of certain apron areas. In addition, the agreements with Southwest, Delta, American, and United grants them with preferential use of the West Cargo areas at the Airport. Exclusive and preferential use of space are summarized as follows (amounts in the table below are not in thousands):

San Antonio International Airport (SAT)					
	American	Delta	Southwest	United	Other
Terminal Areas - Leased Airline Space	18,243	14,787	30,282	22,213	4,274
Apron - Leased Airline Space	650	375	790	725	
Number of Leased Gates	5	3	6	5	

Note 14 Leases (Continued)**Primary Government (City) (Continued)****Business-Type Activities (Continued)****Regulated Leases (Continued)**

Total lease revenue received for the fiscal year-ended September 30, 2022 was \$24,205 for regulated leases.

Carriers	Airport System Regulated Leases			
	Fixed Payments	Interest	Variable Payments	Total
American	\$ 4,981	\$ 568	\$ 7,416	\$ 12,965
Delta	3,644	419	5,265	9,328
Southwest	7,893	910	9,773	18,576
United	4,773	557	4,824	10,154
Other	416	44	9,943	10,403
Total	<u>\$ 21,707</u>	<u>\$ 2,498</u>	<u>\$ 37,221</u>	<u>\$ 61,426</u>

Expected future minimum lease payments from Regulated Leases as of September 30, 2022 are summarized in the table below. These payments are projected by management of the Airport System using the following assumptions: 1) revenues earned from the Signatory Airlines during the year ended September 30, 2022, 2) through the expiration of the agreements with the Signatory Airlines or the next five years, whichever is longer, 3) compounded at 3.0% per year without considering possible effect of the ongoing COVID-19 pandemic, and 4) without considering future expansion and changes in operations by the Airport System or the Signatory Airlines.

Year-Ending September 30,	Aviation
2023	\$ 24,489
2024	24,233
2025	24,211
2026	24,211
2027	24,211
Total	<u>\$ 121,355</u>

Note 14 Leases (Continued)**Primary Government (City) (Continued)****Business-Type Activities (Continued)****Financed Purchases**

The City has lease-purchase contracts that transfer ownership of the underlying asset to the City by the end of the contract. Per GASB Statement No. 87, these contracts are reported as financed purchases and accounted for separately from the City's leases. Total expenditures for financed purchases for fiscal year-ended September 30, 2022 were \$203.

As of September 30, 2022, the City had future minimum payments for financed purchases with a remaining term in excess of one year for business-type activities as follows:

Year-Ending September 30,	Principal	Interest	Total
2023	\$ 210	\$ 31	\$ 241
2024	218	23	241
2025	225	15	240
2026	233	7	240
2027	57	1	58
Total	<u>\$ 943</u>	<u>\$ 77</u>	<u>\$ 1,020</u>

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Note 14 Leases (Continued)**CPS Energy****Lessee**

CPS Energy leases buildings and equipment from third parties. Lease terms range from two to 15 years. Several leases have an option to extend the lease term after completion of the contracted term. CPS Energy leased assets and associated accumulated amortization are included in capital assets as intangibles. There were no payments recorded in the current period that were not included in the measurement of the lease liability, no commitments prior to the commencement of the lease contracts, and no lease impairments as of January 31, 2022.

The following tables summarize lease balances as of January 31, 2022:

	<u>February 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>January 31, 2022</u>
Leases				
Buildings	\$ 2,884	\$ -	\$ -	\$ 2,884
Equipment	2,247			2,247
Total	<u>\$ 5,131</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,131</u>
Amortization				
Buildings	\$ (481)	\$ (503)	\$ -	\$ (984)
Equipment	(319)	(315)		(634)
Total	<u>\$ (800)</u>	<u>\$ (818)</u>	<u>\$ -</u>	<u>\$ (1,618)</u>
Leases, net	<u>\$ 4,331</u>	<u>\$ (818)</u>	<u>\$ -</u>	<u>\$ 3,513</u>

The following table summarizes future principal and interest payments as of January 31, 2022:

<u>Year Ended January 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 890	\$ 131	\$ 1,021
2024	654	94	748
2025	400	73	473
2026	341	57	398
2027	281	45	326
2028-2033	906	101	1,007
2034-2039	41	1	42
Total	<u>\$ 3,513</u>	<u>\$ 502</u>	<u>\$ 4,015</u>

Note 14 Leases (Continued)**CPS Energy (Continued)****Lessor**

CPS Energy leases buildings to third parties with terms ranging from two to 19 years, which include options to extend the term. There was no receipt of variable or other lease payments as of fiscal year 2022. The total lease interest and revenue was \$1,189 for the year-ended January 31, 2022. In addition, the total leased asset receivable was \$7,749 and the corresponding deferred inflow of resources was \$12,995 as of January 31, 2022.

Leases

CPS Energy leases space on poles and street light poles to third party communication providers. In an effort to adhere to state and federal laws, CPS Energy established the Pole Attachment Standards, which includes contract terms and rates formula. The standard terms include a five-year initial contract and successive automatic one-year renewals until the contract is terminated by either party by providing six months written notice. The pole standards, standard contract, and rate formula are accessible to all applicants via CPS Energy's website. The total amount of lease revenue for the year-ended January 31, 2022 was \$7,060, which included an allowance for doubtful accounts of \$1,152. There were no other or variable lease payments received in fiscal year 2022. In addition, CPS Energy does not issue debt that relies on the receipt of regulated lease payments to pay the debt principal and interest payments.

Communication Shelters Lease

In fiscal year 2014, CPS Energy entered into an agreement to lease 62 of its communication towers to an independent third party and an additional five in fiscal year 2017, which resulted in a total of 67 tower leases. Additionally, the provisions of the agreement allowed for the third party's ongoing use of communication shelters for a period of 40 years, with three five-year options by the third party to extend the agreement. The agreement included a \$41,000 prepayment by the third party as financing of the communication towers netted with a prepayment of \$6,831 for use of CPS energy communication shelters for a total of \$34,169, which has been reclassified as a long term liability until the end of the lease term. The third party prepaid the entire contracted lease amount for the term of the agreement and the parties agreed that no further cash payments would be paid by either party for the 40-year lease term. The balance of the communication towers liability was \$34,169 at January 31, 2022.

Note 14 Leases (Continued)**San Antonio Water System (SAWS)**

San Antonio Water System will implement GASB Statement No. 87 in the fiscal year-ending December 31, 2022.

Water Agreements

As of December 31, 2021, SAWS has entered into various water leases to obtain rights to pump water from the Edwards Aquifer. The term of these agreements varies, with some expiring as early as 2022 and others continuing until 2027. The annual cost per acre-foot ranges from \$100 to \$140. Under these various leases, SAWS paid \$3,211 in 2021. (Per acre-foot figures are not in thousands).

The future commitments under these leases are as follows:

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Thereafter</u>
Edwards Aquifer - lease payments	\$ 2,986	\$ 1,597	\$ 496	\$ 496	\$ 496	\$ 148
Edwards Aquifer - acre feet leased	21,928	12,091	3,912	3,912	3,912	1,144

SAWS also has commitments to purchase water supplies under various contracts. All water provided under these contracts is subject to availability.

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 2022 is estimated to be 2,500 acre-feet and is projected to decline over the remaining term of the contract as the demand increases for other GBRA customers. The cost of the water escalates over time with projected prices ranging from \$1,062 per acre-foot in 2022 to approximately \$1,407 per acre-foot by 2037. (Figures in this paragraph are not in thousands).

Under a contract with the Massah Development Corporation, SAWS has a minimum take or pay commitment to purchase 100 acre-feet per month or 1,200 acre-feet per year of raw water from the Lower Glen Rose/Cow Creek formations of the Trinity Aquifer in northern Bexar County at projected prices ranging from \$686 to \$750 per acre-foot. This agreement expires in July 2025 and SAWS has a unilateral option to extend the contract for ten years. (Figures in this paragraph are not in thousands).

In 2012, SAWS entered into an agreement with Water Exploration Company, Ltd., (WECO) to purchase groundwater produced by WECO from the Trinity Aquifer. In connection with this agreement, two prior water purchase agreements between District Special Project (DSP) and WECO were terminated. In 2018, Texas Water Supply Company assumed the assets of WECO, including this agreement between SAWS and WECO. The 2012 agreement has a term of 15 years, with two optional five-year extensions. SAWS is obligated to purchase up to 17,000 acre-feet per year in monthly increments not to exceed 1,417 acre-feet if the water is available to be produced. SAWS only pays for delivered water meeting all state and federal drinking water standards. Pumping under this contract may not reduce the Trinity Aquifer below 600 feet Mean Sea Level at test wells on the tracts. The projected price to be paid per acre-foot of raw water ranges from \$1,105 in 2022 to \$1,281 by 2027. (Figures in this paragraph are not in thousands).

Note 14 Leases (Continued)**San Antonio Water System (SAWS) (Continued)****Water Agreements (Continued)**

In 2010, SAWS was granted a permit by the Gonzales County Underground Water Conservation District (District) to produce 11,688 acre-feet of water from the Carrizo Aquifer in Gonzales County. SAWS has entered into 23 separate agreements with landowners to produce water under that permit. (Agreement count and acre-feet not in thousands). These agreements remain in force indefinitely as long as SAWS continues to make payments in accordance with the terms of the agreements. SAWS makes payments to the landowners based on actual water produced. SAWS expects to produce the maximum water available under its permit in 2022 and projects payments to landowners will be \$1,307. These payments escalate annually based on the average of the increase in the Consumer Price Index and Producers Price Index.

In 2011, SAWS entered into an agreement with the Schertz Seguin Local Government Corporation (SSLGC) to treat water produced by SAWS under its permit with the District at SSLGC's treatment plant in Gonzales County and transport that water through SSLGC's existing transportation pipeline to a SAWS facility in Schertz, Texas and purchase up to 5,000 acre-feet of wholesale water annually from SSLGC. As part of this agreement, SSLGC agreed to expand its treatment facilities to handle the volume of water supplied by SAWS. SSLGC issued contract revenue bonds in 2012 to finance the expansion. SAWS is unconditionally obligated to make monthly payments to SSLGC beginning in December 2014 equal to 1/12th the annual debt service payment owed by SSLGC on the contract revenue bonds regardless of the amount of water actually provided by SAWS to SSLGC for treatment and transportation. In addition to the payment made to SSLGC for the expansion of the treatment plant, SAWS makes payments to SSLGC for treating and transporting the SAWS produced water. (Figures in this paragraph are not in thousands).

The initial term of the agreement with SSLGC expires in 2050 and is automatically renewed for successive terms of five years unless SAWS chooses to cancel the contract upon the expiration of any term. The projected price paid to SSLGC to treat and transport water provided by SAWS is projected to be \$531 per acre-foot in 2022 and peaks at \$683 per acre-foot in 2041 and ends at \$655 per acre-foot in 2050. This projected price through 2041 includes the debt service associated with the expansion of SSLGC's treatment plant. Payments for any wholesale water purchased from SSLGC are based on SSLGC's operating water rates. The 2022 price also includes the cost of surplus water from SSLGC, which contractually continues to be made available in subsequent years. (Figures in this paragraph are not in thousands).

Under a contract with Bexar-Medina-Atascosa Counties W.C.I.D. No. 1 (BMA), SAWS has a take or pay commitment to purchase 19,974 acre-feet of untreated water annually from Medina Lake. If BMA is unable to deliver water to SAWS, BMA issues a credit for the undelivered water, which can be used to offset payments due to BMA during the next calendar year. The price of the water is based on the rate charged by GBRA for raw water. GBRA's rate for raw water as of December 31, 2021 was \$157 per acre-foot. The agreement has been amended several times with the current agreement ending in 2049. (Figures in this paragraph are not in thousands).

Under a contract with Canyon Regional Water Authority (CRWA), SAWS is required to make certain contractually required minimum payments each year to fund capital and operating expenses of CRWA. Additionally, SAWS makes payments based on the number of acre feet of water SAWS commits to take in a given year. SAWS currently has access to 6,300 acre-feet annually from 2022 through 2047 with an average cost ranging from \$958 to \$1,425 per acre-foot. (Figures in this paragraph are not in thousands).

Note 14 Leases (Continued)**San Antonio Water System (SAWS) (Continued)****Water Agreements (Continued)**

Total payments under these water purchase agreements were \$35,279 in 2021. A summary of all estimated future payments under all of these agreements is provided in the following table. The estimated fixed water payments consist of the take or pay commitments under the agreements. The estimated variable water payments will be made only if water is made available to SAWS. The estimates assume price escalations but do not assume the extension of any water purchase agreement. As with any estimate, the actual amounts paid could differ materially.

	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>	<u>Thereafter</u>
Purchased water payments - fixed	\$ 23,382	\$ 23,680	\$ 24,042	\$ 24,316	\$ 24,342	\$ 543,287
Acre feet purchased - fixed	42,507	42,507	42,507	41,907	41,307	900,505
Purchased water payments - variable	\$ 14,551	\$ 14,808	\$ 15,078	\$ 14,983	\$ 14,871	\$ 23,955
Acre feet purchased - variable	13,756	13,532	13,405	12,830	12,257	19,421

On October 30, 2014, the City Council adopted an ordinance, approving the execution of a Water Transmission and Purchase Agreement (Agreement) between the City, acting by and through SAWS, and Vista Ridge LLC (Project Company), pursuant to which the Project Company has committed to make available to SAWS, and SAWS has agreed to pay for, up to 50,000 acre-feet of potable water (Project Water) per year for an initial period of 30 years plus a limited extension period (up to 20 years) under certain circumstances (hereinafter referred to as the operational phase). The execution of the Agreement represents a significant diversification of the City's water sources, as SAWS projects that Project Water, if delivered at the maximum contractual amount, will account for approximately 20.0% of SAWS' current annual usage.

Pursuant to the terms of the Agreement, SAWS will pay costs arising under the Agreement, as a maintenance and operating expense of SAWS from a flow of funds perspective, only for Project Water made available at the connection point (which payment will also include the costs of operating and maintaining the Vista Ridge Pipeline Project as described below). SAWS will have no obligation to pay for any debt issued by the Project Company, and any such debt will be non-recourse to SAWS.

On May 17, 2016, SAWS exercised its contractual right to fix the Capital and Raw Groundwater Unit Price under the Agreement based on the methodology provided for therein. This action served to lock in the price of the Project Water component of SAWS annual payment requirement at \$1,606 per acre-foot for the entire 30-year term (and any extension of that term) of the Agreement. (Figures in this paragraph are not in thousands).

In addition to the Capital and Raw Groundwater Unit Price, SAWS will pay operations and maintenance costs deemed to be compensable by an independent budget panel as a direct pass through under the Agreement as well as electricity costs. Finally, SAWS is responsible for compensating the Project Company for any major repairs and replacement costs, which may arise and are deemed to be compensable by the budget panel.

The project achieved financial close in November 2016, the construction phase of the project is now complete, and delivery of Project Water commenced April 15, 2020. Vista Ridge LLC has constructed well fields to withdraw water from the Carrizo and Simsboro aquifers in Burtleson 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 pipeline has been connected to the SAWS distribution system at the Agua Vista Station, the delivery point in northern Bexar County, which will treat the Project Water for distribution into the SAWS system.

Note 14 Leases (Continued)**San Antonio Water System (SAWS) (Continued)****Water Agreements (Continued)**

The start of water delivery initiated the 30-year operational phase, during which period SAWS is obligated to pay for Project Water (up to 50,000 acre-feet annually) made available by the Project Company. A total of \$102,397 was spent in 2021 to make contractually required payments for water made available, provide for the operations and maintenance of the pipeline, support the operation of the new Agua Vista Station and provide for the utility expenses associated with the pipeline and the Agua Vista Station.

Between April and July 2020, to ensure safe and successful integration of a new water source into the SAWS distribution system, SAWS integrated roughly half of the water made available to it and built-up credits for water that was made available but that had not yet been received. Under the terms of the Agreement, SAWS will receive the benefit of these credits in future years.

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 up to 50,000 acre-feet annually of untreated groundwater, for an additional 30 year period upon the termination of the Agreement and transfer of the Project to SAWS. The cost of such water at the end of the Agreement will be tied to prevailing Edwards Aquifer leases.

Because all Project assets will transfer to SAWS at the end of the Agreement, SAWS recorded the capital assets and a contract capital lease liability equal to the acquisition value of the Project Company infrastructure of approximately \$929,326 in 2020. During 2021, SAWS recorded depreciation of \$23,996 associated with these assets, while reducing the contract capital lease liability through the debt service portion of payments to be made under the contract to \$903,704 as of December 31, 2021.

The following table is a schedule of interest and principal payments for each of the next five years and then in five-year increments thereafter.

<u>Year-Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Balance</u>
2022	\$ 16,339	\$ 45,120	\$ 61,459
2023	17,014	44,445	61,459
2024	17,769	43,858	61,627
2025	18,459	43,000	61,459
2026	19,231	42,228	61,459
2027-2031	109,156	198,308	307,464
2032-2036	135,256	172,375	307,631
2037-2041	169,755	137,709	307,464
2042-2046	218,505	88,958	307,463
2047-2050	182,220	20,174	202,394
Total	<u>\$ 903,704</u>	<u>\$ 836,175</u>	<u>\$ 1,739,879</u>

SAWS has the right to terminate the Agreement at any time by purchasing the Project for the aggregate amount of the outstanding Project Company debt, contract breakage costs and return of and return on equity contributions. SAWS also has the obligation to purchase the Project assets in similar fashion in the event of a SAWS default under the Agreement. The termination payment as of December 31, 2021, was estimated to be approximately \$1,105,516. SAWS also maintains the option to assume rather than pay off the outstanding Project Company debt. Under either scenario, SAWS purchasing of the Project would result in the recording of additional liabilities totaling approximately \$201,811.

Note 14 Leases (Continued)**San Antonio Water System (SAWS) (Continued)****Other**

During 2020, SAWS entered into capital lease agreements for fleet vehicles. The term of each vehicle lease is five years. Payments are based on the current market value of the vehicle less a residual value. A 4.5% interest rate was used to calculate the payment. A service charge of \$250 per vehicle is due at the end of each lease (figures in this sentence are not in thousands). In 2020, SAWS recorded a \$402 capital lease liability associated with these leases, which includes the present value of all future payments and the service charge due at the end of the lease (figures in this sentence are not in thousands). During 2021, SAWS recorded depreciation of \$73 associated with these assets, while reducing the capital lease liability through the debt service portion of payments to be made under the agreement to \$296 as of December 31, 2021.

<u>Year-Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 76	\$ 12	\$ 88
2023	80	8	88
2024	83	5	88
2025	57	1	58
Total	<u>\$ 296</u>	<u>\$ 26</u>	<u>\$ 322</u>

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Note 15 Other Obligations**Primary Government (City)****Pollution Remediation Obligation**

The City follows the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

The general nature of existing pollution that has been identified on City property is consistent with City operations of acquiring properties for infrastructure and improvement development. Under most circumstances, the triggering event relevant to the City is the voluntary commencement of activities to clean up the pollution. Costs were estimated using the expected cash flow technique prescribed under GASB Statement No. 49 utilizing information provided by the City's respective departments which included previous knowledge of clean-up costs, existing contracts, etc. Depending on the length of time it takes the City to remediate the pollution, costs may be different from those estimated below as a result of market rate changes, price changes, improvements to technology, or changes in applicable laws or regulations.

	Beginning Balance		Additions		Deletions		Ending Balance
	<u>October 1, 2021</u>						<u>September 30, 2022</u>
Governmental Activities:							
Liabilities	\$ 3,489	\$	1,917	\$	(2,641)	\$	2,765
Construction in Progress	357		1,093		(357)		1,093
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 \$536 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 2022.

Asset Retirement Obligations

The City accounts for Asset Retirement Obligations (AROs) by recognizing the obligations as a liability based on the best estimate of the current value of outlays expected to be incurred once the assets are retired. GASB Statement No. 83, *Certain Asset Retirement Obligations*, requires the AROs be adjusted for the effects of inflation or deflation at least annually. In addition to the AROs, the City has recorded associated deferred outflows of resources that are being amortized over the remaining useful life of the respective asset groups.

Note 15 Other Obligations**Primary Government (City) (Continued)****Asset Retirement Obligations (Continued)**

The Governmental Activities include 35 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, 2022, the ARO liability related to the storage tanks was \$878.

The Business-Type Activities include seven fuel storage tanks with useful lives of 40 years, three above ground oil tanks with useful lives of 40 years and one X-ray machine with a useful life of ten years. Additionally, the City has the following assets with 30 year useful lives; two above ground Aqueous Film Forming Foam (AFFF) product storage tanks, piping systems and underground AFFF waste collection tanks, one underground AFFF storage tank and piping system, and one automobile fuel piping system and dispensers (not reported in thousands). The storage tanks have regulatory requirements to be met for removal or permanent closure after retirement under the Texas Administrative Code. The Airport X-ray machine also has special requirements for the decommissioning/sanitizing of the equipment when it is retired. The associated retirement costs are being amortized utilizing straight-line method over the average estimated remaining useful life of the assets. At September 30, 2022, the ARO liability related to these assets was \$587.

	Beginning Balance October 1, 2021	Additions	Deletions	Ending Balance September 30, 2022
Governmental Activities:				
Liabilities	\$ 718	\$ 199	\$ (39)	\$ 878
Business-Type Activities:				
Liabilities	\$ 543	\$ 44	\$ -	\$ 587

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 \$1,565 as of January 31, 2022. Costs were estimated using the expected cash flow technique prescribed under GASB Statement No. 49, utilizing information provided by CPS Energy's environmental staff and consultants.

Note 15 Other Obligations**CPS Energy (Continued)*****Asset Retirement Obligations***

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.

GASB Statement No. 83 requires the AROs be adjusted for the effects of inflation or deflation at least annually and to evaluate factors to determine if one or more factors is expected to significantly increase or decrease the estimated outlays. In addition to the AROs, CPS Energy has recorded associated deferred outflows of resources that are being amortized over the remaining useful life of the respective asset groups. The following asset groups have been included in the ARO reflected on the Statement of Net Position:

- **STP Units 1 and 2** – CPS Energy is one of three participants in STP, currently a two-unit nuclear power plant located in Matagorda County, Texas. The Code of Federal Regulations (CFR) provides the main decommissioning requirements mandated by the Nuclear Regulatory Commission that issues the operational license of the site. The ARO is based on an external cost study performed every five years. The most recent study was finalized in May 2018 and estimates costs in 2018 dollars. The associated costs are being amortized utilizing a straight-line method over the estimated remaining useful lives of the units. Total asset lives for the units are 60 years based on the operating license extensions.
- The deferred outflows of resources are based on the estimated remaining useful life of the assets at the time of implementation. CPS Energy has established two decommissioning trusts that are reported as blended component units combined into the CPS Energy financial statements to cover the eventual decommissioning associated with STP Units 1 and 2. At January 31, 2022, the ARO related to STP Units 1 and 2 was \$1,068,840.
- **Vaults** - CPS Energy has approximately 198 underground vaults with useful lives of 46 years (vault count not reported in thousands). The vaults have regulatory requirements to be met prior to removal and after retirement under the CFR and Texas Commission on Environmental Quality. Methods and assumptions to determine the associated liability were based on an internal calculation of cost per square foot of each vault which includes assessment, remediation, transportation, and disposal costs. The associated costs are being amortized utilizing a straight-line method over the average estimated remaining useful life of the vaults. At January 31, 2022, the ARO related to the vaults was \$10,680.
- **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, 2022 the ARO related to the storage tanks was \$4,620.

Note 15 Other Obligations**CPS Energy (Continued)*****Other***

CPS Energy has two Long-Term Service Agreements (LTSA) with General Electric (GE) for two of its combined-cycle power plants, Arthur Von Rosenberg (AVR) and Rio Nogales.

- **AVR** – In 2007, CPS Energy entered into a 20-year LTSA with GE to provide maintenance services and select replacement parts for the AVR power plant. In September 2015, the contract was amended primarily to add a provision for the advance purchase from GE of three new sets of Advanced Gas Path (AGP) parts to eventually be installed at the AVR plant.

The balance of the AVR LTSA obligation at January 31, 2022, totaled \$11,704 which was reported as a noncurrent liability on the Statement of Net Position.

- **Rio Nogales** – In March 2017, the existing Rio Nogales power plant LTSA contract was amended primarily to add a provision for the advance purchase from GE of four new sets of AGP parts to eventually be installed at the power plant. At January 31, 2022 one set of spare parts was reported as inventory.

The balance of the Rio Nogales LTSA obligation at January 31, 2022, totaled \$27,737 which was reported as a noncurrent liability on the Statement of Net Position.

San Antonio Water System (SAWS)***Pollution Remediation Obligation***

SAWS had no material pollution remediation liabilities at December 31, 2021.

Asset Retirement Obligation

SAWS adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, effective January 1, 2019. SAWS accounts for AROs by recognizing the total obligation as a liability based on the best estimate of the current value of expenditures expected to be incurred once the assets are retired. GASB Statement No. 83 requires the effects of inflation or deflation on the ARO liability be adjusted annually. In addition to the ARO liability, SAWS has recorded associated outflows of resources that are being amortized over the remaining useful life of the respective asset groups. The total liability for AROs was \$36,191 at December 31, 2021. The following asset groups have been included in the ARO liability reflected in the Statement of Net Position.

Note 15 Other Obligations**San Antonio Water System (SAWS) (Continued)****Asset Retirement Obligations (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 48 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 \$34,778 at December 31, 2021. 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 2021 dollars. The cost includes a 10.0% design allowance.

Underground Storage Tanks (USTs) – SAWS maintains 11 USTs, with an average remaining useful life of one year, 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 \$917 at December 31, 2021. The cost was determined using data from a 2020 SAWS contract for the removal of USTs from SAWS' Van Dyke Service Center. The cost includes a 10.0% design allowance. During 2021, two USTs were removed.

Desalination Injection Wells – SAWS currently has two injection wells in use with the desalination process. In connection with desalination injection well permits obtained by SAWS from the Texas Commission on Environmental Quality, SAWS has an obligation to plug the injection wells once the wells are no longer in service. These wells became operational in 2016 and have a remaining useful life of 44 years based on SAWS experience with other wells throughout the system. The cost to plug these wells was estimated to be \$496 at December 31, 2021. 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 2021 dollars. The cost includes a 10.0% design allowance.

The following table summarizes the ARO activity for 2021.

Beginning Balance				Ending Balance
January 1, 2021	Additions	Deletions		December 31, 2021
\$ 35,942	\$ 490	\$ (241)	\$	36,191

Note 16 Risk Financing**Primary Government (City)*****Property and Casualty Liability***

As of October 1, 2013, the City is self-insured for liability claims. Effective January 1, 2015, all auto and general liability claims were brought in-house to be administered internally. The City purchased a property policy through Alliant Property Insurance Programs (APIP) for building property and contents, with a policy loss limit of \$1,000,000 per occurrence. The deductible for specific perils and coverages are:

- 3.0% per unit of insurance subject to \$1,000 minimum per occurrence for freeze;
- 3.0% per unit of insurance subject to \$500 minimum per occurrence for hail;
- 3.0% per unit of insurance subject to \$1,000 minimum per occurrence for catastrophic losses, excluding flood and earthquake as defined by meeting the following trigger: property claims services declaration of numbered catastrophic event;
- \$250 per occurrence for water damage;
- 3.0% per unit of insurance subject to \$500 minimum per occurrence for wind damage.
- \$500 per occurrence for flood zones A & V (inclusive of all 100 year exposures).
- \$500 unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks piers, wharves, streetlights, traffic signals, meters, roadways or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs.
- \$250 earthquake shock: If the stated deductible is a flat dollar amount, the deductible will apply on a per occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply per occurrence on a per unit basis, as defined in the policy form, subject to the minimum deductible per occurrence.
- \$25 per police vehicle, except \$50 for all police vehicles valued under \$250; \$100 for All Riot Control Vehicles (RCV) of \$250 to \$750; \$250 for All Vehicles with RCV in excess of \$750 per occurrence for off-premises vehicle physical damage. If off-premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a per occurrence basis, unless otherwise stated. If off-premises coverage is not included, on-premises/in-yard coverage is subject to the all risk (basic) deductible.

Obligations for claims under these programs are accrued in the City's Self-Insurance Program's Insurance Reserve Fund based on the City's estimates of the aggregate liability for claims made and claims incurred but not reported. The departments are assessed contributions to cover expenditures.

In fiscal year 2022, the City purchased cyber liability and excess cyber liability insurance from Zurich 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 \$1,000. 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.

Note 16 Risk Financing (Continued)**Primary Government (City) (Continued)*****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. In fiscal year 2022, the City purchased workers' compensation stop loss insurance from CHUBB ACE American Insurance Company. The stop loss insurance covers civilian compensation claims that exceed \$2,000 and uniformed claims that exceed \$5,000. The purchase of the stop loss insurance mitigates the risk to the City's Self-Insurance Fund – Workers' Compensation Fund in the event a large catastrophic claim occurs. No settlements exceeded insurance coverage since it was first purchased in fiscal year 2020.

Obligations for claims 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.

Health Benefits Stop Loss Insurance

In calendar year 2022, 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 Employee Benefits Insurance Fund and Retiree Health Care Fund in the event a large catastrophic claim occurs. No settlements exceeded insurance coverage since the initial purchase in January 2018.

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 Benefits Insurance Fund based upon the City's estimates of the aggregate liability for unpaid benefits.

Retiree Health Benefits

The City offers medical coverage for its retirees and their dependents. The City offers both self-insured and fully-insured plans to participating employees who are eligible to retire from the TMRS Pension Plan immediately following severance from the City. Self-funded obligations for benefits are accrued in the City's Retiree Health Care Fund (a fiduciary fund of the City) based upon the City's estimates of the aggregate liability for unpaid benefits. The City additionally determined and accrued OPEB liabilities based on an actuarial assessment of historical self-funded claims data performed and reviewed annually. Current year unpaid benefit liabilities for retirees are netted against the OPEB liability as additional contributions.

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.

Note 16 Risk Financing (Continued)**Primary Government (City) (Continued)*****Extended Sick Leave Program***

The Extended Sick Leave Program is used to pay benefits associated with short-term disability, long-term disability and continued long-term disability. Benefits are administered by the City. Actual costs are incurred when extended leave is taken. Short-term and long-term disability is funded by the employee's department. Continued long-term disability is funded out of the Employee Benefits Insurance Fund and is reimbursed by the employee's department.

Employee Wellness Program

The Employee Wellness Program supports a culture of wellness and provides employees and their family members with the necessary tools to achieve and maintain a healthy lifestyle, while positively impacting medical claim trends. The City offers a variety of programs including personalized onsite and telephonic health coaching, smoking cessation, health education sessions, and an activity-based program that outfits employees with a free pedometer. Through this activity-based program, employees are able to track their activity over the course of 12 months, during which they can earn up to \$0.5 in financial contributions. In fiscal year 2022, the City contributed \$709 towards employees' Flexible Spending or Health Savings accounts. The Employee Wellness Program is managed out of the Employee Benefits Insurance Fund.

Claims Liability

The liability for the Employee Benefits Insurance Fund 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.

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Note 16 Risk Financing (Continued)**Primary Government (City) (Continued)****Claims Liability (Continued)**

The following is a summary of changes in claims liability for the City's Insurance Reserve, Employee Benefits, and Workers' Compensation Programs Funds for the fiscal years as indicated:

<u>Fund</u>	<u>October 1,</u>	<u>Change in Estimate</u>	<u>Claims Incurred</u>	<u>Claims Payments</u>	<u>September 30,</u>
Insurance Reserve:					
Fiscal Year 2021	\$ 20,939	\$ 13,108	\$ 1,375	\$ (8,508)	\$ 26,914
Fiscal Year 2022	26,914	7,457	1,188	(4,495)	31,064
Employee Health Benefits ¹ :					
Fiscal Year 2021	\$ 6,698	\$ 40,241	\$ 94,054	\$ (132,965)	\$ 8,028
Fiscal Year 2022	8,028	41,334	101,261	(141,931)	8,692
Workers' Compensation:					
Fiscal Year 2021	\$ 35,354	\$ (6,270)	\$ 11,409	\$ (9,771)	\$ 30,722
Fiscal Year 2022	30,722	5,494	7,408	(15,234)	28,390

¹ Fiscal Year 2022 fund financial claims expense reflects an additional \$141 paid for Unemployment Claims that are not included in the calculation of claims liability.

CPS Energy

Insurance and Reserves — CPS Energy is exposed to various risks of loss including, but not limited to, those related to torts, theft or destruction of assets, errors and omissions, and natural disasters. CPS Energy maintains property and liability insurance programs that combine self-insurance with commercial insurance policies to cover major risks. The property insurance program provides \$3,500,000 of replacement-value coverage for property and boiler machinery loss, including comprehensive automobile coverage, and fire damage coverage for construction equipment and valuable papers. The deductible for the property insurance policy is \$1,000 for non-power plant/non-substation locations, \$2,500 for substations, and \$5,000 for power plant locations.

The liability insurance program includes:

- \$100,000 of excess general liability coverage over a retention amount of \$3,000;
- \$25,000 of fiduciary liability coverage;
- \$100,000 of employment practices liability coverage; and
- Other property and liability insurance coverage, which includes directors and officers, cyber insurance, commercial crime, employee travel and event insurance.

Note 16 Risk Financing (Continued)**CPS Energy (Continued)**

CPS Energy also manages its own workers' compensation program. To support this program, \$35,000 of excess workers' compensation coverage over a retention amount of \$3,000 is maintained. No settlements exceeded insurance coverage and there were no decreases in coverage in the last three fiscal years.

Actuarial studies are performed periodically to assess and determine the adequacy of CPS Energy insurance reserve retentions. Actuarial valuations include nonincremental claims expenses. An actuarial study was last completed in the fourth quarter of fiscal year 2022.

The remaining balance under the Property Reserves (Environmental) column in the table below at January 31, 2022, relates to estimated obligations for the cleanup, closure and post-closure care requirements of the CPS Energy's landfills. CPS Energy has seven landfill/impoundment sites, four of which are at full capacity. The estimates for landfills, surface impoundment and ash ponds liability are based upon capacity to date and are subject to change due to inflation or deflation, as well as new developments in technology, applicable laws, or regulations.

Under CPS Energy's reserve program, all insurance related claims are recorded against the reserve.

Schedule of Changes in Claims Liability				
Fund	Liability February 1,	Claims Adjustments	Claims Payments	Liability January 31,
Property Reserves (Environmental):				
Fiscal Year 2021	\$ 11,852	\$ 7,223	\$ -	\$ 19,075
Fiscal Year 2022	19,075	473		19,548
Property Reserves (Insurance):				
Fiscal Year 2021	\$ 8,500	\$ (4,124)	\$ (61)	\$ 4,315
Fiscal Year 2022	4,315	807		5,122
Employee and Public Liability Claims:				
Fiscal Year 2021	\$ 15,939	\$ 4,795	\$ (4,367)	\$ 16,367
Fiscal Year 2022	16,367	5,889	(2,069)	20,187

Counterparty Risk — CPS Energy is exposed to counterparty risk associated with various transactions primarily related to debt, investments, fuel hedging, suppliers, and wholesale power. Counterparty risk is the risk that a counterparty will fail to meet its obligations in accordance with the terms and conditions of its contract with CPS Energy. CPS Energy has policies and practices in place to ensure the solvency of counterparties is assessed accurately, monitored regularly, and managed actively through its Enterprise Risk Management and Solution Division.

Fuel Hedging — CPS Energy reports its derivative instruments in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which addresses recognition, measurement, and disclosures related to derivative instruments. CPS Energy does not use derivative instruments for speculative purposes. The only derivative instruments entered are for the purposes of risk mitigation; therefore, these instruments are considered potential hedging derivative instruments under GASB Statement No. 53.

Note 16 Risk Financing (Continued)**CPS Energy (Continued)**

On December 14, 2020, the CPS Energy Board reaffirmed the Energy Price Risk Management Policy, which sets forth the guidelines for the purchase and sale of certain financial instruments and certain physical products, collectively defined as hedge instruments. The essential goal of the Energy Price Risk Management Policy is to provide a framework for the operation of a fuel and energy price hedging program to better manage CPS Energy's risk exposure in order to stabilize pricing and costs for the benefit of CPS Energy and its customers.

In accordance with the requirements of GASB Statement No. 53, all fuel hedges are reported on the Statement of Net Position at fair value. The fair value of option contracts is determined using a Black-Scholes pricing model based on the New York Mercantile Exchange (NYMEX) closing futures prices as of the last day of the reporting period. For fixed-price contracts, the fair value is calculated by deriving the difference between the closing futures prices on the last day of the reporting period and the futures or basis swap purchase prices at the time the positions were established.

As of January 31, 2022, the total fair value of outstanding hedge instruments was a net asset of \$53,709. Fuel hedging instruments with a fair value of \$43,193 and (\$9,386) 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 \$26,296 and (\$6,394) 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, 2022. Consistent with hedge accounting treatment required for derivative instruments that are determined to be effective in offsetting changes in the cash flows of the hedged item, changes in fair value are reported as deferred outflows or deferred inflows of resources on the Statement of Net Position until the contract expiration that occurs in conjunction with the hedged expected fuel purchase transaction. When fuel hedging contracts expire, at the time the purchase transactions occur, the deferred balance is recorded as an adjustment to fuel expense. The deferred outflows of resources related to fuel hedges totaled \$15,138 at January 31, 2022. The deferred inflows of resources related to fuel hedges totaled \$59,501 at January 31, 2022.

In fiscal year 2022, 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 (gains)/losses totaling (\$228) and \$2,744, which was recognized as a reduction to investment income.

Note 16 Risk Financing (Continued)**CPS Energy (Continued)**

Following is information related to CPS Energy's outstanding fuel hedging derivative instruments, using the referenced index of Henry Hub. For Type of Transaction on the below table, Houston Ship Channel is presented as HSC, and Western Area Hub Association is presented as WAHA:

Fuel Derivative Instrument Transactions as of January 31, 2022						
Type of Transaction	Referenced Index	Duration	Volumes in MMBtu	Fair Value	Changes in Fair Value	
Long Natural Gas Swap	Henry Hub	Feb 2022 - Dec 2023	9,367,531	\$ 17,923	\$ 16,566	
Short Natural Gas Swap	Henry Hub	Feb 2022 - Dec 2022	2,535,767	(4,327)	(4,196)	
Long Natural Gas Call Option	Henry Hub	Feb 2022 - Jan 2025	48,562,936	52,717	53,824	
Short Natural Gas Put Option	Henry Hub	Feb 2022 - Mar 2023	9,082,893	(33)	1,019	
Long HSC Basis Swap	Henry Hub	Feb 2022 - Dec 2023	8,747,531	(124)	(189)	
Short HSC Basis Swap	Henry Hub	Feb 2022 - Dec 2022	235,767	(3)	20	
Long WAHA Basis Swap	Henry Hub	Feb 2022 - Jan 2025	48,562,936	(12,449)	(17,812)	
Short WAHA Basis Swap	Henry Hub	Feb 2022 - Mar 2022	4,880	6	6	
Long WAHA Gas Daily Swap	Henry Hub	Feb 2022 - Feb 2022	5,600,000			
				<u>\$ 53,710</u>	<u>\$ 49,238</u>	

In the event purchased options are allowed to expire, the related premiums paid to acquire those options will be lost. When a short position is established and options are sold, premiums are received, and an obligation to honor the terms of the option contract, if exercised, is created. The decision to exercise the options or let them expire rests with the purchasing party.

Futures contracts represent a firm obligation to buy or sell the underlying asset. If held to expiration, the contract holder must take delivery of, or deliver, the underlying asset at the established contract price. Basis swap contracts represent a financial obligation to buy or sell the underlying delivery point basis. If held to expiration, the financial difference determined by mark-to-market valuation must be settled on a cash basis. Only if expressly requested in advance may an exchange for physical assets take place.

Credit Risk — CPS Energy executes over-the-counter hedge transactions directly with approved counterparties. These counterparties are generally highly rated entities that are leaders in their respective industries. CPS Energy monitors the creditworthiness of these entities on a daily basis and manages the resulting financial exposure via a third-party, vertically integrated risk system. Contractual terms with each existing counterparty vary, but each is structured so that, should the counterparty's credit rating fall below investment grade, no unsecured credit would be granted, and the counterparty would be required to post collateral for any calculated credit exposure. In the event of default or nonperformance by counterparties, brokers, or NYMEX, the operations of CPS Energy could be materially affected. However, CPS Energy does not expect these entities to fail to meet their obligations given the level of their credit ratings and the monitoring procedures in place with which to manage this risk. As of January 31, 2022, the exposure to all hedge-related counterparties was such that no material counterparty credit risk existed.

Note 16 Risk Financing (Continued)**CPS Energy (Continued)**

Termination Risk — For CPS Energy’s fuel hedges that are executed over the counter directly with approved counterparties, the possibility exists that one or more of these derivative instruments may end earlier than expected, thereby depriving CPS Energy of the protection from the underlying risk that was being hedged or potentially requiring CPS Energy to make a significant termination payment. This termination payment between CPS Energy and its counterparty is determined based on current market prices. In the event a transaction is terminated early, CPS Energy would likely be able to replace the transaction at current market prices with similar, although not exact, terms with one of its other approved counterparties.

Basis Risk — CPS Energy is exposed to basis risk on its fuel hedges because the expected commodity purchases being hedged will be priced based on a pricing point (HSC or WAHA) different than which the contracts are expected to settle (Henry Hub). For January 2022, the HSC price was \$4.66 per MMBtu, the WAHA price was \$4.55 per MMBtu and the Henry Hub price was \$4.02 per MMBtu. (Figures in this paragraph are not in thousands).

Congestion Revenue Rights — In the normal course of business, CPS Energy acquires Preassigned Congestion Revenue Rights (PCRRs) and Congestion Revenue Rights (CRRs) as a hedge against congestion costs. The CRRs are purchased at semi-annual and monthly auctions at market value. Non-Opt-In Entities are granted the right to purchase PCRRs annually at a percentage of the cost of CRRs. While PCRRs exhibit the three characteristics of derivative instruments as defined in GASB Statement No. 53, they are generally used by CPS Energy as factors in the cost of transmission. Therefore, these PCRRs meet the normal purchases and sales scope exception and are reported on the Statement of Net Position at cost and classified as prepaid expenses.

From time to time, CPS Energy purchases PCRRs with the intent of selling them at the same auction at market price. In this case, the PCRRs are considered investments, and the proceeds are reported as either investment gains or losses. There were no gains or losses on the sale of PCRRs and CRRs for fiscal year 2022.

Fair Value Measurement — CPS Energy records assets and liabilities in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which determines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurement. More information regarding GASB Statement No. 72 is disclosed in Note 4 Cash and Cash Equivalents, Security Lending and Investments. Below is the liability portion disclosure of GASB Statement No. 72:

	January 31, 2022			
	Level 1	Level 2	Level 3	Total
Liabilities				
Financial Instruments				
Current fuel hedges	\$ 11,713	\$ 25	\$ -	\$ 11,738
Noncurrent fuel hedges	6,261	8		6,269
Total financial instruments	<u>\$ 17,974</u>	<u>\$ 33</u>	<u>\$ -</u>	<u>\$ 18,007</u>

San Antonio Water System (SAWS)

Risk Management — SAWS provides health care benefits to eligible employees and retirees through a self-insured plan that includes medical, prescription drug, and dental benefits. The payment of claims associated with these benefits is handled by third party administrators. Plan participants contribute a portion of the cost of providing these benefits through payroll deductions or monthly premiums, annual deductibles, and other co-payments. SAWS was self-insured for the first \$500 of medical claims per person during 2021.

Note 16 Risk Financing (Continued)**San Antonio Water System (SAWS) (Continued)**

SAWS is exposed to various risks of financial loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. SAWS is self-administered and self-insured for the first \$2,000 of each workers' compensation and general liability claim, and is fully self-insured for automobile liability. Claims that exceed the self-insured retention limit for workers' compensation and general liability are covered through SAWS' Comprehensive Commercial Insurance Program (CCIP). Additionally, under the CCIP, SAWS maintains deductible programs for public officials and employment practices liability, fiduciary liability, pollution legal liability, drone liability, cyber liability, and crime with varying deductibles. Property coverage is on a replacement cost basis with a deductible of \$250 per occurrence. Settled claims during the last three years have not exceeded the insurance coverage in any year.

The claims liability for health care benefits and other risks, including incurred but not reported claims, is based on the estimated ultimate cost of settling the claims. Changes in the liability amount for the last two fiscal years were as follows:

San Antonio Water System Schedule of Changes in Claims Liability					
<u>Year-Ended</u>	<u>Balance at Beginning of Fiscal Year</u>	<u>Estimates</u>	<u>Claims and Payments</u>	<u>Balance at End of Fiscal Year</u>	<u>Estimated Due Within One Year</u>
December 31, 2020	\$ 8,312	\$ 23,627	\$ (23,734)	\$ 8,205	\$ 8,205
December 31, 2021	8,205	24,234	(23,618)	8,821	8,821

Pay-Fixed, Receive-Variable Interest Rate Swap — In 2003, SAWS entered into an interest rate swap agreement in connection with its City of San Antonio, Texas, Water System Subordinate Lien Revenue and Refunding Bonds, Series 2003-A and 2003-B (Series 2003 Bonds) issued in a variable interest rate mode. The Series 2003 Bonds were issued to provide funds for SAWS' capital improvements program and to refund certain outstanding commercial paper notes.

The swap was used to hedge interest rates on the Series 2003 Bonds to a synthetic fixed rate that produced a lower interest rate cost than a traditional long-term fixed rate bond issued at that time. In August 2008, SAWS used commercial paper notes to redeem \$110,615 of the \$111,615 outstanding principal of the Series 2003 Bonds due to unfavorable market conditions relating to the ratings downgrade of the 2003 Bond insurer, MBIA Insurance Corporation. In 2009, SAWS redeemed the remaining \$1,000 of the Series 2003 Bonds through the issuance of additional commercial paper. The interest rate swap agreement was not terminated upon the redemption of the Series 2003 Bonds and instead serves as an off-market hedge for that portion of the commercial paper notes outstanding which pertain to the redemption of the Series 2003 Bonds. SAWS currently intends to maintain a portion of its outstanding commercial paper in amounts matching the notional amounts of the swap. SAWS did not recognize any economic gain or loss as a result of this refunding since the debt service requirements of the commercial paper notes are expected to closely match the debt service requirements of the refunded debt. At December 31, 2021, \$68,820 of commercial paper notes was hedged by the interest rate swap agreement.

Note 16 Risk Financing (Continued)**San Antonio Water System (SAWS) (Continued)**

Terms — The swap agreement contains scheduled reductions to the outstanding notional amounts that are expected to follow the original scheduled reductions in the Series 2003 Bonds. The Series 2003 Bonds were issued on March 27, 2003, with a principal amount of \$122,500. The swap agreement matures on May 1, 2033. At the time the swap was entered into, the counterparty was Bear Stearns Financial Products, Inc. (Bear Stearns FPI), with the index for the variable rate leg of the swap being the Securities Industry and Financial Markets Association Municipal Swap Index.

In 2008, JPMorgan Chase & Co. announced its acquisition of The Bear Stearns Companies, Inc., the parent of Bear Stearns FPI. JPMorgan Chase & Co. has guaranteed the trading obligations of Bear Stearns Companies Inc. and its subsidiaries. Effective June 16, 2009, the swap agreement was amended between SAWS, JPMorgan Chase & Co., and MBIA to provide for JPMorgan Chase Bank N.A. to become the swap counterparty and allow for the remainder of outstanding Series 2003 Bonds to be redeemed, while maintaining the swap agreement as an obligation to all parties. The amendment provides for the conditional release of MBIA's swap insurance policy upon the occurrence of certain future events. The combination of commercial paper notes and a floating-to-fixed swap creates a synthetic fixed-rate of 4.2%. The synthetic fixed-rate protects against the potential of rising interest rates.

Fair Value — The swap had a negative fair value of approximately \$12,545 at December 31, 2021. This value is based on Level 2 inputs in the fair value hierarchy using the zero-coupon valuation method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These net payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

The swap agreement meets the criteria of an effective hedge under GASB Statement No. 53 and therefore qualifies for hedge accounting treatment. Since the fair value is negative, the fair value is recorded as a noncurrent liability. Changes in the swap's fair value are recorded as a deferred outflow of resources and included on the Statement of Net Position. At the time the Series 2003 Bonds were redeemed in 2008, the fair value of the swap was negative \$6,179. The deferred outflow at the time of redemption was included in the carrying value of the Series 2003 Bonds and resulted in a loss on redemption of \$6,179. This loss is included in the deferred charge on bond refunding on the Statement of Net Position and is being amortized over the remaining life of the Series 2003 Bonds. The unamortized deferred charge on bond refunding related to the swap was \$2,188 at December 31, 2021.

Credit Risk — As of December 31, 2021, SAWS was not exposed to credit risk on its outstanding swap because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, SAWS would be exposed to credit risk in the amount of the swap's fair value. The swap counterparty, JPMorgan Chase Bank, N.A., was rated 'Aa2' by Moody's Investors Service, 'A+' by Standard & Poor's Global Ratings, and 'AA' by Fitch Ratings as of December 31, 2021. The amended swap agreement contains a credit support annex which will become effective upon the release of MBIA from the swap insurance policy. Collateralization would be required by either party should the fair market value of the swap reach applicable thresholds as stated in the amended swap agreement.

Basis Risk — SAWS is exposed to basis risk to the extent that the interest payments on its hedged commercial paper notes do not match the variable-rate payments received on the associated swap. SAWS attempts to mitigate this risk by matching the outstanding hedged commercial paper notes associated with the redemption of the variable-rate debt to the notional amount and amortization schedule of the swap and selecting an index for the variable-rate leg of the swap that is reasonably expected to closely match the interest rate on the hedged commercial paper notes.

Note 16 Risk Financing (Continued)**San Antonio Water System (SAWS) (Continued)**

Termination Risk — SAWS may terminate the swap at any time for any reason. JPMorgan Chase may terminate the swap if SAWS fails to perform under the terms of the agreement. The ongoing payment obligations under the swap are insured as provided for in the swap amendment, and JPMorgan Chase cannot terminate as long as the insurer does not fail to perform. Also, if at the time of the termination the swap has a negative fair value, SAWS would be liable to the counterparty for a payment equal to the swap's fair value.

Market-access Risk — SAWS is subject to market-access risk as the variable-rate debt hedged by the swap consists of commercial paper notes. At December 31, 2021, \$68,820 of outstanding commercial paper with current maturities of approximately 18 days was hedged by the interest rate swap. As previously noted, SAWS intends to reissue the commercial paper notes in amounts matching the notional amounts of the swap.

Swap Payments and Associated Debt — As of December 31, 2021, debt service requirements of the hedged commercial paper notes and net swap payments, assuming current interest rates remain the same, are detailed in the following table. As rates vary, variable-rate interest payments and net swap payments will vary. Principal payments assume that commercial paper will be repaid in accordance with the amortization schedule of the swap.

Pay-Fixed, Receive-Variable Interest Rate Swap Estimated Debt Service Requirements of Variable-Rate Debt Outstanding and Net Swap Payments				
Year	Principal	Interest Paid on Debt	Interest Rate Swap, Net	Total
2022	\$ 4,435	\$ 66	\$ 2,687	\$ 7,188
2023	4,640	62	2,501	7,203
2024	4,850	57	2,305	7,212
2025	5,070	52	2,101	7,223
2026	5,305	47	1,889	7,241
2027-2031	30,355	145	5,890	36,390
2032-2033	14,165	12	488	14,665
Total	<u>\$ 68,820</u>	<u>\$ 441</u>	<u>\$ 17,861</u>	<u>\$ 87,122</u>

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Note 17 Interfund Transfers

The following is a summary of interfund transfers for the City for the fiscal year-ended September 30, 2022:

Interfund Transfers		
	Transfers In From Other Funds	Transfers Out To Other Funds
General Fund:		
Debt Service Fund	\$ -	\$ 1,820
COVID-19 Funds		224
Nonmajor Governmental Funds	12,396	44,318
Airport System	264	
Solid Waste Management	1,473	190
Nonmajor Enterprise Funds	2,762	2,618
Internal Service Funds		3,217
Total General Fund	\$ 16,895	\$ 52,387
Debt Service Fund:		
General Fund	1,820	
Nonmajor Governmental Funds	16,980	
Internal Service Funds	1,269	
Total Debt Service Fund	\$ 20,069	\$ -
COVID-19 Funds		
General Fund	224	
Total COVID-19 Funds	\$ 224	\$ -
2017 General Obligation Bonds:		
Nonmajor Governmental Funds		143,085
Total 2017 General Obligation Bonds	\$ -	\$ 143,085
Nonmajor Governmental Funds:		
General Fund	42,070	12,396
Debt Service Fund		16,980
2017 General Obligation Bonds	143,085	
Airport System	300	
Nonmajor Governmental Funds	530,313	530,313
Solid Waste Management		127
Nonmajor Enterprise Funds	184	336
Internal Service Funds	1,852	2,998
Total Nonmajor Governmental Funds	\$ 717,804	\$ 563,150
Airport System:		
General Fund		264
Nonmajor Governmental Funds		300
Total Airport System	\$ -	\$ 564
Solid Waste Management:		
General Fund	190	1,473
Nonmajor Governmental Funds	127	
Internal Service Funds		477
Total Solid Waste Management	\$ 317	\$ 1,950
Nonmajor Enterprise Funds:		
General Fund	2,618	2,762
Nonmajor Governmental Funds	336	184
Nonmajor Enterprise Funds	153	153
Internal Service Funds	87	577
Total Nonmajor Enterprise Funds	\$ 3,194	\$ 3,676
Internal Service Funds:		
General Fund	3,217	
Debt Service Fund		1,269
Nonmajor Governmental Funds	2,998	1,852
Solid Waste Management	477	
Nonmajor Enterprise Funds	577	87
Internal Service Funds	1,300	1,300
Total Internal Service Funds	\$ 8,569	\$ 4,508
Total	\$ 767,072	\$ 769,320

Note 17 Interfund Transfers (Continued)

Transfers are made to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds. These transfers are in the form of operating subsidies, grant matches, and funding for capital projects. In addition, transfers are routinely made from other funds to fund debt service payments and for other restricted purposes. Some examples include the 1/8 cent sales and use tax collected by the City and provided to San Antonio Early Childhood Education Municipal Development Corporation (ECEMDC) for operations; 15.0% of the Hotel Occupancy Tax (HOT) collections are used to fund Historic Preservation which operates in the General Fund; and Bond proceeds are used to fund capital projects. All transfers are in accordance with budgetary authorizations.

Different fiscal year-ends exist between the City and ECEMDC (September 30th and June 30th, respectively); therefore, interfund transfers do not eliminate by \$2,248 from transfers received from Early Education Development and SA: Ready To Work. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the City's transfer to ECEMDC represents its obligation to provide the 1/8 cents sales tax collected 60 days after September 30, 2022; however, ECEMDC's transfers from other funds illustrates the City's 1/8 cents sales tax collected 60 days after June 30, 2022. These transfers are in accordance with legislative and contractual requirements.

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Note 18 Fund Balance Classifications

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented in the following table. Please see the definitions of the various fund balance classifications in Note 1 Summary of Significant Accounting Policies.

	2017					
	General Fund	Debt Service Fund	COVID-19 Funds	2017 General Obligation Bonds	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:						
Nonspendable:						
<u>In nonspendable form:</u>						
Materials and Supplies	\$ 7,341	\$ -	\$ 22	\$ -	\$ 3,457	\$ 10,820
Prepaid, Deposits and Other	707		574		3,706	4,987
<u>Legally or contractually intact:</u>						
Permanent Fund Corpus					6,402	6,402
Total Nonspendable	\$ 8,048	\$ -	\$ 596	\$ -	\$ 13,565	\$ 22,209
<u>Restricted:</u>						
Convention and Tourism					2,707	2,707
Debt Service		45,047				45,047
Drainage - Capital Projects				21,773	93,554	115,327
Economic Development & Opportunity					51,490	51,490
Education					88,902	88,902
Environmental					139	139
Fire Protection					53	53
Health Services					37,643	37,643
Law Enforcement					5,967	5,967
Library					1,905	1,905
Municipal Facilities - Capital Projects				30,280	117,588	147,868
Other Capital Projects				5,901	161,410	167,311
Other Purposes					78	78
Parks - Capital Projects				41,234	31,052	72,286
Parks & Recreation					56,468	56,468
Social Services					930	930
Streets - Capital Projects				196,946	115,635	312,581
Urban Redevelopment and Housing					4,665	4,665
Welfare					375	375
Total Restricted	\$ -	\$ 45,047	\$ -	\$ 296,134	\$ 770,561	\$ 1,111,742
<u>Committed:</u>						
Convention and Tourism					124,492	124,492
Economic Development & Opportunity	14,714					14,714
Fire Protection	1,836					1,836
General Government	19,009					19,009
Health Services	1,715					1,715
Law Enforcement	7,980				828	8,808
Other - Capital Projects					2,341	2,341
Other Purposes					17,563	17,563
Parks & Recreation	7,551				17,583	25,134
Public Works	37,555					37,555
Streets - Capital Projects	7,990				339	8,329
Urban Redevelopment and Housing	7,444				11,154	18,598
Welfare	5,371					5,371
Total Committed	\$ 111,165	\$ -	\$ -	\$ -	\$ 174,300	\$ 285,465
<u>Assigned:</u>						
Convention and Tourism					7,990	7,990
Economic Development & Opportunity					3,004	3,004
Education					258	258
Health Services					7	7
Other Purposes	8					8
Parks & Recreation					6,200	6,200
Urban Redevelopment and Housing					188	188
Total Assigned	\$ 8	\$ -	\$ -	\$ -	\$ 17,647	\$ 17,655
Unassigned	346,654		(27,010)		(33,443)	286,201
Total Fund Balance	\$ 465,875	\$ 45,047	\$ (26,414)	\$ 296,134	\$ 942,630	\$ 1,723,272

Note 18 Fund Balance Classifications (Continued)

The City utilizes encumbrance accounting to ensure specified remaining unspent balances are adequately carried forward into the next fiscal year. Encumbrances are created for purchase orders, grant match requirements, and capital project funding. The City further carries forward available unspent uncommitted funds identified through the Closing Ordinance into the next fiscal year as authorized by City Council. The encumbrance and carryforward amounts are reported in the committed and restricted fund balance as follows:

General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<u>\$ 100,600</u>	<u>\$ 471,398</u>	<u>\$ 571,998</u>

With adoption of the 2022 Budget, the City followed the established Financial Policies approved by City Council:

- Maintain a minimum General Fund ending balance of 15.0% of revenues;
- Maintain Public Safety below 66.0% of the General Fund budget;
- Manage structural balance in the General Fund;
- Maintain a \$1,000 contingency in the General Fund and \$3,000 in the Capital Budget;
- Address Internal Fund deficits within 3 to 5 years;
- Annually review the impact of the State imposed 3.5% Property Tax Cap on service delivery and provide a recommendation on whether to adjust the Property Tax Rate;
- Annually review property tax relief with a focus on 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 15.0% of revenues is comprised of two components. The City maintains 10.0% of General Fund revenues as a Budgeted Financial Reserve which is adopted by the City Council. This Budgeted Reserve is reviewed and adopted by City Council annually in the City's Budget Ordinance and additions to the balance are considered annually as part of the City's overall budget adoption process. The balance within this Budgeted Financial Reserve as of September 30, 2022, was \$130,093 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 2022, \$215,240, or 15.1% 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.

Note 19 Deficits in Fund Balances / Net Position**Grants**

As of September 30, 2022, deficit fund balances are reported in the COVID-19 Funds, Categorical Grant-in Aid Fund and Community Development Program Fund in the amounts of \$26,414, \$25,715 and \$230, respectively. These deficits are due to costs not being reimbursed by the grantor within 60 days after year-end. The City anticipates receiving payment in fiscal year 2023 for the costs.

Capital Projects Funds

As of September 30, 2022, deficit fund balances are reported in the Certificate of Obligation Projects Fund, Improvement Projects Fund and General Obligation Projects Fund in the amounts of \$2,957, \$1,433, and \$151, respectively, 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 2023.

Enterprise Funds

As of September 30, 2022, deficit net positions are reported in the Solid Waste Management Fund and Development Services Fund in the amounts of \$67,991 and \$4,197, respectively. The City does not currently prefund its net OPEB liability or the net pension liability; as a result, these funds will continue to exhibit a deficit net position. The City will continue to pay for these obligations as they become due.

Internal Service Funds

As of September 30, 2022, a deficit net position is reported for the Information Services Fund in the amount of \$43,544 and for Capital Management Service Fund (CMS) in the amount of \$22,581. The deficit is due to the funds not including long-term liabilities in their rate assessments. The City does not prefund its net OPEB liability or the net pension liability; as a result, these funds will continue to exhibit a deficit net position. The City will continue to pay for these obligations as they become due.

As of September 30, 2022, a deficit net position is reported for Self-Insurance Programs - Insurance Reserve Fund in the amount of \$402. The deficit is primarily due to an increasing trend in reserves for auto liability and the associated actuarial accrual. Additionally, there were significant increases in premiums for property insurance. This deficit will be addressed through assessments within the next three to five years in accordance with the City's financial policy.

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Note 20 Other Disclosures**Primary Government (City)*****Donor Restricted Endowment***

The City has five Permanent Funds: Carver Cultural Center Endowment, City Cemeteries, William C. Morris Endowment, Boza Becica Endowment and Southern Edwards Plateau Endowment. The City is only allowed to spend interest proceeds generated from the principal amount for each of these funds. The City's endowments' spending policy for authorizing and spending investment income is a total return policy. Income will include not only interest and dividends, but also include increases and/or decreases in the 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 did not generate investment earnings in fiscal year 2022 due to the market value adjustment of investments. The fund has an investment loss of (\$3). 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 did not generate investment earnings in fiscal year 2022 due to the market value adjustment of investments. The fund has an investment loss of (\$41). Earnings must be expended for specified purposes. Chapter 713 of the Texas Health and Safety Code governs what expenditures the City may incur when spending the interest income. Per Chapter 713, the revenue can be spent for the maintenance and care of the graves, lots, and burial places, and to beautify the entire cemetery. The principal amount of this fund is increased each year by sales of lots from the San Jose Cemetery. The principal is required to be retained in perpetuity. The principal balance of \$4,155 was increased by \$170 in fiscal year 2022.

The William C. Morris Endowment Fund did not generate investment earnings in fiscal year 2022 due to the market value adjustment of investments. The fund has an investment loss of (\$3). 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 did not generate investment earnings in fiscal year 2022 due to the market value adjustment of investments. The fund has an investment loss of (\$5). These earnings will be used for the acquisition of books and materials for the San Antonio Public Library in accordance with the terms and conditions of the Last Will and Testament of Boza Becica. The principal balance of \$514 is required to be retained in perpetuity.

The Southern Edwards Plateau Endowment Fund did not generate investment earnings in fiscal year 2022 due to the market value adjustment of investments. The fund has an investment loss of (\$12). This fund is managed in accordance with the Endangered Species Act of 1973, which is codified as Section 83.005 in the Texas Parks and Wildlife Code Chapter 83. These earnings will be used to fund management and monitoring of the preserves in support of the Southern Edwards Plateau Habitat Conservation Plan. The principal amount of this fund is increased each year by outside donations and transfers from the Development Services Fund. The principal is required to be retained in perpetuity. The principal balance of \$1,086 was increased by \$748 in fiscal year 2022.

Note 20 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 2022, the City received \$541 in revenue from Mission Park.

The City has a management agreement with MGA-SA (ending May 2027 with option to renew). In the agreement, MGA-SA manages the City's golf courses and in return retains all funding to cover operations and improvements. All permanent structures existing on the golf courses and those added during the term of the agreement are property of the City. The City determines and/or approves of the services provided to the public. The assets include eight golf courses valued at \$52,671. MGA-SA collects all fees and pays the City loan payments due on outstanding debt and a short-term loan. In fiscal year 2022, the City received \$1,231 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 September 2030 with an option to renew). The agreement also includes \$795 for a Barge Use fee for use of the City owned barges throughout the term of the contract. The assets include 44 barges and accompanying equipment acquired at a value of \$9,094. All capital improvements to the barges become property of the City, and the City retains ownership of the property after the contract expires. All permanent improvements of material nature have to be approved by the City. The City approves the rates and services Go Rio will provide. Go Rio collects all fees and pays the City its portion. In fiscal year 2022, the City received \$9,735 in revenue from Go Rio.

The City has a management agreement with Landry's for operation of the Tower of the Americas (in a holdover period as negotiations to renew are ongoing). The City will receive the greater of a minimum annual guaranteed payment of \$984 or revenue based on 10.0% of restaurant services, 35.0% of revenue from admission fees, 30.0% of revenue from parking, 15.0% from retail at the ground level gift shop and observation deck, 5.0% from theater tickets and vending, and 50.0% from telescope and other revenues not otherwise listed. The assets include the Tower of the Americas building, telescopes, movie theater equipment and renovations with a combined value of \$2,474. All capital improvements have to be approved and become property of the City. The City retains ownership of the property after the contract expires. The City approves the rates and services Landry's will provide. Landry's collects all fees and pays the City its portion. In fiscal year 2022, the City received \$1,595 in revenue from Landry's.

Note 20 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 \$1,906. In fiscal year 2022, the City received \$10,849 in revenue from Alanis.

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Note 21 Restatements***GASB 87 Restatement***

GASB Statement No. 87, *Leases*, was adopted during fiscal year 2022 and retroactively implemented. The Statement establishes single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and as a lessor is required to recognize a lease asset receivable and a deferred inflow of resources.

Blended Component Units***HPARC***

GASB Statement No. 87 requires the effects of accounting changes to be applied retroactively by restating the financial statements. HPARC adopted GASB Statement No. 87 in fiscal year 2022 and, accordingly, HPARC has restated beginning balance in Statement of Net Position and Fund Balance. The tables below provides impact to the Statement of Net Position and Fund balance:

	<u>Nonmajor Governmental Funds</u>		
	<u>Blended Component Units</u>	<u>Total Governmental Funds</u>	<u>Total Governmental Activities</u>
Net Position/Fund Balance, as previously reported:	\$ 143,818	\$ 1,524,949	\$ 2,101,425
HPARC	47	47	(167)
Net Position/Fund Balance, Adjusted, October 1, 2021	<u>\$ 143,865</u>	<u>\$ 1,524,996</u>	<u>\$ 2,101,258</u>

Discretely Presented Component Units***CPS Energy***

As a result of the adoption of the GASB Statement No. 87, *Leases* in fiscal year 2022, CPS Energy as a lessee recorded an increase of \$46,485 in capital assets, net, and an increase of \$30,906 in total liabilities as of January 31, 2021. The lease obligations represent the net present value of various contracts. The value of the asset and obligation is reduced each month to properly reflect the remaining net present value of the contract asset and obligation.

CPS Energy as a lessor recorded a decrease of \$16,576 in interest and other accounts receivables (current and noncurrent) and an increase of \$12,181 in deferred inflows of resources as of January 31, 2021. The leased assets represent the net present value of various contracts. The value of the leased assets and the deferred lease inflow is reduced each month to properly reflect the remaining net present value of the leased asset and deferred inflow resources.

Note 21 Restatements (Continued)**Discretely Presented Component Units (Continued)****Brooks**

Brooks' fiscal year 2022's audited financial statements will not be available for inclusion within the City's Annual Comprehensive Report. Therefore, the City adjusted its financials accordingly, removing the component unit's ending fiscal year 2021 net position from the fiscal year 2022 beginning balances, which resulted in an adjustment of \$45,722 to beginning net position of nonmajor component units as of October 1, 2021.

The Port

As a result of the adoption of GASB Statement No. 87, the Port's total assets and deferred outflows of resources decreased \$14,501 from \$620,046 to \$605,545 in 2022. The decrease is primarily the result of a decrease in cash and cash equivalents partially offset by an increase in capital assets. Liabilities and deferred inflows of resources decreased \$16,374 from \$438,469 million to \$422,095 in 2022. The decrease is primarily due the result of a decrease in prepaid project costs related to continued construction projects partially offset by an increase in notes payable. Total assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by approximately \$183,450. This amount includes \$137,621 in net investment in capital assets and an additional \$45,829 in unrestricted net position.

Restated Amounts

CPS Energy and the Port's adopted GASB Statement No. 87 in fiscal year 2022 and, accordingly, has restated beginning balance in Statement of Net Position. Additionally, the City did not receive Brooks fiscal year 2022 audit. The table below provides impact to the Statement of Net Position for all entities:

	Nonmajor Discretely Presented	
	Component Units	Total Component Units
Net Position, as previously reported:	\$ 237,861	\$ 7,755,015
CPS Energy Restatement (see note disclosure above)		(13,178)
Removal of Brooks	(45,722)	(45,722)
The Port Restatement (see note disclosure above)	4,450	4,450
Net Position, Restated, October 1, 2021	\$ 196,589	\$ 7,700,565

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Note 22 Subsequent Events

Primary Government (City)

Electric Utility Bill Assistance

Extremely hot weather in the summer of 2022 coupled with very high natural gas prices resulted in extraordinarily high customer electric bills from CPS Energy, the City's municipally owned utility. This also resulted in a significant and unexpected increase in the City's revenue payment from CPS Energy. After consideration of the unusual one-time nature of the revenue increase to the City, high inflationary environment being experienced by consumers, high natural gas prices and extreme heat impacting all CPS Energy customers, and the City's overall financial position, the City returned \$50,000 to CPS Energy customers. The \$50,000 was allocated to the following: \$7,500 contributed to the Residential Energy Assistance Program (REAP), to assist eligible low-income and critical care residential customers; and \$42,500, as customer bill credits to all active CPS Energy customers' bills in the month of December 2022, based upon their respective energy usage during the month of July 2022. The average residential customer received a credit of approximately \$29 (not in thousands). Additionally, customers were allowed to opt-out of receiving the credit and redirect it to REAP for either low-income assistance or weatherization of homes to include minor repairs. Any funds remaining after application of customer bill credits are also to be contributed to REAP.

General Obligations Bond Rating

In November 2022, Moody's Investor Service released a new rating methodology which considers four factors such as San Antonio's economy, financial performance, institutional framework, and leverage under a scorecard framework. The new methodology is a substantial change from the previous methodology used in determining credit risk and assignment of a Credit Rating. The most significant changes occur within the factor of Financial Performance and Leverage. With the release of this new methodology, Moody's revised the outlook on the City's 'Aaa' from stable to under review and initiated a credit review. On January 20, 2023, Moody's reaffirmed the City's 'Aaa' general obligation bond rating and revised the outlook from under review to stable.

Property Tax Relief

In 2019, Senate Bill 2 reduced the property tax Rollback Rate for the Maintenance and Operations (M&O) portion of the tax rate from 8% to 3.5%. The City cannot adopt a rate above the 3.5% revenue cap without triggering an automatic election. As a result of this statute, the Fiscal Year 2023 Adopted Budget reduced the City's property tax rate by 1.666 cents from 55.827 to 54.161 cents per \$100 in value in order to comply with the 3.5% revenue cap. Additionally, the City's Homestead Exemption was increased from 0.01% to 10%, the City's Over-65 Exemption from \$65,000 to \$85,000, and the City's Disabled Person Exemption from \$12,500 to \$85,000 bringing additional property tax relief to homeowners.

San Antonio International Airport and Rating Agency Reviews

On February 27, 2023, the San Antonio International Airport (SAT) announced it was awarded a \$20,000 grant from the Federal Aviation Administration (FAA). The award is part of the Bipartisan Infrastructure Law signed in 2022 which allocated \$750,000 to the FAA for medium-hub airports. The SAT grant funds are to be used towards the cost of building the Ground Load Facility south of Terminal A. This addition will add capacity through five new ground gates and allow for new routes by both existing and new airlines. The pre-engineered metal building structure will include modern passenger facilities in the estimated 37,000 square feet interior space. The project has an estimated completion date in March 2025.

Note 22 Subsequent Events (Continued)**Primary Government (City) (Continued)*****San Antonio International Airport and Rating Agency Reviews (Continued)***

On February 16, 2023, Standard and Poor Global Ratings (S&P) raised its long-term rating on the City's airport system revenue bonds issued for the San Antonio International Airport (SAT), to 'A+' from 'A'. At the same time, S&P raised its long-term rating on the City's passenger facility charge (PFC) and subordinate-lien airport system revenue bonds to 'A' from 'A-'. As per S&P the rating upgrade reflects a robust passenger recovery resulting in an improved enterprise risk profile to very strong and an unchanged strong financial risk profile.

On February 16, 2023, Standard and Poor Global Ratings (S&P) raised its long-term rating on the San Antonio International Airport Customer Facility Charge Revenue Bonds. The City's rental car special facility revenue bonds outstanding, issued for the San Antonio International Airport (SAT), were raised to 'A' from 'BBB+'. As per S&P, the upgrade reflects recovering rental car transaction days and customer facility charge (CFC) revenues in 2022, supporting an improved market position for the consolidated rental car (CONRAC) facility with an expectation of strong financial performance with no additional debt needs.

San Antonio International Airport Terminal Development

On November 2021, the City Council approved a Strategic Development Plan (SDP), a Master Planning process required by the Federal Aviation Administration. The SDP identified the need for a new terminal facility to support the forecasted growth for the San Antonio region. In May 2022, City Council was presented with the major components of the Terminal Development Program (TDP), which is targeting completion of a new terminal with up to 17 gates and its associated enabling projects by the end of the second quarter of 2028. TDP continued to progress forward with the approval of several agreements by City Council after September 30, 2022. On December 12, 2022, City Council approved a \$32,000 agreement for program management/construction manager services with Freese and Nichols, Inc to help organize multiple and concurrent efforts, assess risk, leverage funding options, navigate regulatory requirements, scale available resources, and manage the variety of stakeholders and contractors. On March 9, 2023, City Council approved a \$30,000 professional services agreement for master architectural and engineering services with Corgan Associates, Inc.

Justice Policy Petition

Advocacy groups delivered a Justice Policy Petition on January 10, 2023 to create a Justice Policy in the City of San Antonio Charter. The City Clerk verified the signatures and determined sufficiency to accept certification of the petition requiring the City Council to order the election on February 16, 2023, to occur on the next Uniform Election Date of May 6, 2023. The proposed Justice Policy would state: It is the policy of the City of San Antonio to use its available resources and authority to accomplish three goals of paramount importance: to reduce the City's contribution to mass incarceration; to mitigate racially discriminatory law enforcement practices; and to save scarce public resources for greater public needs. Before the voters on May 6th, will be the proposed single Charter amendment stating six distinct additions to the City Charter: (1) creating a San Antonio Justice Policy that would include a Justice Director appointed by Council to opine on any City Council vote affecting the City's justice policy and analyze the justice impact of each City Department; (2) eliminating police enforcement of certain levels of marijuana possession; (3) eliminating police enforcement of abortion-related care crimes; (4) banning chokeholds completely; (5) banning no-knock warrants and creating additional requirements to obtain a warrant; and (6) eliminating officer discretion in cite and release offenses precluding arrest for certain offenses. Five of these proposed City Charter changes are governed by state law and are unenforceable: complete ban on chokeholds, limiting law enforcement of marijuana and abortion-related care criminal offenses, issuance of warrants, and removing officers' authority to arrest for certain criminal offenses for cite and release.

Note 22 Subsequent Events (Continued)**CPS Energy*****Long-Term Debt***

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

On February 15, 2022, CPS Energy issued \$125,005 of Series 2022 City of San Antonio, Variable-Rate Junior Lien Revenue Refunding Bonds. Proceeds, including the \$681 premium associated with the bonds, were used to refund \$105,000 and \$20,000 par value of the Tax-Exempt Commercial Paper Series B and Tax-Exempt Commercial Paper Series C, respectively. Reflecting stepped interest rate provisions applicable to the bonds, the true interest cost for this issue, which has maturities in fiscal year 2045 through fiscal year 2049, is 5.2%. The bonds were issued as multi-modal variable-rate instruments with initial term rates of 2.0% and a stepped rate of 7.0%, which is only applicable if the bonds are not remarketed before their expiration date.

On February 25, 2022, CPS Energy entered into a new Flexible Rate Revolving Note purchase agreement with Wells Fargo Bank, National Association replacing the existing agreement with JPMorgan Chase Bank, which expired February 26, 2022. Under the new agreement \$100,000 of Taxable Series A Flex Rate Note was issued by contractual agreement, effective thru February 24, 2023. Proceeds from the note were used to pay down the \$100,000 Series A Flex Rate Note that had been previously issued under the agreement with JPMorgan Chase Bank.

On April 13, 2022, CPS Energy issued \$413,720 of Taxable Series 2022 City of San Antonio, Texas Electric and Gas Systems Revenue Refunding Bonds. Bond proceeds were used to refund outstanding Notes under the Commercial Paper Program, refund Series A Flex Notes under the Flexible Rate Revolving Note Private Placement Program to convert short-term variable rate obligations to long-term fixed rate obligations, and pay costs and expenses related to the issuance of the bonds. The term rate and initial yield for these bonds is 2.4% to 4.5%. The true interest cost for this issue, which has maturities in 2023 through 2047, is 4.3%.

On May 4, 2022, CPS Energy issued \$109,620 of Series 2022 City of San Antonio, Texas Electric and Gas Systems Revenue Refunding Bonds. Bond proceeds were used to refund outstanding Senior Lien Obligations and pay costs and expenses related to the issuance of the bonds. The term rate for these bonds is 5.0%, with an initial yield of 1.7% to 2.2%. The true interest cost for this issue, which has maturities in 2023 through 2025, is 2.3%.

On May 6, 2022, CPS Energy renewed its Revolving Credit Agreements with State Street Bank & Trust Company, as Lender, providing liquidity support to the Series B Commercial Paper Notes in the amount of \$200,000. On May 6, 2022, CPS Energy renewed its Revolving Credit Agreements with Wells Fargo Bank, National Association, as Lender, providing liquidity support to the Series C Commercial Paper Notes in the amount of \$100,000.

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

Note 22 Subsequent Events (Continued)**San Antonio Water System (SAWS)*****Long-Term Debt***

On February 15, 2022, SAWS issued \$77,785 of City of San Antonio, Texas Water System Revenue Refunding Bonds, Series, 2022A (No Reserve Fund). The proceeds of the sale of these bonds were used to (i) refund \$105,280 City of San Antonio, Texas Water System Revenue Refunding Bonds, Series, 2012A (Series 2012A), and (ii) pay the cost of issuance. The refunding of the Series 2012A bonds reduced future debt service by approximately \$41,437 and resulted in an economic gain of approximately \$30,275.

On May 15, 2022, SAWS deposited \$66,165 from available cash on hand to the paying agent for the redemption of \$56,065 City of San Antonio, Texas Water System Revenue Refunding Bonds, Series 2012 and \$10,100 City of San Antonio, Texas Water System Revenue and Refunding Bonds, Series 2012A. The redemption of these bonds reduced future debt service by approximately \$78,366 between 2022 and 2028.

On October 18, 2022, SAWS issued \$258,235 City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2022B (No Reserve Fund). The proceeds from the sale of the bonds were used to (i) finance capital improvement projects, and (ii) pay the cost of issuance.

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

Permanent Impairment

During 2022, SAWS began planning for the 2022-2023 Water Management Plan. It was determined that current available water supplies were expected to be sufficient to meet customers' demand in the foreseeable future without utilizing the Medina supplies during the drought of record. The Medina treatment plant had been idle since October 2015 due to ongoing water quality concerns. The restoration costs were deemed significant in relation to the current service utility. As a result, the plant was deemed permanently impaired as of December 31, 2022. The \$7,200 on remaining book value of the plant was written off and the loss will be recorded as a special item in the Statements of Revenues, Expenses and Changes in Net Position.

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule - (Unaudited)**General Fund**

Year-Ended September 30, 2022

(In Thousands)

2022

	BUDGETED AMOUNTS		BUDGETARY	VARIANCE WITH
	ORIGINAL	FINAL	BASIS ACTUAL	FINAL BUDGET
Resources (Inflows):				
Taxes	\$ 778,710	\$ 822,865	\$ 829,648	\$ 6,783
Licenses and Permits	9,110	9,389	9,377	(12)
Intergovernmental	35,660	36,921	22,586	(14,335)
Revenues from Utilities	392,030	419,862	419,985	123
Charges for Services	55,325	70,575	71,436	861
Fines and Forfeits	8,306	6,200	6,931	731
Miscellaneous	12,954	19,926	25,024	5,098
Investment Earnings	588	1,782	2,519	737
Transfers from Other Funds	16,348	16,649	16,895	246
Amounts Available for Appropriation	\$ 1,309,031	\$ 1,404,169	\$ 1,404,401	\$ 232
Charges to Appropriations (Outflows):				
General Government	92,704	95,760	93,051	2,709
Public Safety	835,239	855,427	854,717	710
Public Works	73,869	82,547	82,444	103
Health Services	43,534	45,601	43,912	1,689
Welfare	50,841	52,775	49,437	3,338
Culture and Recreation	128,127	135,088	134,026	1,062
Economic Development and Opportunity	9,013	19,168	14,377	4,791
Urban Redevelopment and Housing	33,077	35,655	35,228	427
Transfers to Other Funds	70,525	98,857	99,938	(1,081)
Total Charges to Appropriations:	\$ 1,336,929	\$ 1,420,878	\$ 1,407,130	\$ 13,748
Surplus (Deficiency) of Resources Over (Under)				
Charges to Appropriations	(27,898)	(16,709)	(2,729)	13,980
Fund Balance Allocation	27,898	16,709	2,729	(13,980)
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	\$ 1,404,401
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(16,895)
Amortized lease revenue, reported in accordance with GASB 87, are revenues for financial reporting purposes but are not inflows of budgetary resources	1,329
Net value of investments revenue, reported in accordance with GASB 31, are revenues for financial reporting purposes but are not inflows of budgetary resources	(6,469)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 1,382,366

Uses/Outflows of Resources:

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,407,130
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	(100,600)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(52,387)
Lease Right-to-use Asset expenditures, reported in accordance with GASB 87, are expenditures for financial reporting purposes but are not outflows of budgetary resources	578
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	\$ 1,254,721

General Fund Budgetary Information

The City Charter establishes requirements for the adoption of budgets and budgetary control. Under provisions of the Charter, expenditures of each City department and activity within individual funds cannot legally exceed the final budget approved by the City Council. Amendments to line items within a departmental budget may be initiated by Department Directors.

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Pension and Postemployment Schedules



Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended							
	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability								
Service Cost	\$ 60,570	\$ 59,600	\$ 58,786	\$ 55,964	\$ 53,965	\$ 51,329	\$ 47,521	\$ 40,902
Interest Cost	146,526	140,724	134,394	128,149	122,010	115,882	114,257	109,316
Differences Between Expected and Actual Experience	17,753	(16,719)	(16,405)	(3,125)	(1,637)	1,226	(8,192)	(9,979)
Changes of Assumptions			10,121				4,540	
Benefit Payments, including Refunds of Employee Contributions	(101,939)	(94,347)	(92,696)	(87,070)	(81,702)	(76,256)	(74,742)	(71,197)
Net Change in Total Pension Liability	\$ 122,910	\$ 89,258	\$ 94,200	\$ 93,918	\$ 92,636	\$ 92,181	\$ 83,384	\$ 69,042
Total Pension Liability - Beginning	2,191,433	2,102,175	2,007,975	1,914,057	1,821,421	1,729,240	1,645,856	1,576,814
Total Pension Liability - Ending (a)	<u>\$ 2,314,343</u>	<u>\$ 2,191,433</u>	<u>\$ 2,102,175</u>	<u>\$ 2,007,975</u>	<u>\$ 1,914,057</u>	<u>\$ 1,821,421</u>	<u>\$ 1,729,240</u>	<u>\$ 1,645,856</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 49,827	\$ 47,351	\$ 46,687	\$ 44,278	\$ 41,828	\$ 36,327	\$ 35,915	\$ 33,125
Contributions - Employee	24,213	23,795	24,060	22,783	21,922	20,830	20,027	18,438
Net Investment Income (Loss)	224,308	123,098	220,290	(44,654)	183,805	85,229	1,888	70,349
Benefit Payments, including Refunds of Employee Contributions	(101,939)	(94,347)	(92,696)	(87,070)	(81,702)	(76,256)	(74,742)	(71,197)
Administrative Expense	(1,039)	(797)	(1,246)	(864)	(953)	(963)	(1,150)	(735)
Other	7	(31)	(37)	(45)	(48)	(52)	(57)	(60)
Net Change in Plan Fiduciary Net Position	\$ 195,377	\$ 99,069	\$ 197,058	\$ (65,572)	\$ 164,852	\$ 65,115	\$ (18,119)	\$ 49,920
Plan Fiduciary Net Position - Beginning	1,722,179	1,623,110	1,426,052	1,491,624	1,326,772	1,261,657	1,279,776	1,229,856
Plan Fiduciary Net Position - Ending (b)	<u>\$ 1,917,556</u>	<u>\$ 1,722,179</u>	<u>\$ 1,623,110</u>	<u>\$ 1,426,052</u>	<u>\$ 1,491,624</u>	<u>\$ 1,326,772</u>	<u>\$ 1,261,657</u>	<u>\$ 1,279,776</u>
City's Net Pension Liability - Ending (a) - (b)	<u>\$ 396,787</u>	<u>\$ 469,254</u>	<u>\$ 479,065</u>	<u>\$ 581,923</u>	<u>\$ 422,433</u>	<u>\$ 494,649</u>	<u>\$ 467,583</u>	<u>\$ 366,080</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.86%	78.59%	77.21%	71.02%	77.93%	72.84%	72.96%	77.76%
Covered Payroll	\$ 403,257	\$ 396,539	\$ 399,366	\$ 379,417	\$ 365,112	\$ 346,584	\$ 333,714	\$ 307,138
City's Net Pension Liability as a Percentage of Covered Payroll	98.40%	118.34%	119.96%	153.37%	115.70%	142.72%	140.11%	119.19%

This schedule is to be built prospectively. Until a full 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, 2022.

**Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)**

Notes to Schedule:

Opened pension plan to current and future San Antonio Council Aides Corporation employees.

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: In 2019, TMRS adopted the 2019 Municipal Retirees of Texas Mortality Tables for post-retirement and the PUB (10) mortality tables, with the Public Safety table used for Males and the General Employee table used for females. In 2015, TMRS adopted a reduction in the investment return assumption from 7.00% to 6.75%, and a reduction in the inflation assumption from 3.00% to 2.50%, which is reflected in December 31, 2015.

Required Supplementary Schedule – (Unaudited)
Fire and Police Pension Fund
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended							
	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015 ¹	9/30/2014
Total Pension Liability								
Service Cost	\$ 78,637	\$ 78,579	\$ 75,880	\$ 73,354	\$ 71,161	\$ 74,771	\$ 96,631	\$ 75,600
Interest Cost	293,337	283,106	271,542	259,758	246,848	233,943	277,002	207,003
Differences Between Expected and Actual Experience	(16,681)	(26,279)	(7,535)	50,057	(27,776)	(47,670)	(20,698)	
Changes of Assumptions		16,194					148,315	
Benefit Payments, including Refunds of Employee Contributions	(228,416)	(192,671)	(173,494)	(172,692)	(156,137)	(152,296)	(179,787)	(122,306)
Net Change in Total Pension Liability	\$ 126,877	\$ 158,929	\$ 166,393	\$ 210,477	\$ 134,096	\$ 108,748	\$ 321,463	\$ 160,297
Total Pension Liability - Beginning	4,081,599	3,922,670	3,756,277	3,545,800	3,411,704	3,302,956	2,981,493	2,821,196
Total Pension Liability - Ending (a)	<u>\$ 4,208,476</u>	<u>\$ 4,081,599</u>	<u>\$ 3,922,670</u>	<u>\$ 3,756,277</u>	<u>\$ 3,545,800</u>	<u>\$ 3,411,704</u>	<u>\$ 3,302,956</u>	<u>\$ 2,981,493</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 86,324	\$ 85,693	\$ 81,016	\$ 78,312	\$ 75,916	\$ 75,958	\$ 94,816	\$ 76,146
Contributions - Employee	43,213	42,846	40,508	39,182	37,958	37,978	47,408	38,073
Net Investment Income (Loss)	521,575	390,028	449,067	(122,694)	407,278	242,007	(1,919)	223,054
Benefit Payments, including Refunds of Employee Contributions	(228,415)	(192,671)	(173,494)	(172,692)	(156,137)	(152,296)	(179,787)	(122,306)
Administrative Expense	(2,963)	(3,389)	(3,565)	(3,480)	(3,034)	(2,795)	(3,677)	(2,790)
Net Change in Plan Fiduciary Net Position	\$ 419,734	\$ 322,507	\$ 393,532	\$ (181,372)	\$ 361,981	\$ 200,852	\$ (43,159)	\$ 212,177
Plan Fiduciary Net Position - Beginning	3,731,196	3,408,689	3,015,157	3,196,529	2,834,548	2,633,696	2,676,855	2,464,678
Plan Fiduciary Net Position - Ending (b)	<u>\$ 4,150,930</u>	<u>\$ 3,731,196</u>	<u>\$ 3,408,689</u>	<u>\$ 3,015,157</u>	<u>\$ 3,196,529</u>	<u>\$ 2,834,548</u>	<u>\$ 2,633,696</u>	<u>\$ 2,676,855</u>
City's Net Pension Liability - Ending (a) - (b)	<u>\$ 57,546</u>	<u>\$ 350,403</u>	<u>\$ 513,981</u>	<u>\$ 741,120</u>	<u>\$ 349,271</u>	<u>\$ 577,156</u>	<u>\$ 669,260</u>	<u>\$ 304,638</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	98.63%	91.42%	86.90%	80.27%	90.15%	83.08%	79.74%	89.78%
Covered Payroll	\$ 350,758	\$ 347,776	\$ 328,796	\$ 318,038	\$ 308,101	\$ 308,263	\$ 384,807	\$ 309,031
City's Net Pension Liability as a Percentage of Covered Payroll	16.41%	100.76%	156.32%	233.03%	113.36%	187.23%	173.92%	98.58%

This schedule is to be built prospectively. Until a full 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, 2021.

¹The Fire and Police Pension Fund changed their fiscal year-end to December 31 effective fiscal year 2015, and therefore the City was required to change its measurement date from September 30 to December 31. These amounts reflect 15 months of pension information.

Required Supplementary Schedule – (Unaudited)
Fire and Police Pension Fund
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Change of Assumptions: A comprehensive Actuarial Experience Review, covering the period October 1, 2014 through December 31, 2018, was completed in 2019. As a result of that study, the following assumption changes were proposed by the actuary and subsequently were approved by the Board. These changes are reflected for the first time in the disclosure measured as of December 31, 2020:

- The pre-retirement mortality assumption was changed from the sex-distinct RP-2014 Employee Mortality Table, with rates loaded 7.00% for females, to the PUBS-2010 Safety Employee Amount-Weighted Table for males and females.
- The post-retirement mortality assumption for healthy annuitants was changed from the sex-distinct RP-2014 Healthy Annuitant Mortality Table, with rates loaded 7.00% for females, to the PUBS-2010 Safety Healthy Retiree Amount-Weighted Table for males and females.
- The mortality assumption for disabled retirees was changed from the sex-distinct RP-2014 Healthy Annuitant Mortality Table, set forward six years, with rates loaded 7.00% for females, to the PUBS-2010 Safety Disabled Retiree Amount-Weighted Table for males and females.
- The mortality assumption for beneficiaries was changed from the sex-distinct RP-2014 Healthy Annuitant Mortality Table, with rates loaded 7.00% for females, to the PUBS-2010 Safety Contingent Survivor Amount-Weighted Table for males and females.
- The generational projection scale was changed from 50.00% of the sex-distinct Scale MP-2014 projected from 2014 to Scale SSA2019-2D projected from 2010.
- The existing service-based retirement rates for both Fire and Police were modified to more accurately reflect observed retirement patterns.
- The assumption for BackDROP utilization was decreased from 95.00% to 90.00% for Firefighters.
- The load for marriage after retirement was reduced from 0.35% to 0.20% for retirees and from 0.80% to 0.40% for disabled annuitants.
- Disability rates were lowered from 30.00% to 10.00% of OASDI rates for Police Officers.
- The age-based withdrawal rates for both Fire and Police were modified to reflect service-based rates for each group, with rates zeroing out after 20 years for service.
- The service-based salary scale table was maintained for both Public Safety groups. The modified rates start at 14.00% with an ultimate rate of 3.00% after nine years of service.
- The percent married assumption was increased from 90.00% to 95.00% for males and lowered from 90.00% to 60.00% for females.
- The payroll growth assumption was lowered from 3.50% to 3.00%.

Required Supplementary Schedule – (Unaudited)

CPS Energy

Schedule of Changes in Net Pension (Asset) Liability and Related Ratios

Last Ten Fiscal Years

	Measurement Period Ended									
	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015	1/31/2014	1/31/2013	1/31/2012
Total Pension Liability										
Service Cost	\$ 35,403	\$ 36,861	\$ 37,175	\$ 32,569	\$ 31,547	\$ 30,183	\$ 32,591	\$ 33,417	\$ 33,470	\$ 31,420
Interest Cost	148,068	143,079	137,954	132,861	128,991	122,800	117,802	116,155	112,356	105,013
Differences Between Expected and Actual Experience	(846)	(2,685)	(19,385)	6,025	(18,647)	19,691	(35,634)	(24,410)	25,158	(13,581)
Changes of Assumptions	28,832	(4,940)	(10,129)	77,574			38,296			
Benefit Payments	(106,825)	(101,037)	(96,969)	(93,550)	(91,230)	(91,293)	(84,319)	(74,352)	(70,677)	(66,147)
Net Change in Total Pension Liability	\$ 104,632	\$ 71,278	\$ 48,646	\$ 155,479	\$ 50,661	\$ 81,381	\$ 68,736	\$ 50,810	\$ 100,307	\$ 56,705
Total Pension Liability - Beginning	2,060,241	1,988,963	1,940,317	1,784,838	1,734,177	1,652,796	1,584,060	1,533,250	1,432,943	1,376,238
Total Pension Liability - Ending (a)	\$ 2,164,873	\$ 2,060,241	\$ 1,988,963	\$ 1,940,317	\$ 1,784,838	\$ 1,734,177	\$ 1,652,796	\$ 1,584,060	\$ 1,533,250	\$ 1,432,943
Plan Fiduciary Net Position										
Contributions - Employer	\$ 56,025	\$ 73,435	\$ 58,700	\$ 46,200	\$ 44,500	\$ 46,000	\$ 55,800	\$ 44,400	\$ 39,016	\$ 37,687
Contributions - Employee	13,890	14,758	13,363	13,039	12,144	11,563	12,140	12,569	12,332	11,745
Net Investment Income (Loss)	187,600	169,004	(48,316)	246,772	207,196	(52,945)	85,520	145,883	110,529	22,510
Benefit Payments	(106,825)	(101,037)	(96,969)	(93,550)	(91,230)	(91,293)	(84,319)	(74,352)	(70,677)	(66,147)
Administrative Expense	(510)	(476)	(391)	(389)						
Net Change in Plan Fiduciary Net Position	\$ 150,180	\$ 155,684	\$ (73,613)	\$ 212,072	\$ 172,610	\$ (86,675)	\$ 69,141	\$ 128,500	\$ 91,200	\$ 5,795
Plan Fiduciary Net Position - Beginning	1,766,519	1,610,835	1,684,448	1,472,376	1,299,766	1,386,441	1,317,300	1,188,800	1,097,600	1,091,805
Plan Fiduciary Net Position - Ending (b)	\$ 1,916,699	\$ 1,766,519	\$ 1,610,835	\$ 1,684,448	\$ 1,472,376	\$ 1,299,766	\$ 1,386,441	\$ 1,317,300	\$ 1,188,800	\$ 1,097,600
Net Pension Liability - Ending (a) - (b)	\$ 248,174	\$ 293,722	\$ 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	88.54%	85.74%	80.99%	86.81%	82.49%	74.95%	83.88%	83.16%	77.53%	76.60%
Covered Payroll	\$ 286,959	\$ 282,302	\$ 271,449	\$ 254,241	\$ 242,477	\$ 235,360	\$ 256,236	\$ 261,085	\$ 260,730	\$ 251,136
Net Pension Liability as a Percentage of Covered Payroll	86.48%	104.05%	139.30%	100.64%	128.86%	184.57%	103.95%	102.17%	132.11%	133.53%

Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended January 31, 2013 through January 31, 2022.

Required Supplementary Schedule – (Unaudited)**CPS Energy****Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)****Notes to Schedule:**

Benefit Changes: There were no changes in benefit terms, in the size or composition of the population covered by the benefit terms, in the size or composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: For fiscal year 2022, the annual investment rate of return underlying the calculation of total pension liability was assumed to be 7.00%. For fiscal years 2021 through 2019, the annual investment rate of return underlying the calculation of total pension liability was assumed to be 7.25%. For fiscal year 2018 and 2017, the annual investment rate of return was assumed to be 7.50%. For the previous years presented, the rate used was 7.75%. The fiscal year 2022 and 2021, valuation results include the impact of revised inflation rate and the use of updated mortality tables. Other actuarial assumptions were modified in fiscal year 2018 based on the previous experience study that include the impact of other revised actuarial assumptions including salary increases and updated mortality table. Based on an experience study completed in 2017, the fiscal year 2019 valuation results include the impact of other revised actuarial assumptions including salary increases and the use of updated mortality tables. No other actuarial assumptions.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended						
	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability							
Service Cost	\$ 6,233	\$ 5,733	\$ 5,551	\$ 5,332	\$ 4,979	\$ 4,810	\$ 4,379
Interest Cost	15,448	14,670	13,952	13,268	12,623	12,480	11,960
Differences Between Expected and Actual Experience	(189)	499	240	54	29	(1,311)	(1,717)
Changes of Assumptions		211				433	
Benefit Payments	(10,294)	(9,392)	(8,960)	(8,332)	(8,186)	(7,337)	(7,461)
Net Change in Total Pension Liability	\$ 11,198	\$ 11,721	\$ 10,783	\$ 10,322	\$ 9,445	\$ 9,075	\$ 7,161
Total Pension Liability - Beginning	230,895	219,174	208,391	198,069	188,624	179,549	172,388
Total Pension Liability - Ending (a)	<u>\$ 242,093</u>	<u>\$ 230,895</u>	<u>\$ 219,174</u>	<u>\$ 208,391</u>	<u>\$ 198,069</u>	<u>\$ 188,624</u>	<u>\$ 179,549</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 4,440	\$ 4,095	\$ 4,059	\$ 3,852	\$ 3,609	\$ 3,953	\$ 3,721
Contributions - Employee	3,660	3,412	3,291	3,149	2,935	2,892	2,722
Net Investment Income (Loss)	16,073	28,632	(5,773)	23,639	10,909	239	8,818
Benefit Payments, including Refunds of Employee Contributions	(10,294)	(9,392)	(8,960)	(8,332)	(8,186)	(7,337)	(7,461)
Administrative Expense	(104)	(162)	(111)	(123)	(123)	(146)	(92)
Other	(4)	(5)	(6)	(6)	(7)	(7)	(8)
Net Change in Plan Fiduciary Net Position	\$ 13,771	\$ 26,580	\$ (7,500)	\$ 22,179	\$ 9,137	\$ (406)	\$ 7,700
Plan Fiduciary Net Position - Beginning	211,848	185,268	192,768	170,589	161,452	161,858	154,158
Plan Fiduciary Net Position - Ending (b)	<u>\$ 225,619</u>	<u>\$ 211,848</u>	<u>\$ 185,268</u>	<u>\$ 192,768</u>	<u>\$ 170,589</u>	<u>\$ 161,452</u>	<u>\$ 161,858</u>
Net Pension Liability - Ending (a) - (b)	<u>\$ 16,474</u>	<u>\$ 19,047</u>	<u>\$ 33,906</u>	<u>\$ 15,623</u>	<u>\$ 27,480</u>	<u>\$ 27,172</u>	<u>\$ 17,691</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	93.20%	91.75%	84.53%	92.50%	86.13%	85.59%	90.15%
Covered Payroll	\$ 121,984	\$ 113,750	\$ 109,703	\$ 104,960	\$ 97,818	\$ 96,389	\$ 90,721
Net Pension Liability as a Percentage of Covered Payroll	13.51%	16.74%	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, 2021.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: In 2015, amounts reported as changes of assumptions resulted primarily from a reduction in the assumed long-term rate of return from 7.00% to 6.75%. In 2015, mortality rates were updated to reflect updated historical data.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	<u>1/1/2021</u>	<u>1/1/2020</u>	<u>1/1/2019</u>	<u>1/1/2018</u>	<u>1/1/2017</u>	<u>1/1/2016</u>	<u>1/1/2015</u>
Total Pension Liability							
Service Cost	\$ 5,187	\$ 5,464	\$ 5,629	\$ 5,859	\$ 5,724	\$ 5,004	\$ 5,204
Interest Cost	16,403	16,282	15,101	14,354	13,680	12,596	11,709
Change of Benefit Terms						4,339	
Differences Between Expected and Actual Experience	(66)	1,700	1,926	(1,394)	712	555	(622)
Changes of Assumptions	(1,063)	(1,534)	4,653	1,152	5,532	(405)	2,771
Benefit Payments	<u>(10,090)</u>	<u>(9,358)</u>	<u>(8,615)</u>	<u>(7,974)</u>	<u>(7,283)</u>	<u>(6,318)</u>	<u>(5,796)</u>
Net Change in Total Pension Liability	\$ 10,371	\$ 12,554	\$ 18,694	\$ 11,997	\$ 18,365	\$ 15,771	\$ 13,266
Total Pension Liability - Beginning	261,816	249,262	230,568	218,571	200,206	184,435	171,169
Total Pension Liability - Ending (a)	<u>\$ 272,187</u>	<u>\$ 261,816</u>	<u>\$ 249,262</u>	<u>\$ 230,568</u>	<u>\$ 218,571</u>	<u>\$ 200,206</u>	<u>\$ 184,435</u>
Plan Fiduciary Net Position							
Contributions - Employer	\$ 9,131	\$ 9,131	\$ 7,923	\$ 7,982	\$ 7,367	\$ 7,890	\$ 10,339
Contributions - Employee	2,095	2,528	2,434	2,484	2,533	2,357	
Net Investment Income (Loss)	31,582	38,722	(7,767)	30,741	6,971	1,215	15,695
Benefit Payments	(10,090)	(9,358)	(8,615)	(7,974)	(7,283)	(6,318)	(5,796)
Administrative Expense	<u>(294)</u>	<u>(309)</u>	<u>(360)</u>	<u>(380)</u>	<u>(195)</u>	<u>(17)</u>	
Net Change in Plan Fiduciary Net Position	\$ 32,424	\$ 40,714	\$ (6,385)	\$ 32,853	\$ 9,393	\$ 5,127	\$ 20,238
Plan Fiduciary Net Position - Beginning	242,461	201,747	208,132	175,279	165,886	160,759	140,521
Plan Fiduciary Net Position - Ending (b)	<u>\$ 274,885</u>	<u>\$ 242,461</u>	<u>\$ 201,747</u>	<u>\$ 208,132</u>	<u>\$ 175,279</u>	<u>\$ 165,886</u>	<u>\$ 160,759</u>
Net Pension (Asset) Liability - Ending (a) - (b)	<u>\$ (2,698)</u>	<u>\$ 19,355</u>	<u>\$ 47,515</u>	<u>\$ 22,436</u>	<u>\$ 43,292</u>	<u>\$ 34,320</u>	<u>\$ 23,676</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	100.99%	92.61%	80.94%	90.27%	80.19%	82.86%	87.16%
Covered Payroll	\$ 74,643	\$ 76,320	\$ 78,348	\$ 79,417	\$ 83,493	\$ 85,299	\$ 83,812
Net Pension Liability as a Percentage of Covered Payroll (Asset)	(3.61%)	25.36%	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, 2021.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Total pension liability at December 31, 2021 is based on a rollforward of the January 1, 2021 actuarial valuation.

Benefit Changes: In 2015, the normal form of distribution changed and a mandatory employee contribution of 3.00% of payroll was instituted. Effective June 1, 2014, the defined benefit plan was frozen to new entrants.

Changes of assumptions: In 2020, retirement age assumptions were changed to reflect more recent experience. In 2019, the mortality assumption was updated to the public retirement plans mortality tables published by the Society of Actuaries (SOA). In 2021 through 2017, the mortality assumption was updated for the latest improvement scale. For 2020, the long-term rate of return was adjusted to 6.25%. In 2016, the long-term rate of return was reduced to 6.50%. In 2015, mortality rates were updated to reflect historical data. In 2014, the long-term rate of return was reduced to 6.75%.

Required Supplementary Schedule – (Unaudited)
District Special Project Retirement Income Plan (DSPRP)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended						
	1/1/2021	1/1/2020	1/1/2019	1/1/2018	1/1/2017	1/1/2016	1/1/2015
Total Pension Liability							
Service Cost	\$ 241	\$ 245	\$ 257	\$ 108	\$ 71	\$ 124	\$ 123
Interest Cost	409	371	388	424	418	446	424
Differences Between Expected and Actual Experience	375	(466)	(622)	101	(381)	18	153
Changes of Assumptions		219	6	15	224		
Benefit Payments	(408)	(330)	(485)	(776)	(324)	(261)	(230)
Net Change in Total Pension Liability	\$ 617	\$ 39	\$ (456)	\$ (128)	\$ 8	\$ 327	\$ 470
Total Pension Liability - Beginning	6,149	6,110	6,566	6,694	6,686	6,359	5,889
Total Pension Liability - Ending (a)	\$ 6,766	\$ 6,149	\$ 6,110	\$ 6,566	\$ 6,694	\$ 6,686	\$ 6,359
Plan Fiduciary Net Position							
Contributions - Employer	\$ 400	\$ 400	\$ 400	\$ 315	\$ 280	\$ 308	\$ 414
Net Investment Income (Loss)	998	1,049	(75)	764	306	18	394
Benefit Payments, including Refunds of Employee Contributions	(408)	(330)	(485)	(776)	(324)	(261)	(230)
Administrative Expense	(6)	(6)	(7)	(7)	(8)	(6)	(11)
Net Change in Plan Fiduciary Net Position	\$ 984	\$ 1,113	\$ (167)	\$ 296	\$ 254	\$ 59	\$ 567
Plan Fiduciary Net Position - Beginning	6,652	5,539	5,706	5,410	5,156	5,097	4,530
Plan Fiduciary Net Position - Ending (b)	\$ 7,636	\$ 6,652	\$ 5,539	\$ 5,706	\$ 5,410	\$ 5,156	\$ 5,097
Net Pension (Asset) Liability - Ending (a) - (b)	\$ (870)	\$ (503)	\$ 571	\$ 860	\$ 1,284	\$ 1,530	\$ 1,262
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	112.86%	108.18%	90.65%	86.90%	80.82%	77.12%	80.15%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension (Asset) Liability as a Percentage of Covered Payroll	N/A	N/A	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, 2021.

**Required Supplementary Schedule – (Unaudited)
District Special Project Retirement Income Plan (DSPRP)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)**

Notes to Schedule:

The plan was frozen in 2008. Therefore, current and future wages have no impact on net pension liability.

Total pension liability at December 31, 2021, is based on a rollforward of the January 1, 2021 actuarial valuation.

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: In 2020, the interest rate was changed to 6.25%. In 2019, the mortality projection scales were updated to MP-2018. In 2018, the mortality projection scale was based on MP-2017. In 2017, the mortality table was changed from 1994 GAR projected to 2002 to the RP-2014 table using the MP-2016 improvement scale. The interest rate of return was modified from 7.00% to 6.50% in 2017.

Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Contributions – Pensions
Last Ten Fiscal Years

<u>Year-Ended September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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%
2021	48,180	48,180		393,758	12.24%
2022	56,305	56,305		454,555	12.39%

Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	24 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 Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Other Information:

Notes	Granted 70.00% ad hoc COLA. Effective 6/1/2021 plan was opened to current and future San Antonio Council Aides Corporation employees.
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Required Supplementary Schedule – (Unaudited)
Fire and Police Pension Fund
Schedule of Contributions – Pensions
Last Ten Fiscal Years

<u>Year-Ended September 30,</u>	<u>Statutorily Determined Contribution</u>	<u>Contributions in Relation to the Statutorily Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll¹</u>	<u>Contributions as a Percentage of Covered Payroll</u>
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%
2021	85,545	85,545		347,112	24.64%
2022	90,949	90,949		369,110	24.64%

¹ Payroll is estimated based on the actual member contributions received and a 12.32% contribution rate.

Required Supplementary Schedule – (Unaudited)**Fire and Police Pension Fund****Schedule of Contributions – Pensions****Last Ten Fiscal Years (Continued)****NOTES TO SCHEDULE OF CONTRIBUTIONS****Valuation Date**

Notes Statutorily determined contribution is calculated using a January 1 valuation date as of the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, using 3.00% annual increases.
Remaining Amortization Period	12.09 years remaining as of January 1, 2021.
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 0.00% - 11.00%)
Investment Rate of Return	7.25% including inflation, net of pension plan investment expense.
Cost-of-living Adjustments	3.00% for retirement before October 1, 1999; 2.25% for retirement on or after October 1, 1999
Retirement Rates	Fire: Rates based on years of service ranging from 20 to 43 years, with 100.00% retirement at the earlier of age 65 or 43 years of service. Police: Rates based on years of service ranging from 20 to 40 years, with 100.00% retirement at the earlier of age 65 or 40 years of service.

Mortality:

Pre-retirement	Sex-distinct PUBS-2010 Safety Employee Amount-Weighted Table.
Healthy Annuitant	Sex-distinct PUBS-2010 Safety Healthy Retiree Amount-Weighted Table.
Disabled Annuitant	Sex-distinct PUBS-2010 Safety Disabled Retiree Amount-Weighted Table.
Beneficiaries	Sex-distinct PUBS-2010 Safety Contingent Survivor Amount-Weighted Table.
Future Improvement	Generational Projection using Scale SSA2019-2D improvement scale.

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%
2021	56,025	56,025		282,302	19.85%
2022	62,050	62,100	(50)	286,959	21.64%

Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended January 31, 2013 through January 31, 2022.

Required Supplementary Schedule – (Unaudited)**CPS Energy****Schedule of Contributions – Pensions****Last Ten Fiscal Years (Continued)****NOTES TO SCHEDULE OF CONTRIBUTIONS****Valuation Date**

Notes Actuarially determined contribution rates are calculated as of January 1, two years and one month prior to the end of the fiscal year in which contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent; layered periods
Remaining Amortization Period	27 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	2.20% for fiscal year 2022; 3.00% for fiscal year 2021; 2.30% for fiscal year 2020 and 3.00% for previous years presented, compounded annually.
Salary Increases	Average, including inflation: 5.54% for fiscal year 2022, 5.36% for fiscal year 2021 and 2020, 4.72% for fiscal year 2019, 4.66% for fiscal year 2018, 4.78% for fiscal year 2017, 5.01% for fiscal year 2016, 5.03% for fiscal year 2015, 5.07% for fiscal year 2014, and 5.18% for fiscal year 2013.
Investment Rate of Return	7.00% per year, compounded annually, for fiscal year 2022, 7.25% for fiscal years 2021 through 2019, 7.50% for fiscal year 2018 through 2016, 7.75% for prior years.
Cost-of-living Increases	1.25% for fiscal year 2022, 1.50% for previous years presented per year.
Mortality	Mortality rates were based on the Pri-2012 Employee/Retiree Mortality Tables (separate tables for males/females) projected with Mortality Improvement Scale MP-2019. Separate tables are used for disabled participants and contingent annuitants. RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Improvement Scale MP-2014 and projected (fully generational) with MP-2018 for fiscal year 2021; RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Improvement Scale MP-2014 and projected (fully generational) with MP-2017 for fiscal year 2020; RP-2016 Combined Healthy, with No Collar Adjustment, Male and Female Tables; with MP-2016 Mortality Improvement Scale for fiscal year 2019; RP-2000 Combined Healthy Annuitant Mortality Table for Males or Females, projected using Scale BB for fiscal year 2017 and 2016; RP-2000 Combined Healthy Annuitant Mortality Table for Males or Females, projected using Scale AA for prior years.
Other Information	In fiscal year 2020, an additional \$20,000 was contributed to the pension plan in excess of the actuarially determined contribution. 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. 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.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Contributions – Pensions
Last Ten Fiscal Years

<u>Year-Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Contributions in Relation to the Actuarially Determined Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Contributions as a Percentage of Covered Payroll</u>
2014	\$ 3,721	\$ 3,721	\$ -	\$ 90,721	4.10%
2015	3,672	3,953	(281)	96,389	4.10%
2016	3,609	3,609		97,818	3.69%
2017	3,852	3,852		104,960	3.67%
2018	4,059	4,059		109,703	3.70%
2019	4,095	4,095		113,749	3.60%
2020	4,440	4,440		121,984	3.64%
2021	4,450	4,450		118,972	3.74%

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, 2021.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contributions are calculated as of December 31 and become effective 12 months later on January 1.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll, closed.
Remaining Amortization Period	For 2021, the remaining amortization period is 25 years. In 2015 the amortization period was adjusted to 30 years from 23 in 2014.
Asset Valuation Method	10-year smoothed market value; 12.00% soft corridor

Actuarial assumptions:

Inflation Rate	In 2015, the inflation rate was changed to 2.50% from 3.00% in 2014.
Salary Increases	3.50% to 11.50% for 2020, 3.50% to 10.50% for fiscal year 2015 to 2019, and 3.50% to 12.00% for fiscal year 2014, including inflation.
Investment Rate of Return	In 2015 the investment rate of return was lowered from 7.00% to 6.75%.
Retirement Age	Experience-based table of rates that are specific to SAWS plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates projected on a fully generational basis with scale UMP.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	\$ 10,339	\$ 10,339	\$ -	\$ 83,812	12.34%
2015	7,890	7,890		85,299	9.25%
2016	7,367	7,367		83,493	8.82%
2017	7,982	7,982		79,417	10.05%
2018	7,923	7,923		78,348	10.11%
2019	9,131	9,131		76,320	11.96%
2020	7,723	9,132	(1,409)	74,643	12.23%
2021	6,136	6,136		75,822	8.09%

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, 2021.

**Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Contributions – Pensions (Continued)**

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contributions are determined as of January 1 of the year in which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Amortized equally over 15 years using straight line amortization.
Remaining Amortization Period	2013 Unfunded Liability – 15 fixed year period
	Other gains/losses, plan amendments and changes in plan assumptions are amortized over 10 years.
Asset Valuation Method	Four-year smoothed market value.

Actuarial assumptions:

Inflation Rate	2.25% for fiscal year 2021 to 2019, 2.00% for fiscal year 2017, previously it was 2.25%.
Salary Increases	In 2021, changed to a new table based on management philosophies and more recent experience of plan participations. Previously, scale based on 2011-2013 SAWS experience.
Investment Rate of Return	6.25% for fiscal years 2021 and 2020; In 2017, the rate was changed from 6.75% to 6.50%, net of pension expense, including inflation. In 2014, the rate was changed from 7.00% to 6.75%.
Retirement Age	Active: In 2020, changed to a table of rates starting at age 45 and ending at age 70. In 2015, expected retirement ages were adjusted to reflect actual experience from 2011-2013. Previously, the retirement age was based on experience from 2011-2012. Inactive: In 2020, changed from 100.00% at age 62 to a table of rates starting at age 60 and ending at age 65.
Mortality	In 2021, the mortality assumptions were based on PubG-2010 General base rate mortality table projected to future years with historical and assumed Mortality Improvement (MI) rates that were issued by the Society of Actuaries (SOA). PubG-2010 is the baseline mortality rate table underlying the SOA Pub-2010 experience study published in January 2019. The January 1, 2021 valuation was based on MP-2020, the most recent MI scale published in October 2020. In 2020, the improvement scale was changed to MP-2019. In 2019, the mortality assumption was updated to the public retirement plans mortality tables published by the SOA. In 2018 and 2017, the mortality assumption was updated for the latest improvement scale. In 2016, the mortality table was changed to use adjusted RP-2014 mortality with scale MP-2016 based on data published by the SOA in 2015. Previously, the IRS Prescribed Generational Mortality table was used.

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
2020	290	400	(110)	N/A	N/A
2021	138	175	(37)	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, 2021.

**Required Supplementary Schedule – (Unaudited)
District Special Project Retirement Income Plan (DSPRP)
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)**

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contributions are determined as of January 1 of the year in which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Unit Credit
Amortization Method	Rolling level-amortization over a declining period.
Remaining Amortization Period	2021: 6 years; 2020: 7 years; 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	2.25% for fiscal years 2021 and 2020; 2.50% for fiscal year 2019; 2.75% for fiscal year 2015; Previously, 2.00% was used.
Salary Increases	Earned benefits frozen in 2008.
Investment Rate of Return	6.25% for fiscal years 2021 and 2020; 6.50% for fiscal year 2017; Previously 7.00%, net of pension plan investment expense, including inflation was used.
Retirement Age	Normal retirement age – the earlier of age 65, or the “rule of 90” where the participant’s age and years of service added together equal 90 or greater.
Mortality	For 2021 through 2019, mortality rates are based on the SOA RP-2014 table projected on a fully generational basis using mortality improvement scale MP-2018. In 2018, the mortality rates are based on the SOA RP-2014 table projected on a fully generational basis using mortality improvement scale MP-2017. In 2017, the table was changed to the RP-2014 table using a mortality improvement scale MP-2016. Previously, 1994 GAR projected to 2002 was used.

Required Supplementary Schedule – (Unaudited)
City of San Antonio
Retiree Health Care Fund
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended				
	9/30/2022 ¹	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability					
Service Cost	\$ 12,177	\$ 17,533	\$ 12,294	\$ 16,893	\$ 11,665
Interest Cost	7,157	10,402	10,653	13,464	11,999
Differences Between Expected and Actual Experience	(792)	(217,862)	(36,898)	(12,617)	
Changes of Assumptions	(56,399)	47,648	83,865	78,030	(32,771)
Benefit Payments	(7,607)	(5,938)	(5,874)	(7,111)	(7,439)
Net Change in Total OPEB Liability	\$ (45,464)	\$ (148,217)	\$ 64,040	\$ 88,659	\$ (16,546)
Total OPEB Liability - Beginning	310,547	458,764	394,724	306,065	322,611
Total OPEB Liability - Ending (a)	\$ 265,083	\$ 310,547	\$ 458,764	\$ 394,724	\$ 306,065
Plan Fiduciary Net Position					
Contributions - Employer	\$ 6,666	\$ 5,938	\$ 5,874	\$ 7,111	\$ 7,439
Contributions - Employee	1,599				
Net Investment Income (loss)	(61)				
Benefit Payments, including Refunds of Employee Contributions	(7,607)	(5,938)	(5,874)	(7,111)	(7,439)
Administrative Expense	(24)				
Other	5,333				
Net Change in Plan Fiduciary Net Position	\$ 5,906	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning					
Plan Fiduciary Net Position - Ending (b)	\$ 5,906	\$ -	\$ -	\$ -	\$ -
City's Net/Total OPEB Liability - Ending (a) - (b)	\$ 259,177	\$ 310,547	\$ 458,764	\$ 394,724	\$ 306,065
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.23%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 454,555	\$ 393,758	\$ 398,863	\$ 393,916	\$ 375,931
City's Net Pension Liability as a Percentage of Covered Payroll	57.02%	78.87%	115.02%	100.21%	81.42%

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 or total OPEB liability for fiscal years-ended September 30, 2018 through September 30, 2022.

¹ Fiscal Year 2022 is the first year the City reported Net OPEB Liability.

Required Supplementary Schedule – (Unaudited)
City of San Antonio
Retiree Health Care Fund
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of actuarial assumptions: In fiscal year 2022, the discount rate was updated from 2.26% to 4.00%; 2021 it was updated from 2.21% to 2.26%; 2020 it was updated from 2.66% to 2.21%; 2019 it was updated from 4.24% to 2.66%; and 4.24% was assumed for prior years. The retirement rates were updated to the rates from the Texas Municipal Retirement System Actuarial Valuation as of December 31, 2019. The mortality projection scale was updated from MP-2020 to MP-2021 to reflect the Society of Actuaries' recent mortality study. The trend rates were reset to 7.00% for pre-Medicare and 6.00% for Medicare. The marriage rate is based on current contracts, which is approximately 35.00%, compared to the 25.00% used in the prior valuation.

Required Supplementary Schedule – (Unaudited)
Retiree Health & Wellness San Antonio Fire and Police Fund
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended				
	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total OPEB Liability					
Service Cost	\$ 28,869	\$ 29,001	\$ 26,077	\$ 25,345	\$ 24,289
Interest Cost	78,094	78,948	72,602	71,055	68,947
Differences Between Expected and Actual Experience	2,387	14,616	28,124	2,169	(5,165)
Changes of Assumptions	(59,131)	(99,032)	28,936	(43,489)	(25,344)
Benefit Payments	(39,850)	(31,348)	(33,146)	(35,821)	(33,560)
Net Change in Total OPEB Liability	\$ 10,369	\$ (7,815)	\$ 122,593	\$ 19,259	\$ 29,167
Total OPEB Liability - Beginning	1,106,683	1,114,498	991,905	972,646	943,479
Total OPEB Liability - Ending (a)	<u>\$ 1,117,052</u>	<u>\$ 1,106,683</u>	<u>\$ 1,114,498</u>	<u>\$ 991,905</u>	<u>\$ 972,646</u>
Plan Fiduciary Net Position					
Contributions - Employer	\$ 42,030	\$ 39,480	\$ 35,234	\$ 30,892	\$ 27,242
Contributions - Employee	21,012	19,727	17,605	15,442	13,616
Net Investment Income (loss)	59,256	55,638	19,867	(21,629)	25,294
Benefit Payments, including Refunds of Employee Contributions	(39,849)	(31,348)	(33,146)	(35,821)	(33,560)
Administrative Expense	(3,794)	(3,464)	(3,056)	(3,070)	(2,660)
Other Contributions - Retirees	1,545	1,513	1,571	1,817	1,829
Net Change in Plan Fiduciary Net Position	\$ 80,200	\$ 81,546	\$ 38,075	\$ (12,369)	\$ 31,761
Plan Fiduciary Net Position - Beginning	484,060	402,514	364,439	376,808	345,047
Plan Fiduciary Net Position - Ending (b)	<u>\$ 564,260</u>	<u>\$ 484,060</u>	<u>\$ 402,514</u>	<u>\$ 364,439</u>	<u>\$ 376,808</u>
City's Net Pension Liability - Ending (a) - (b)	<u>\$ 552,792</u>	<u>\$ 622,623</u>	<u>\$ 711,984</u>	<u>\$ 627,466</u>	<u>\$ 595,838</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	50.51%	43.74%	36.12%	36.74%	38.74%
Covered-Employee Payroll	\$ 369,110	\$ 347,776	\$ 328,795	\$ 318,038	\$ 308,101
City's Net OPEB Liability as a Percentage of Covered-Employee Payroll	149.76%	179.03%	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, 2021.

Required Supplementary Schedule – (Unaudited)
Retiree Health & Wellness San Antonio Fire and Police Fund
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: The annual investment rate of return underlying the calculation of total OPEB liability was assumed to be 7.00% for fiscal year 2021. A rate of 7.25% was assumed for the previous year presented.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Health Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended						
	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total OPEB Liability							
Service Cost	\$ 3,772	\$ 4,300	\$ 4,466	\$ 3,376	\$ 3,435	\$ 3,319	\$ 3,207
Interest Cost	17,089	17,624	18,032	17,182	18,176	17,601	17,050
Changes in Plan Benefits				415	(19,185)		
Differences Between Expected and Actual Experience	(11,592)	(19,010)	1,763		475		
Changes of Assumptions	(5,962)	(4,246)	(2,190)	9,657			
Benefit Payments	(13,398)	(12,475)	(11,390)	(12,197)	(14,001)	(12,756)	(13,275)
Net Change in Total OPEB Liability	\$ (10,091)	\$ (13,807)	\$ 10,681	\$ 18,433	\$ (11,100)	\$ 8,164	\$ 6,982
Total OPEB Liability - Beginning	250,115	263,922	253,241	234,808	245,908	237,744	230,762
Total OPEB Liability - Ending (a)	\$ 240,024	\$ 250,115	\$ 263,922	\$ 253,241	\$ 234,808	\$ 245,908	\$ 237,744
Plan Fiduciary Net Position							
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ 8,500	\$ 8,806	\$ 3,200
Contributions - Employee				7,156	6,802	6,734	6,024
Medicare Part D Payment	924	842	872	998	933	976	933
Earnings (Loss) on Plan Assets	26,613	30,260	(10,571)	41,718	38,949	(9,765)	12,536
Benefit Payments	(13,398)	(12,475)	(11,390)	(19,353)	(20,804)	(19,490)	(19,299)
Administrative Expense	(1,297)	(1,150)	(1,223)	(1,346)	(1,621)	(1,456)	(1,137)
Net Change in Plan Fiduciary Net Position	\$ 12,842	\$ 17,477	\$ (22,312)	\$ 29,173	\$ 32,759	\$ (14,195)	\$ 2,257
Plan Fiduciary Net Position - Beginning	284,986	267,509	289,821	260,648	227,889	242,084	239,827
Plan Fiduciary Net Position - Ending (b)	\$ 297,828	\$ 284,986	\$ 267,509	\$ 289,821	\$ 260,648	\$ 227,889	\$ 242,084
Net OPEB (Asset) Liability - Ending (a) - (b)	\$ (57,804)	\$ (34,871)	\$ (3,587)	\$ (36,580)	\$ (25,840)	\$ 18,019	\$ (4,340)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	124.08%	113.94%	101.36%	114.44%	111.00%	92.67%	101.83%
Covered-employee Payroll	\$ 257,608	\$ 254,996	\$ 244,010	\$ 228,240	\$ 220,522	\$ 223,523	\$ 242,652
Net OPEB (Asset) Liability as a Percentage of Covered-Employee Payroll	(22.44%)	(13.68%)	(1.47%)	(16.03%)	(11.72%)	8.06%	(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, 2022.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Health Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: 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 2022 and 7.25% for fiscal years 2021 through 2019. A rate of 7.50% was assumed for the previous years presented. In fiscal year 2022 through 2019, the salary scale and mortality assumptions were changed to more properly reflect actual experience. 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.

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						
	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total OPEB Liability							
Service Cost	\$ 517	\$ 511	\$ 473	\$ 349	\$ 336	\$ 325	\$ 313
Interest Cost	3,400	3,308	3,284	3,432	3,256	3,244	3,228
Differences Between Expected and Actual Experience	4,766	840	(936)		2,378		
Changes of Assumptions	4,044	309	594	(457)			
Benefit Payments	(3,987)	(3,895)	(4,028)	(3,813)	(3,469)	(3,358)	(3,313)
Net Change in Total OPEB Liability	\$ 8,740	\$ 1,073	\$ (613)	\$ (489)	\$ 2,501	\$ 211	\$ 228
Total OPEB Liability - Beginning	47,260	46,187	46,800	47,289	44,788	44,577	44,349
Total OPEB Liability - Ending (a)	\$ 56,000	\$ 47,260	\$ 46,187	\$ 46,800	\$ 47,289	\$ 44,788	\$ 44,577
Plan Fiduciary Net Position							
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Employee	1,077	1,053	1,030	1,000	972	930	911
Earnings (Loss) on Plan Assets	4,031	5,702	(2,135)	8,066	6,936	(2,102)	2,460
Benefit Payments	(3,987)	(3,895)	(4,028)	(3,813)	(3,469)	(3,358)	(3,313)
Administrative Expense	(25)	(30)	(28)	(30)	(27)	(21)	(16)
Net Change in Plan Fiduciary Net Position	\$ 1,096	\$ 2,830	\$ (5,161)	\$ 5,223	\$ 4,412	\$ (4,551)	\$ 42
Plan Fiduciary Net Position - Beginning	52,590	49,760	54,921	49,698	45,286	49,837	49,795
Plan Fiduciary Net Position - Ending (b)	\$ 53,686	\$ 52,590	\$ 49,760	\$ 54,921	\$ 49,698	\$ 45,286	\$ 49,837
Net OPEB (Asset) Liability - Ending (a) - (b)	\$ 2,314	\$ (5,330)	\$ (3,573)	\$ (8,121)	\$ (2,409)	\$ (498)	\$ (5,260)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	95.87%	111.28%	107.74%	117.35%	105.09%	101.11%	111.80%
Covered-employee Payroll	\$ 257,608	\$ 254,996	\$ 244,010	\$ 218,003	\$ 210,631	\$ 198,704	\$ 191,984
Net OPEB (Asset) as a Percentage of Covered-Employee Payroll	0.90%	(2.09%)	(1.46%)	(3.73%)	(1.14%)	(0.25%)	(2.74%)

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, 2022.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Life Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size or composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: The annual investment rate of return underlying the calculation of total OPEB liability was assumed to be 7.00% for fiscal year 2022 and 7.25% for fiscal years 2021 through 2019. A rate of 7.50% was assumed for the previous years presented. In fiscal year 2022 through 2019, the salary scale and mortality assumptions were also changed to more properly reflect actual experience.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Disability Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended						
	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total OPEB Liability							
Service Cost	\$ 557	\$ 580	\$ 620	\$ 516	\$ 527	\$ 509	\$ 492
Interest Cost	384	402	475	473	455	448	426
Differences Between Expected and Actual Experience	(156)	(673)	(656)		255		
Changes of Assumptions	1,993	11	189	94			
Benefit Payments	(1,142)	(977)	(880)	(1,012)	(974)	(775)	(559)
Net Change in Total OPEB Liability	\$ 1,636	\$ (657)	\$ (252)	\$ 71	\$ 263	\$ 182	\$ 359
Total OPEB Liability - Beginning	5,457	6,114	6,366	6,295	6,032	5,850	5,491
Total OPEB Liability - Ending (a)	\$ 7,093	\$ 5,457	\$ 6,114	\$ 6,366	\$ 6,295	\$ 6,032	\$ 5,850
Plan Fiduciary Net Position							
Contributions - Employer	\$ 614	\$ 769	\$ 1,000	\$ 1,300	\$ 700	\$ 175	\$ 175
Contributions - Employee	276	291	274	265	260	248	211
Earnings (Loss) on Plan Assets	539	603	(205)	627	501	(158)	177
Benefit Payments	(1,142)	(977)	(880)	(1,012)	(974)	(775)	(559)
Administrative Expense	(21)	(14)	(19)	(18)	(15)	(14)	(18)
Net Change in Plan Fiduciary Net Position	\$ 266	\$ 672	\$ 170	\$ 1,162	\$ 472	\$ (524)	\$ (14)
Plan Fiduciary Net Position - Beginning	6,238	5,566	5,396	4,234	3,762	4,286	4,300
Plan Fiduciary Net Position - Ending (b)	\$ 6,504	\$ 6,238	\$ 5,566	\$ 5,396	\$ 4,234	\$ 3,762	\$ 4,286
Net OPEB (Asset) Liability - Ending (a) - (b)	\$ 589	\$ (781)	\$ 548	\$ 970	\$ 2,061	\$ 2,270	\$ 1,564
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	91.70%	114.31%	91.04%	84.76%	67.26%	62.37%	73.26%
Covered-employee Payroll	\$ 260,739	\$ 259,520	\$ 251,482	\$ 224,137	\$ 216,558	\$ 212,904	\$ 205,704
Net OPEB Liability as a Percentage of Covered-Employee Payroll	0.23%	(0.30%)	0.22%	0.43%	0.95%	1.07%	0.76%

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, 2022.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Disability Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: 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 7.00% for fiscal year 2022 and 7.25% for fiscal years 2021 through 2019. A rate of 7.50% was assumed for the previous years presented. In fiscal year 2022 through 2019, the salary scale and mortality assumptions were also changed to more properly reflect actual experience.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Other Post Employment Benefit Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended			
	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total OPEB Liability				
Service Cost	\$ 1,750	\$ 1,913	\$ 2,220	\$ 2,428
Interest Cost	7,688	9,112	9,429	9,221
Differences Between Expected and Actual Experience	(8,867)	(18,580)	(11,970)	(3,358)
Changes of Assumptions	2,089	(3,237)	2,817	(351)
Benefit Payments	<u>(6,141)</u>	<u>(6,311)</u>	<u>(7,808)</u>	<u>(6,209)</u>
Net Change in Total OPEB Liability	\$ (3,481)	\$ (17,103)	\$ (5,312)	\$ 1,731
Total OPEB Liability - Beginning	<u>124,276</u>	<u>141,379</u>	<u>146,691</u>	<u>144,960</u>
Total OPEB Liability - Ending (a)	<u>\$ 120,795</u>	<u>\$ 124,276</u>	<u>\$ 141,379</u>	<u>\$ 146,691</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ 13,641	\$ 13,811	\$ 15,308	\$ 13,709
Contributions - Employee				
Net Investment Income (Loss)	13,747	13,264	(3,164)	7,127
Benefit Payments	(6,141)	(6,311)	(7,808)	(6,209)
Administrative Expense	<u>(187)</u>	<u>(175)</u>	<u>(159)</u>	<u>(144)</u>
Net Change in Plan Fiduciary Net Position	\$ 21,060	\$ 20,589	\$ 4,177	\$ 14,483
Plan Fiduciary Net Position - Beginning	<u>83,277</u>	<u>62,688</u>	<u>58,511</u>	<u>44,028</u>
Plan Fiduciary Net Position - Ending (b)	<u>\$ 104,337</u>	<u>\$ 83,277</u>	<u>\$ 62,688</u>	<u>\$ 58,511</u>
Net OPEB Liability - Ending (a) - (b)	<u>\$ 16,458</u>	<u>\$ 40,999</u>	<u>\$ 78,691</u>	<u>\$ 88,180</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	86.38%	67.01%	44.34%	39.89%
Covered-employee Payroll	\$ 67,557	\$ 68,894	\$ 71,520	\$ 79,417
Net OPEB Liability as a Percentage of Covered-Employee Payroll	24.36%	59.51%	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, 2018 through December 31, 2021.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Other Post Employment Benefit Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Total OPEB liability at December 31, 2021 is based on a rollforward of the January 1, 2021 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 2021, the mortality table was updated to MP-2020. Healthcare trend rate assumption updated to 2021 SOA Long-Run Medical Trend model and the post 65 initial trend rate set to -2.00%. In 2020, the investment rate of return was changed from 6.50% to 6.25%. In 2019, health care cost trends ultimate rate was changed to 3.94% in 2075. In 2018, health cost trends ultimate rate was changed to 3.84% in 2075. In 2019, the mortality table was changed to the public retirement plans mortality tables published by the SOA. The mortality table was updated for 2018 and 2017.

Required Supplementary Schedule – (Unaudited)
City of San Antonio
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended September 30,	Statutorily Determined Contribution	Contributions in Relation to the Statutorily Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2018	\$ 7,439	\$ 7,439	\$ -	\$ 375,931	1.98%
2019	7,111	7,111		393,916	1.81%
2020	5,874	5,874		398,863	1.47%
2021	5,938	5,938		393,758	1.51%
2022	25,088	6,666	18,422	454,555	1.47%

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 total OPEB liability for fiscal years-ended September 30, 2018 through September 30, 2022.

Required Supplementary Schedule – (Unaudited)**City of San Antonio****Schedule of Contributions – OPEB****Last Ten Fiscal Years (Continued)****NOTES TO SCHEDULE OF CONTRIBUTIONS****Valuation Date**

Notes Statutorily determined contribution is determined by the adopted OPEB funding policy, through adoption of the City's annual budget. The OPEB programs are funded on a pay-as-you-go basis.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal based on level percentages of projected salary.
Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 12.1 years starting on the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service).
Remaining Amortization Period	11.1 years
Asset Valuation Method	Fair Market Value

Actuarial assumptions:

Discount Rate	4.00% per annum (EOY)
Healthcare and Prescription Cost Trend Rates	Pre-65 Select 7.00% and Ultimate 4.00%; Post-65 Select 6.00% and Ultimate 4.00%; Stop Loss Fees Select 7.00% and Ultimate 4.00%; Administrative Fees Select 4.00% and Ultimate 4.00%
Salary Increase Rate	3.50% per annum
Mortality	PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

Required Supplementary Schedule – (Unaudited)
Retiree Health & Wellness San Antonio Fire and Police Fund
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended September 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2018	\$ 29,776	\$ 29,776	\$ -	\$ 313,951	9.48%
2019	33,987	33,987		324,430	10.48%
2020	38,656	38,656		343,799	11.24%
2021	41,204	41,204		347,112	11.87%
2022	46,098	46,098		369,110	12.49%

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, 2021.

Required Supplementary Schedule – (Unaudited)
Retiree Health & Wellness San Antonio Fire and Police Fund
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Statutorily determined contribution is using a January valuation date as of the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Period	21 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	6.25% for 2023 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 (not in thousands):

Biweekly Contributions:	
Active Members	\$208.00
City per Active Member	\$416.01
Monthly Contributions:	
Retirees with Less Than 30 Years of Service	\$468.01
Dependent Children	\$546.77

Required Supplementary Schedule – (Unaudited)
CPS Energy – Health Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended January 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2016	\$ -	\$ 8,806	\$ (8,806)	\$ 242,652	3.63%
2017		8,500	(8,500)	223,523	3.80%
2018				220,522	0.00%
2019				228,240	0.00%
2020				244,010	0.00%
2021				254,996	0.00%
2022				257,608	0.00%

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, 2022.

Required Supplementary Schedule – (Unaudited)**CPS Energy – Health Plan****Schedule of Contributions – OPEB****Last Ten Fiscal Years (Continued)****NOTES TO SCHEDULE OF CONTRIBUTIONS****Valuation Date**

Notes Actuarially determined contribution rates are calculated as of January 1, two years and one month prior to the end of the fiscal year in which contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent; layered periods
Remaining Amortization Period	27 years
Asset Valuation Method	Market value gains/losses recognized over five years.

Actuarial assumptions:

Inflation	2.20% for fiscal year 2022; 3.00% for fiscal year 2021; 2.30% for fiscal year 2020 and 3.00% prior years, compounded annually.
Investment Rate of Return	7.00% per year, compounded annually, for fiscal year 2022, 7.25% for fiscal years 2021 through 2019, 7.50% for fiscal year 2018 and 2017, 7.75% for previous years
Healthcare Cost Trend Rates	6.70% initial, decreasing to an ultimate rate of 3.80% for fiscal year 2022; 5.80% initial, decreasing to an ultimate rate of 4.00% for fiscal year 2021; 8.70% initial, decreasing to an ultimate rate of 4.10% for fiscal year 2020; 7.00% initial, decreasing to an ultimate rate of 5.00% for fiscal years 2019 and 2018; 7.50% initial, decreasing to an ultimate of 5.00% for fiscal years 2017 and 2016.
Prescription Cost Trend Rates	6.70% initial, decreasing to an ultimate rate of 3.80% for fiscal year 2022; 5.80% initial, decreasing to an ultimate rate of 4.00% for fiscal year 2021; 8.70% initial, decreasing to an ultimate rate of 4.10% for fiscal year 2020, 7.00% initial, decreasing to an ultimate rate of 5.00% for fiscal years 2019 and 2018, 8.50% initial, decreasing to an ultimate of 5.00% for fiscal years 2017 and 2016.
Salary Increases	Projected average annual base salary increases ranging from 3.20% to 11.47% for fiscal year 2022; 3.10% to 11.60% for fiscal years 2021 through 2019; ranging from 4.00% to 9.50% for previous years.
Mortality	Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with MP-2019 fiscal year 2021; RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Scale MP-2014 and projected with Mortality Improvement Scale MP-2017 (separate tables for males/females) for fiscal year 2020; Based on RP-2000 Combined Healthy, with No Collar Adjustment, Projected to 2020 using Scale BB for previous years; Male and Female Tables for Active and Retirees; Based on Pri-2012 Private Retirement Plans Disabled Mortality Table (headcount weighted) projected with Mortality Improvement Scale MP-2020 (adopted January 1, 2021).
Other Information	For fiscal year 2021, medical and dental costs and inflation (trend) were updated to reflect recent experience and future expectations. 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 year 2019 and 2018 claim costs were updated to reflect plan changes and to reflect recent experience. The medical and prescription trend was reset in fiscal year 2018. For fiscal year 2017 and 2016 claim costs were updated to reflect recent experience, and the medical and prescription trend was reset.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Life Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended January 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2016	\$ 561	\$ -	\$ 561	\$ 191,984	0.00%
2017	145		145	198,704	0.00%
2018	515		515	210,631	0.00%
2019	435		435	218,003	0.00%
2020				244,010	0.00%
2021				254,996	0.00%
2022	924		924	257,608	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, 2022.

Required Supplementary Schedule – (Unaudited)**CPS Energy – Life Plan****Schedule of Contributions – OPEB****Last Ten Fiscal Years (Continued)****NOTES TO SCHEDULE OF CONTRIBUTIONS****Valuation Date**

Notes Actuarially determined contribution rates are calculated as of January 1, two years and one month prior to the end of the fiscal year in which contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar; layered periods
Remaining Amortization Period	5 years
Asset Valuation Method	Market value gains/losses recognized over five years.

Actuarial assumptions:

Inflation	2.20% for fiscal year 2022; 3.00% for fiscal year 2021; 2.30% for fiscal year 2020 and 3.00% previous years presented per year, compounded annually.
Investment Rate of Return	7.00% per year, compounded annually, for fiscal year 2022; 7.25% for fiscal years 2021 through 2019, 7.50% for previous years.
Salary Increases	Projected average annual base salary increases from 3.20% to 11.47% for fiscal year 2022; 5.36% average for fiscal years 2021 and 2020; 4.54% average, including inflation for fiscal year 2019; 4.78% average, including inflation, in prior years.
Mortality	Based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with MP-2019; RP-2014 Mortality adjusted backwards to 2006 with MP-2014 and projected forward (fully generational) with MP-2018 for fiscal year 2021; RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Scale MP-2014 and projected with Mortality Improvement Scale MP-2017 (separate tables for males/females) for fiscal year 2020; RP-2000 Combined Healthy, with No Collar Adjustment, Projected to 2020 using Scale BB for fiscal year 2020. Male and Female Tables for Active and Retirees; Based on Pri-2012 Private Retirement Plans Disabled Mortality Table (headcount weighted) projected with Mortality Improvement Scale MP-2020 (adopted January 1, 2021).
Other Information	In fiscal years 2022 through 2019, the salary scale and mortality assumptions were changed to more properly reflect actual experience. There were no other changes in benefit terms, in the size of composition of the population covered by the benefit terms that significantly affected trends from year to year in the amounts reported above.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Disability Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended January 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2016	\$ 793	\$ 175	\$ 618	\$ 205,704	0.09%
2017	886	700	186	212,904	0.33%
2018	1,035	1,300	(265)	216,558	0.60%
2019	1,045	1,000	45	224,137	0.45%
2020	769	769		251,482	0.31%
2021	614	614		259,520	0.24%
2022	726	726		260,739	0.28%

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, 2022.

Required Supplementary Schedule – (Unaudited)**CPS Energy – Disability Plan****Schedule of Contributions – OPEB****Last Ten Fiscal Years (Continued)****NOTES TO SCHEDULE OF CONTRIBUTIONS****Valuation Date**

Notes Actuarially determined contribution rates are calculated as of January 1, two years and one month prior to the end of the fiscal year in which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar; layered periods
Remaining Amortization Period	5 years
Asset Valuation Method	Market value gains/losses recognized over five years.

Actuarial assumptions:

Inflation	2.20% for fiscal year 2022; 3.00% for fiscal year 2021; 2.30% for fiscal year 2020 and 3.00% prior years, compounded annually.
Investment Rate of Return	7.00% per year, compounded annually for fiscal year 2022; 7.25% for fiscal years 2021 through 2019; 7.50% for previous years.
Salary Increases	Projected average annual base salary increases from 3.20% to 11.47% for fiscal year 2022; 5.36% average for fiscal year 2021 and 2020; 4.72% average, including inflation for fiscal year 2019; 4.78% for prior years.
Mortality	Healthy mortality based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with MP-2019 Disabled mortality based on Pri-2012 Private Retirement Plans Disabled Mortality Table (headcount weighted) projected with Mortality Improvement Scale MP-2020 (adopted January 1, 2021). Healthy mortality based on RP-2014 Mortality adjusted backwards to 2006 with MP-2014 and projected forward (fully generational) with MP-2018 Disabled mortality based on 1987 Commissioners Group Disabled Life Mortality table for 2021.
Other Information	The annual investment rate of return underlying the calculation of total OPEB Liability was assumed to be 7.00% for fiscal year 2022 and 7.25% for fiscal years 2021 through 2019. A rate of 7.50% was assumed for the previous years presented. In fiscal years 2022 through 2019, the salary scale and mortality assumptions were also changed to more properly reflect actual experience. During fiscal year 2016, plan changes to provide employees with immediate coverage and an option to increase the benefit from 50.00% of pay to 70.00% of pay, less Social Security Disability Benefits and other offsets were reflected in the valuation.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Other Post Employment Benefit Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
2017	\$ 11,416	\$ 13,709	\$ (2,293)	\$ 79,417	17.26%
2018	11,392	15,308	(3,916)	78,348	19.54%
2019	10,407	13,811	(3,404)	68,894	20.05%
2020	6,339	13,641	(7,302)	67,557	20.19%

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 and December 31, 2020.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Other Post Employment Benefit Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contribution rates are calculated as of January 1, of the year in which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Actuarial Value of Assets	Market Value
Remaining Amortization Period	13 years - Closed.

Actuarial assumptions:

Inflation	2.50% for 2020; 2.40% for 2019; and 2.50% for 2018
Investment Rate of Return	In 2020, the investment rate of return was changed to 6.25% from 6.50%
Salary Increases	Scale based on 2011 – 2013 SAWS experience, 3.75% to 9.00%, varies by age.
Mortality	In 2021, the mortality rate was based on PubG-2010 General base rate mortality table projected to future years with historical and assumed mortality improvement rates that were issued by the SOA. PubG-2010 is the baseline mortality rate table underlying the SOA Pub-2010 experience study published in January 2019. The mortality improvement scale is based on MP-2020 published in October 2020. In 2020, the mortality rate was based on PubG-2010 General base rate mortality table projected to future years with historical and assumed mortality improvement rates that were issued by the SOA. PubG-2010 is the baseline mortality rate table underlying the SOA Pub-2010 experience study published in January 2019. The mortality improvement scale is based on MP-2019 published in October 2019. Mortality rates for the 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. Previously, the RP-2014 mortality tables for Healthy Employee/Annuitant updated annually were used.
Healthcare Cost Trend Rates	Pre-65 initial trend is 6.00%; Post-65 trend is -2.00%. Ultimate trend rate 2020 - 4.04%, 2019 – 3.94%, 2018 – 3.84%

COMBINING FINANCIAL STATEMENTS

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, 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.

READY TO WORK – to account for revenues and expenditures relating to a ⅛ cent sales tax to develop and implement programs for job training and increase access to quality jobs.

RIGHT OF WAYS – to account for funds used in the maintenance and improvement of right of ways. Financing is provided by street resurfacing charges.

SAN ANTONIO HOUSING TRUST – to account for funds utilized in programs administered by the San Antonio Housing Trust Foundation. Financing is provided from investment earnings that were designated from the sale of Roger's Cable System.

STORMWATER OPERATIONS – to account for the administrative and operational activities of the Stormwater Program. Financing is provided by a storm water fee.

TAX INCREMENT REINVESTMENT ZONE – to account for all revenues and expenditures associated with the operations of Tax Increment Reinvestment Zones (TIRZ) and the Tax Increment Financing Fund (TIF). Financing is provided by property taxes contributed from the City and other participating jurisdictions.

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

OTHER SPECIAL REVENUES (Continued)

PARKS ENVIRONMENTAL & SANITATION – to account for the administrative and operational activities of the Parks Environmental Program. Financing is provided by a parks environmental fee.

BLENDED COMPONENT UNITS

CONVENTION CENTER HOTEL FINANCE CORP (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. The Convention Center Hotel Finance Corporation (CCHFC) was dissolved in 2022.

SAN ANTONIO EARLY CHILDHOOD EDUCATION MUNICIPAL DEVELOPMENT CORPORATION (ECEMDC) – was established to account for the establishment and operation of full day Pre-K education for City resident's; provide quality training to teachers; and grant awards for expansion of Pre-K operations in their facilities. Financing is derived from a ⅛ cent sales tax approved by voters on November 6, 2012 and extended by voters on November 3, 2020. Additionally, SA: Ready to Work was established to ensure that unemployed, underemployed, or underserved residents can access and successfully complete training and education that lead to current and anticipated high demand, well-paid careers. Financing is derived from a ⅛ cent sales tax approved by voters on November 3, 2020.

SAN ANTONIO EDUCATION FACILITIES CORPORATION (EFC) – was established in accordance with state laws for the purpose of aiding nonprofit institutions of higher education in providing educational, housing, and other related facilities.

SAN ANTONIO HEALTH FACILITIES DEVELOPMENT CORPORATION (HFDC) – was established in accordance with state laws for the purpose of acquiring, constructing, improving, providing, financing, and refinancing for any real, personal, or mixed property for health care, research, and education, and to assist in the maintenance of the public health.

SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY (IDA) – was established in accordance with state laws for the purpose of furthering the promotion and development of commercial, industrial, and manufacturing enterprises to promote and encourage employment and the public welfare.

MUNICIPAL GOLF ASSOCIATION – SAN ANTONIO (MGA-SA) – was established for the purpose of, and to act on behalf of the City in, operating and promoting its municipal golf facilities.

SAN ANTONIO TEXAS MUNICIPAL FACILITIES CORPORATION (TMFC) – was established to account for the financing for the acquisition and construction of a One Stop Development Services Center, a Fire and Police Emergency Dispatch Center, also known as the Public Safety Answering Point (PSAP) facility, the City Tower renovation for City employee offices, 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 and Notes.

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

BLENDED COMPONENT UNITS (Continued)

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 and 2022 Lease Revenue Refunding and Improvement Bonds.

HEMISFAIR PARK AREA REDEVELOPMENT CORPORATION (HPARC) – was established by the City in August 2009 for the purpose of aiding and acting on behalf of the City to assist with acquiring property, planning, developing, constructing, managing, maintaining, and financing projects within Hemisfair Park and adjacent to or near Hemisfair Park.

URBAN RENEWAL AGENCY (OUR SA) – OUR SA is responsible for implementing the City's Urban Renewal Program. Financing is provided from the City as well as the sale of redeveloped real estate.

VISIT SAN ANTONIO (VSA) – was established to attract leisure visitors to the City, and attract and secure meetings, events, and conventions to the City, including but not limited to, the Henry B. Gonzalez Convention Center and other City-owned facilities.

CITY OF SAN ANTONIO, TEXAS MUNICIPAL COUNCIL AIDES CORPORATION (COUNCIL AIDES) – was established for the purpose of assisting council members in the performance of their official public duties as members of the City Council of the City of San Antonio.

Capital Projects Funds

GENERAL OBLIGATION BONDS

GENERAL OBLIGATION BONDS – to account for financial resources to be used for the acquisition or construction of 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.

Nonmajor Governmental Funds

Capital Project Funds (Continued)

GENERAL OBLIGATION BONDS (Continued)

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.

2022 GENERAL OBLIGATION BONDS – a bond election held on August 9, 2022 approved \$1.2 billion in physical infrastructure development and improvement projects. These projects were within five areas; streets, bridges, and sidewalks; drainage and flood control; parks and recreation; library and cultural facilities; and public safety facilities.

GENERAL 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 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-2017 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold between the years of 2006 to 2016 for construction of municipal facilities, library, streets and street lighting, drainage, parks and infrastructure, police, emergency fire protection projects, 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.

2020 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2020 for improvements to the City’s Alamodome, Witte Museum, streets, bridges, drainage, and sidewalks; parks infrastructure; libraries; and public facilities.

2021 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2021 for improvements to streets, and sidewalks; drainage and flood control, parks, recreation, and open spaces; library and cultural facilities; public safety facilities; and paying the costs of issuance for the 2021 Bonds.

2022 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2022 for improvements to municipal facilities; streets, sidewalks and drainage; parks and recreation; and funding for capital contingency.

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.

Nonmajor Governmental Funds

Capital Projects Funds (Continued)

OTHER CAPITAL PROJECTS

IMPROVEMENT PROJECTS – to account for special capital improvements designated by City Council. Financing is derived from contributions from other funds and notes payables issued.

MUNICIPAL DRAINAGE UTILITY SYSTEM – to account for financial resources to be used to finance the costs of drainage improvements, including the acquisition, construction, and repair of structures, equipment and facilities for the City's Municipal Drainage Utility System. Financing is derived from the prior sale of City of San Antonio, Texas Municipal Drainage Utility System Revenue Bonds.

TAX & REVENUE NOTES – to account for capital projects where funding is derived from the sale of short-term tax and revenue notes.

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, 2022

(In Thousands)

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Assets:				
Cash and Cash Equivalents	\$ 56,161	\$ 69	\$ -	\$ 56,230
Investments	105,917	269		106,186
Receivables, Net	2,314	1		2,315
Materials and Supplies, at Cost	76			76
Prepaid Expenditures	885			885
Lease Receivable	9,388			9,388
Due From Other Funds	2,615			2,615
Due From Other Governmental Agencies, Net	221			221
Restricted Assets:				
Cash and Cash Equivalents	211,478	118,714	1,415	331,607
Investments	246,704	296,499	5,500	548,703
Receivables, Net	103,399	4,010	283	107,692
Materials and Supplies, at Cost	3,381			3,381
Deposits	1			1
Prepaid Expenditures	2,820			2,820
Lease Receivable	41,764			41,764
Due From Other Funds	9,732	18,623		28,355
Due From Other Governmental Agencies, Net	36,951	10,194		47,145
Total Assets	\$ 833,807	\$ 448,379	\$ 7,198	\$ 1,289,384
Liabilities and Fund Balances:				
Liabilities:				
Vouchers Payable	\$ 1,670	\$ -	\$ -	\$ 1,670
Accounts Payable - Other	21,228			21,228
Accrued Payroll	82			82
Unearned Revenue	429			429
Liabilities Payable From Restricted Assets:				
Vouchers Payable	13,364	52,967	11	66,342
Accounts Payable - Other	18,553	15,950	2	34,505
Accrued Payroll	2,123	6	1	2,130
Accrued Leave Payable	302			302
Unearned Revenue	11,977	191		12,168
Due To Other Funds	64,210			64,210
Due To Other Governmental Agencies	374			374
Total Liabilities	134,312	69,114	14	203,440
Deferred Inflows of Resources	142,757	557		143,314
Fund Balances (Deficits):				
Nonspendable	7,163		6,402	13,565
Restricted	386,862	382,910	789	770,561
Committed	173,961	339		174,300
Assigned	17,647			17,647
Unassigned	(28,895)	(4,541)	(7)	(33,443)
Total Fund Balances (Deficits)	556,738	378,708	7,184	942,630
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 833,807	\$ 448,379	\$ 7,198	\$ 1,289,384

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year-Ended September 30, 2022

(In Thousands)

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:				
Taxes:				
Property	\$ 41,844	\$ -	\$ -	\$ 41,844
General Sales and Use	118,931			118,931
Gross Receipts Business	2,241			2,241
Occupancy	103,044			103,044
Penalties and Interest on Delinquent Taxes	491			491
Intergovernmental	206,212	52,767		258,979
Charges for Services	154,695		1,289	155,984
Fines and Forfeits	222			222
Miscellaneous	71,983	12		71,995
Investment (Loss)	(3,664)	(2,154)	(64)	(5,882)
Contributions	48,969	11,773		60,742
Total Revenues	744,968	62,398	1,225	808,591
Expenditures:				
Current:				
General Government	14,248			14,248
Public Safety	25,726			25,726
Public Works	71,675			71,675
Health Services	31,275			31,275
Sanitation	11,280			11,280
Welfare	148,225			148,225
Culture and Recreation	63,300		199	63,499
Convention and Tourism	67,475			67,475
Urban Redevelopment and Housing	21,627			21,627
Education	79,596			79,596
Economic Development and Opportunity	41,080			41,080
Environmental	88			88
Capital Outlay		441,722		441,722
Debt Service:				
Principal Retirement	8,679			8,679
Interest	24,321			24,321
Issuance Costs	2,107	1,938		4,045
Leases:				
Principal Retirement	2,546			2,546
Interest	725			725
Total Expenditures	613,973	443,660	199	1,057,832
Excess (Deficiency) of Revenue Over (Under) Expenditures	130,995	(381,262)	1,026	(249,241)
Other Financing Sources (Uses):				
Issuance of Long-Term Debt	27,326	285,940		313,266
Refunding Debt Issued	265,875			265,875
Payments to Refunded Bond Escrow Agent	(297,558)			(297,558)
Issuance of Lease Liabilities	11,330			11,330
Premium on Long-Term Debt	36,784	17,619		54,403
Transfers In	268,622	449,182		717,804
Transfers Out	(414,075)	(149,075)		(563,150)
Total Other Financing Sources (Uses), Net	(101,696)	603,666		501,970
Net Change in Fund Balances	29,299	222,404	1,026	252,729
Fund Balances, October 1	527,439	156,304	6,158	689,901
Fund Balances, September 30	\$ 556,738	\$ 378,708	\$ 7,184	\$ 942,630

Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
As of September 30, 2022
(In Thousands)

	<u>GRANTS</u>	<u>OTHER SPECIAL REVENUES</u>	<u>BLENDED COMPONENT UNITS</u>	<u>TOTAL NONMAJOR SPECIAL REVENUE FUNDS</u>
Assets:				
Cash and Cash Equivalents	\$ -	\$ 46,723	\$ 9,438	\$ 56,161
Investments		105,767	150	105,917
Receivables, Net		1,782	532	2,314
Materials and Supplies, at Cost			76	76
Prepaid Expenditures			885	885
Lease Receivable		9,388		9,388
Due From Other Funds		2,615		2,615
Due From Other Governmental Agencies, Net		221		221
Restricted Assets:				
Cash and Cash Equivalents	5,568	60,799	145,111	211,478
Investments	12,093	229,218	5,393	246,704
Receivables, Net	38,727	63,005	1,667	103,399
Materials and Supplies, at Cost	717	226	2,438	3,381
Deposits		1		1
Prepaid Expenditures		2,792	28	2,820
Lease Receivable	794	34,808	6,162	41,764
Due From Other Funds		694	9,038	9,732
Due From Other Governmental Agencies, Net	34,770	2,181		36,951
Total Assets	<u>\$ 92,669</u>	<u>\$ 560,220</u>	<u>\$ 180,918</u>	<u>\$ 833,807</u>
Liabilities and Fund Balances (Deficits):				
Liabilities:				
Vouchers Payable	\$ -	\$ 952	\$ 718	\$ 1,670
Accounts Payable - Other		20,724	504	21,228
Accrued Payroll		82		82
Unearned Revenue			429	429
Liabilities Payable From Restricted Assets:				
Vouchers Payable	6,375	6,696	293	13,364
Accounts Payable - Other	3,800	10,907	3,846	18,553
Accrued Payroll	519	1,463	141	2,123
Accrued Leave Payable			302	302
Unearned Revenue	11,365	609	3	11,977
Due To Other Funds	26,825	18,929	18,456	64,210
Due To Other Governmental Agencies	335	39		374
Total Liabilities	<u>49,219</u>	<u>60,401</u>	<u>24,692</u>	<u>134,312</u>
Deferred Inflows of Resources	<u>65,440</u>	<u>70,408</u>	<u>6,909</u>	<u>142,757</u>
Fund Balances (Deficits):				
Nonspendable	717	3,019	3,427	7,163
Restricted	3,955	254,664	128,243	386,862
Committed		173,961		173,961
Assigned			17,647	17,647
Unassigned	(26,662)	(2,233)		(28,895)
Total Fund Balances (Deficits)	<u>(21,990)</u>	<u>429,411</u>	<u>149,317</u>	<u>556,738</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 92,669</u>	<u>\$ 560,220</u>	<u>\$ 180,918</u>	<u>\$ 833,807</u>

CITY OF SAN ANTONIO, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds - Special Revenue Funds

Year-Ended September 30, 2022

(In Thousands)

	GRANTS	OTHER SPECIAL REVENUES	BLENDED COMPONENT UNITS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
Revenues:				
Taxes:				
Property	\$ -	\$ 41,844	\$ -	\$ 41,844
General Sales and Use		118,931		118,931
Gross Receipts Business		2,241		2,241
Occupancy		103,044		103,044
Penalties and Interest on Delinquent Taxes		491		491
Intergovernmental	174,947	24,231	7,034	206,212
Charges for Services	288	134,784	19,623	154,695
Fines and Forfeits		222		222
Miscellaneous	4,128	60,706	7,149	71,983
Investment Earnings (Loss)	(117)	(3,705)	158	(3,664)
Contributions	22,675	19,148	7,146	48,969
Total Revenues	201,921	501,937	41,110	744,968
Expenditures:				
Current:				
General Government	788	6,504	6,956	14,248
Public Safety	14,303	11,423		25,726
Public Works	10,876	60,799		71,675
Health Services	18,778	12,497		31,275
Sanitation		11,280		11,280
Welfare	148,179	46		148,225
Culture and Recreation	184	47,110	16,006	63,300
Convention and Tourism		38,416	29,059	67,475
Urban Redevelopment and Housing	19,550	1,180	897	21,627
Education		33,175	46,421	79,596
Economic Development and Opportunity		36,736	4,344	41,080
Environmental		88		88
Debt Service:				
Principal Retirement			8,679	8,679
Interest		17	24,304	24,321
Issuance Costs			2,107	2,107
Leases:				
Principal Retirement	1,953	246	347	2,546
Interest	266	6	453	725
Total Expenditures	214,877	259,523	139,573	613,973
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,956)	242,414	(98,463)	130,995
Other Financing Sources (Uses):				
Issuance of Long-Term Debt			27,326	27,326
Refunding Debt Issued			265,875	265,875
Payments to Refunded Bond Escrow Agent			(297,558)	(297,558)
Issuance of Lease Liabilities	9,460	510	1,360	11,330
Premium/(Discount) on Long-Term Debt			36,784	36,784
Transfers In	4,619	110,074	153,929	268,622
Transfers Out	(11,422)	(318,852)	(83,801)	(414,075)
Total Other Financing Sources (Uses), Net	2,657	(208,268)	103,915	(101,696)
Net Change in Fund Balances	(10,299)	34,146	5,452	29,299
Fund Balances (Deficits), October 1	(11,691)	395,265	143,865	527,439
Fund Balances (Deficits), September 30	\$ (21,990)	\$ 429,411	\$ 149,317	\$ 556,738

Combining Balance Sheet
Nonmajor Governmental Funds - Grants
As of September 30, 2022

(In Thousands)

	CATEGORICAL GRANT-IN AID	COMMUNITY DEVELOPMENT PROGRAM	CONFISCATED PROPERTY	HOME PROGRAM	TOTAL NONMAJOR GRANTS
Assets:					
Restricted Assets:					
Cash and Cash Equivalents	\$ 2,759	\$ 420	\$ 815	\$ 1,574	\$ 5,568
Investments	1,596	1,240	3,164	6,093	12,093
Receivables, Net	131	8,906	6	29,684	38,727
Materials and Supplies, at Cost	717				717
Lease Receivable		794			794
Due From Other Governmental Agencies, Net	32,368	2,402			34,770
Total Assets	\$ 37,571	\$ 13,762	\$ 3,985	\$ 37,351	\$ 92,669
Liabilities and Fund Balances (Deficits):					
Liabilities:					
Liabilities Payable From Restricted Assets:					
Vouchers Payable	\$ 4,470	\$ 1,491	\$ 22	\$ 392	\$ 6,375
Accounts Payable - Other	3,269	442	8	81	3,800
Accrued Payroll	461	50		8	519
Unearned Revenue	2,913	1,097		7,355	11,365
Due To Other Funds	25,620	1,205			26,825
Due To Other Governmental Agencies	335				335
Total Liabilities	37,068	4,285	30	7,836	49,219
Deferred Inflows of Resources	26,218	9,707		29,515	65,440
Fund Balances (Deficits):					
Nonspendable	717				717
Restricted			3,955		3,955
Unassigned	(26,432)	(230)			(26,662)
Total Fund Balances (Deficits)	(25,715)	(230)	3,955		(21,990)
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 37,571	\$ 13,762	\$ 3,985	\$ 37,351	\$ 92,669

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds - Grants

Year-Ended September 30, 2022

(In Thousands)

	CATEGORICAL GRANT-IN AID	COMMUNITY DEVELOPMENT PROGRAM	CONFISCATED PROPERTY	HOME PROGRAM	TOTAL NONMAJOR GRANTS
Revenues:					
Intergovernmental	\$ 160,603	\$ 11,761	\$ 756	\$ 1,827	\$ 174,947
Charges for Services		288			288
Miscellaneous	592	2,665	45	826	4,128
Investment (Loss)		(17)	(35)	(65)	(117)
Contributions	19,390			3,285	22,675
Total Revenues	180,585	14,697	766	5,873	201,921
Expenditures:					
Current:					
General Government	788				788
Public Safety	13,792		511		14,303
Public Works	10,876				10,876
Health Services	18,778				18,778
Welfare	146,735	1,444			148,179
Culture and Recreation	59	125			184
Urban Redevelopment and Housing	512	13,165		5,873	19,550
Leases:					
Principal Retirement	1,953				1,953
Interest	266				266
Total Expenditures	193,759	14,734	511	5,873	214,877
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,174)	(37)	255		(12,956)
Other Financing Sources (Uses):					
Issuance of Lease Liabilities	9,460				9,460
Transfers In	4,619				4,619
Transfers Out	(10,965)	(457)			(11,422)
Total Other Financing Sources (Uses), Net	3,114	(457)			2,657
Net Change in Fund Balances	(10,060)	(494)	255		(10,299)
Fund Balances (Deficits), October 1	(15,655)	264	3,700		(11,691)
Fund Balances (Deficits), September 30	\$ (25,715)	\$ (230)	\$ 3,955	\$ -	\$ (21,990)

Combining Balance Sheet
Nonmajor Governmental Funds - Other Special Revenues
As of September 30, 2022
(In Thousands)

	ADVANCED TRANSPORTATION DISTRICT	COMMUNITY AND VISITOR FACILITIES	COMMUNITY SERVICES	HOTEL/MOTEL 2% REVENUE	PARKS DEVELOPMENT AND EXPANSION	EARLY EDUCATION DEVELOPMENT	READY TO WORK	RIGHT OF WAYS	SAN ANTONIO HOUSING TRUST	STORMWATER OPERATIONS	TAX INCREMENT REINVESTMENT ZONE	PARKS ENVIRONMENTAL AND SANITATION	TOTAL OTHER NONMAJOR SPECIAL REVENUES
Assets:													
Cash and Cash Equivalents	\$ -	\$ 46,433	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 290	\$ -	\$ -	\$ -	\$ 46,723
Investments		95,496							10,271				105,767
Receivables, Net		1,414							368				1,782
Lease Receivable		9,388											9,388
Due From Other Funds		2,615											2,615
Due From Other Governmental Agencies, Net		221											221
Restricted Assets:													
Cash and Cash Equivalents		765	23,029	1,335	8,140			1,375		12,187	10,083	234	60,799
Investments	14,357	2,793	85,185		34,200			5,338		47,545	38,855	945	229,218
Receivables, Net	4,043	6,889	28,433	1,508	74	8,183	8,183	487		4,081	231	893	63,005
Materials and Supplies, at Cost		60	127							39			226
Deposits			1										1
Prepaid Expenditures			2,792										2,792
Lease Receivable		22,304	12,504										34,808
Due From Other Funds				694									694
Due From Other Governmental Agencies		17	1,468					261			435		2,181
Total Assets	\$ 22,051	\$ 188,395	\$ 153,539	\$ 3,537	\$ 42,414	\$ 8,183	\$ 8,183	\$ 7,461	\$ 10,929	\$ 63,852	\$ 49,604	\$ 2,072	\$ 560,220
Liabilities and Fund Balances:													
Liabilities:													
Vouchers Payable	\$ -	\$ 952	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 952
Accounts Payable - Other		20,724											20,724
Accrued Payroll		82											82
Liabilities Payable From Restricted Assets:													
Vouchers Payable	26	818	3,613				1	5		212	1,951	70	6,696
Accounts Payable - Other	66	7,021	1,544			620	31	68		490	473	594	10,907
Accrued Payroll	45	226	229			493	20	49		286	9	106	1,463
Unearned Revenue		113	174			161	161						609
Due To Other Funds		694	741	2,615		6,909	7,970						18,929
Due To Other Governmental Agencies		39											39
Total Liabilities	137	30,669	6,301	2,615		8,183	8,183	122		988	2,433	770	60,401
Deferred Inflows of Resources		31,697	38,711										70,408
Fund Balances:													
Nonspendable		60	2,920							39			3,019
Restricted	21,914	1,477	69,300	922	42,414			7,339		62,825	47,171	1,302	254,664
Committed		124,492	38,540						10,929				173,961
Unassigned			(2,233)										(2,233)
Total Fund Balances	21,914	126,029	108,527	922	42,414			7,339	10,929	62,864	47,171	1,302	429,411
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 22,051	\$ 188,395	\$ 153,539	\$ 3,537	\$ 42,414	\$ 8,183	\$ 8,183	\$ 7,461	\$ 10,929	\$ 63,852	\$ 49,604	\$ 2,072	\$ 560,220

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds - Other Special Revenues

Year-Ended September 30, 2022

(In Thousands)

	ADVANCED TRANSPORTATION DISTRICT	COMMUNITY AND VISITOR FACILITIES	COMMUNITY SERVICES	HOTEL/MOTEL 2% REVENUE	PARKS DEVELOPMENT AND EXPANSION	EARLY EDUCATION DEVELOPMENT	READY TO WORK	RIGHT OF WAYS	SAN ANTONIO HOUSING TRUST	STORMWATER OPERATIONS	TAX INCREMENT REINVESTMENT ZONE	PARKS ENVIRONMENTAL AND SANITATION	TOTAL OTHER NONMAJOR SPECIAL REVENUES
Revenues:													
Taxes:													
Property	\$ -	\$ -	\$ 4,982	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 36,862	\$ -	\$ 41,844
General Sales and Use	23,637					47,647	47,647						118,931
Gross Receipts Business			2,241										2,241
Occupancy		72,358	10,015	20,671									103,044
Penalties and Interest on Delinquent Taxes		382		109									491
Intergovernmental		18,276	5,955										24,231
Charges for Services		32,560	23,520					4,735		63,013		10,956	134,784
Fines and Forfeits			222										222
Miscellaneous		5,272	11,090	10,450		31,731	1,817		331	11		4	60,706
Investment (Loss)	(184)	(916)	(883)	(120)	(500)		(1)	(58)		(538)	(493)	(12)	(3,705)
Contributions			19,133								15		19,148
Total Revenues	23,453	127,932	76,275	31,110	(500)	79,378	49,463	4,677	331	62,486	36,384	10,948	501,937
Expenditures:													
Current:													
General Government			6,504										6,504
Public Safety			11,423										11,423
Public Works	6,187		10,142					3,525		40,945			60,799
Health Services			12,497										12,497
Sanitation												11,280	11,280
Welfare			46										46
Culture and Recreation		29,858	17,252										47,110
Convention and Tourism		28,357	10,058	1									38,416
Urban Redevelopment and Housing			569						611				1,180
Education			110			31,074	1,991						33,175
Economic Development and Opportunity			5,859								30,877		36,736
Environmental			88										88
Debt Service:													
Interest		17											17
Leases:													
Principal Retirement		13	226					2		5			246
Interest			6										6
Total Expenditures	6,187	58,245	74,780	1		31,074	1,991	3,527	611	40,950	30,877	11,280	259,523
Excess of Revenues Over (Under) Expenditures	17,266	69,687	1,495	31,109	(500)	48,304	47,472	1,150	(280)	21,536	5,507	(332)	242,414
Other Financing Sources (Uses):													
Issuance of Lease Liabilities		57	421					7		25			510
Transfers In		46,667	24,188	39,219									110,074
Transfers Out	(16,673)	(70,108)	(6,464)	(72,699)	(31,614)	(48,304)	(47,472)	(166)		(16,169)	(9,183)		(318,852)
Total Other Financing Sources (Uses), Net	(16,673)	(23,384)	18,145	(33,480)	(31,614)	(48,304)	(47,472)	(159)		(16,144)	(9,183)		(208,268)
Net Change in Fund Balances	593	46,303	19,640	(2,371)	(32,114)			991	(280)	5,392	(3,676)	(332)	34,146
Fund Balances, October 1	21,321	79,726	88,887	3,293	74,528			6,348	11,209	57,472	50,847	1,634	395,265
Fund Balances, September 30	\$ 21,914	\$ 126,029	\$ 108,527	\$ 922	\$ 42,414	\$ -	\$ -	\$ 7,339	\$ 10,929	\$ 62,864	\$ 47,171	\$ 1,302	\$ 429,411

Combining Balance Sheet

Nonmajor Governmental Funds - Blended Component Units

As of September 30, 2022

(In Thousands)

	CONVENTION CENTER HOTEL FINANCE CORP.	SAN ANTONIO EARLY CHILDHOOD EDUCATION MUNICIPAL DEVELOPMENT CORP.	SAN ANTONIO EDUCATION FACILITIES CORP.	SAN ANTONIO HEALTH FACILITIES DEVELOPMENT CORP.	SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY	MUNICIPAL GOLF ASSOCIATION SAN ANTONIO	SAN ANTONIO TEXAS MUNICIPAL FACILITIES CORP.	STARBRIGHT INDUSTRIAL DEVELOPMENT CORP.	SAN ANTONIO ECONOMIC DEVELOPMENT CORP.	TEXAS PUBLIC FACILITIES CORP.	HEMISFAIR PARK AREA REDEVELOPMENT CORP.	URBAN RENEWAL AGENCY (OUR SA)	VISIT SAN ANTONIO	COUNCIL AIDES	TOTAL NONMAJOR BLENDED COMPONENT UNITS
Assets:															
Cash and Cash Equivalents	\$ -	\$ -	\$ 258	\$ 7	\$ 29	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 39	\$ 9,105	\$ -	\$ 9,438
Investments												150			150
Receivables, Net													532		532
Materials and Supplies, at Cost												3	73		76
Prepaid Expenditures													885		885
Restricted Assets:															
Cash and Cash Equivalents		71,818				6,726	32,655	285	1,622	30,001	1,321	558		125	145,111
Investments									700		2,048	2,164		481	5,393
Receivables, Net		1,057				132	28		168	23	112	147			1,667
Materials and Supplies, at Cost						341						2,097			2,438
Prepaid Expenditures						20		3			5				28
Lease Receivable											6,162				6,162
Due From Other Funds		9,038													9,038
Total Assets	\$ -	\$ 81,913	\$ 258	\$ 7	\$ 29	\$ 7,219	\$ 32,683	\$ 288	\$ 2,490	\$ 30,024	\$ 9,648	\$ 5,158	\$ 10,595	\$ 606	\$ 180,918
Liabilities and Fund Balances:															
Liabilities:															
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 714	\$ -	\$ 718
Accounts Payable - Other													504		504
Unearned Revenue													429		429
Liabilities Payable From Restricted Assets:															
Vouchers Payable		261										32			293
Accounts Payable - Other		2,882				658					124			182	3,846
Accrued Payroll											19			122	141
Accrued Leave Payable														302	302
Unearned Revenue											3				3
Due To Other Funds							18,456								18,456
Total Liabilities		3,143				658	18,456				146	36	1,647	606	24,692
Deferred Inflows of Resources								840			6,069				6,909
Fund Balances:															
Nonspendable						361		3			5	2,100	958		3,427
Restricted		78,770					14,227	285			2,103	2,834			128,243
Assigned			258	7	29	6,200			1,650	30,024	1,325	188	7,990		17,647
Total Fund Balances		78,770	258	7	29	6,561	14,227	288	1,650	30,024	3,433	5,122	8,948		149,317
Total Liabilities and Fund Balances	\$ -	\$ 81,913	\$ 258	\$ 7	\$ 29	\$ 7,219	\$ 32,683	\$ 288	\$ 2,490	\$ 30,024	\$ 9,648	\$ 5,158	\$ 10,595	\$ 606	\$ 180,918

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Blended Component Units
 Year-Ended September 30, 2022
 (In Thousands)

	SAN ANTONIO EARLY CHILDHOOD		SAN ANTONIO HEALTH FACILITIES		SAN ANTONIO INDUSTRIAL DEVELOPMENT		SAN ANTONIO MUNICIPAL GOLF ASSOCIATION		SAN ANTONIO TEXAS MUNICIPAL FACILITIES		SAN ANTONIO STARBRIGHT INDUSTRIAL DEVELOPMENT		SAN ANTONIO ECONOMIC DEVELOPMENT		TEXAS PUBLIC FACILITIES		HEMISFAIR PARK AREA REDEVELOPMENT		URBAN RENEWAL AGENCY (OUR SA)		VISIT SAN ANTONIO		COUNCIL AIDES		TOTAL NONMAJOR BLENDED COMPONENT UNITS		
	CONVENTION CENTER HOTEL FINANCE CORP.	EDUCATION MUNICIPAL DEVELOPMENT CORP.	SAN ANTONIO EDUCATION FACILITIES CORP.	SAN ANTONIO HEALTH FACILITIES DEVELOPMENT CORP.	SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY	MUNICIPAL GOLF ASSOCIATION SAN ANTONIO	SAN ANTONIO TEXAS MUNICIPAL FACILITIES CORP.	STARBRIGHT INDUSTRIAL DEVELOPMENT CORP.	SAN ANTONIO ECONOMIC DEVELOPMENT CORP.	TEXAS PUBLIC FACILITIES CORP.	HEMISFAIR PARK AREA REDEVELOPMENT CORP.	URBAN RENEWAL AGENCY (OUR SA)	VISIT SAN ANTONIO	COUNCIL AIDES	TOTAL NONMAJOR BLENDED COMPONENT UNITS												
Revenues:																											
Intergovernmental	\$ -	\$ 7,034	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,034
Charges for Services			20			18,459											1,144										19,623
Miscellaneous		1,393				15										2,339											7,149
Investment Earnings (Loss)		119								26		2				23											158
Contributions	6,432																										7,146
Total Revenues	6,432	8,546	20			18,474				26		2			715	23		3,491		664		2,717				41,110	
Expenditures:																											
Current:																											
General Government																											6,956
Culture and Recreation																											16,006
Convention and Tourism	8,155					16,006																					29,059
Urban Redevelopment and Housing																											897
Education		46,421																									46,421
Economic Development and Opportunity																											4,344
Debt Service:																											
Principal Retirement																											8,679
Interest	4,231					882				1,075		1,035				5,540					147						24,304
Issuance Costs						70				3,845		623				15,535											2,107
Leases:																											
Principal Retirement		281																									347
Interest		242																									453
Total Expenditures	12,386	46,944				16,958				4,921		1,662			1,198	23,182		3,565		897		20,904		6,956		139,573	
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,954)	(38,398)	20			1,516				(4,895)		(1,660)			(483)	(23,159)		(74)		(233)		(18,187)		(6,956)		(98,463)	
Other Financing Sources (Uses):																											
Issuance of Long-Term Debt																											27,326
Refunding Debt Issued																											265,875
Payments to Refunded Bond Escrow Agent																											(297,558)
Issuance of Lease Liabilities																											1,360
Premium/(Discount) on Long-Term Debt		1,353																									36,784
Transfers In		93,458																									153,929
Transfers Out																											(83,801)
Total Other Financing Sources (Uses), Net		94,811				(592)				(74,277)		1,662			850	53,182		187		3,449		17,710		6,956		103,915	
Net Change in Fund Balances	(5,954)	56,413	20			924				(79,172)		2			367	30,023		113		3,193		(477)				5,452	
Fund Balances, October 1	5,954	22,357	238	7	29	5,637	93,399	286	1,283	1	3,320	9,425														143,865	
Fund Balances, September 30	\$ -	\$ 78,770	\$ 258	\$ 7	\$ 29	\$ 6,561	\$ 14,227	\$ 288	\$ 1,650	\$ 30,024	\$ 3,433	\$ 5,122	\$ 8,948	\$ -	\$ 149,317												

Combining Balance Sheet
Nonmajor Governmental Funds - Capital Projects
As of September 30, 2022

(In Thousands)

	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION	OTHER CAPITAL PROJECTS	TOTAL CAPITAL PROJECTS
Assets:				
Cash and Cash Equivalents	\$ -	\$ -	\$ 69	\$ 69
Investments			269	269
Receivables, Net			1	1
Restricted Assets:				
Cash and Cash Equivalents	61,964	42,824	13,926	118,714
Investments	158,580	106,294	31,625	296,499
Receivables, Net	3,222	315	473	4,010
Due From Other Funds			18,623	18,623
Due From Other Governmental Agencies, Net	6,482	2,485	1,227	10,194
Total Assets	\$ 230,248	\$ 151,918	\$ 66,213	\$ 448,379
Liabilities and Fund Balances:				
Liabilities:				
Liabilities Payable From Restricted Assets:				
Vouchers Payable	\$ 23,283	\$ 7,710	\$ 21,974	\$ 52,967
Accounts Payable - Other	7,112	281	8,557	15,950
Accrued Payroll	3	2	1	6
Unearned Revenue	185		6	191
Total Liabilities	30,583	7,993	30,538	69,114
Deferred Inflows of Resources	515	19	23	557
Fund Balances (Deficits):				
Restricted	199,301	146,863	36,746	382,910
Committed			339	339
Unassigned	(151)	(2,957)	(1,433)	(4,541)
Total Fund Balances (Deficits)	199,150	143,906	35,652	378,708
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 230,248	\$ 151,918	\$ 66,213	\$ 448,379

CITY OF SAN ANTONIO, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Capital Projects
Year-Ended September 30, 2022

(In Thousands)

	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION	OTHER CAPITAL PROJECTS	TOTAL CAPITAL PROJECTS
Revenues:				
Intergovernmental	\$ 32,488	\$ 9,627	\$ 10,652	\$ 52,767
Miscellaneous			12	12
Investment (Loss)	(696)	(1,171)	(287)	(2,154)
Contributions	2,443	9,090	240	11,773
Total Revenues	34,235	17,546	10,617	62,398
Expenditures:				
Capital Outlay	194,360	31,077	216,285	441,722
Debt Service:				
Issuance Costs	1,089	606	243	1,938
Total Expenditures	195,449	31,683	216,528	443,660
(Deficiency) of Revenues (Under) Expenditures	(161,214)	(14,137)	(205,911)	(381,262)
Other Financing Sources (Uses):				
Issuance of Long-Term Debt	158,200	79,830	47,910	285,940
Premium on Long-Term Debt	6,790	9,398	1,431	17,619
Transfers In	163,128	23,248	262,806	449,182
Transfers Out	(22,514)	(79,380)	(47,181)	(149,075)
Total Other Financing Sources (Uses), Net	305,604	33,096	264,966	603,666
Net Change in Fund Balances	144,390	18,959	59,055	222,404
Fund Balances (Deficits), October 1	54,760	124,947	(23,403)	156,304
Fund Balances, September 30	\$ 199,150	\$ 143,906	\$ 35,652	\$ 378,708

Combining Balance Sheet
Nonmajor Governmental Funds - General Obligation Bonds
As of September 30, 2022
(In Thousands)

	PRE-2007 GENERAL OBLIGATION BONDS	2007 GENERAL OBLIGATION BONDS	2012 GENERAL OBLIGATION BONDS	2022 GENERAL OBLIGATION BONDS	GENERAL OBLIGATION PROJECTS FUND	TOTAL GENERAL OBLIGATION BONDS
Assets:						
Restricted Assets:						
Cash and Cash Equivalents	\$ -	\$ 1,505	\$ 5,676	\$ 33,248	\$ 21,535	\$ 61,964
Investments		7,243	22,225	129,112		158,580
Receivables, Net		17	49	226	2,930	3,222
Due From Other Governmental Agencies, Net					6,482	6,482
Total Assets	<u>\$ -</u>	<u>\$ 8,765</u>	<u>\$ 27,950</u>	<u>\$ 162,586</u>	<u>\$ 30,947</u>	<u>\$ 230,248</u>
Liabilities and Fund Balances:						
Liabilities:						
Liabilities Payable From Restricted Assets:						
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ 23,283	\$ 23,283
Accounts Payable - Other					7,112	7,112
Accrued Payroll					3	3
Unearned Revenue					185	185
Total Liabilities					<u>30,583</u>	<u>30,583</u>
Deferred Inflows of Resources					<u>515</u>	<u>515</u>
Fund Balances:						
Restricted		8,765	27,950	162,586		199,301
Unassigned					(151)	(151)
Total Fund Balances (Deficits)		<u>8,765</u>	<u>27,950</u>	<u>162,586</u>	<u>(151)</u>	<u>199,150</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ 8,765</u>	<u>\$ 27,950</u>	<u>\$ 162,586</u>	<u>\$ 30,947</u>	<u>\$ 230,248</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - General Obligation Bonds
Year-Ended September 30, 2022

(In Thousands)

	PRE-2007 GENERAL OBLIGATION BONDS	2007 GENERAL OBLIGATION BONDS	2012 GENERAL OBLIGATION BONDS	2022 GENERAL OBLIGATION BONDS	GENERAL OBLIGATION PROJECTS FUND	TOTAL GENERAL OBLIGATION BONDS
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 32,488	\$ 32,488
Investment (Loss)		(119)	(321)	(256)		(696)
Contributions					2,443	2,443
Total Revenues		(119)	(321)	(256)	34,931	34,235
Expenditures:						
Capital Outlay					194,360	194,360
Debt Service:						
Issuance Costs				1,089		1,089
Total Expenditures				1,089	194,360	195,449
Excess (Deficiency) of Revenues Over (Under) Expenditures		(119)	(321)	(1,345)	(159,429)	(161,214)
Other Financing Sources (Uses):						
Issuance of Long-Term Debt				158,200		158,200
Premium on Long-Term Debt				6,790		6,790
Transfers In					163,128	163,128
Transfers Out	(11)	(8,398)	(10,871)	(1,059)	(2,175)	(22,514)
Total Other Financing Sources (Uses), Net	(11)	(8,398)	(10,871)	163,931	160,953	305,604
Net Change in Fund Balances	(11)	(8,517)	(11,192)	162,586	1,524	144,390
Fund Balances (Deficits), October 1	11	17,282	39,142		(1,675)	54,760
Fund Balances (Deficits), September 30	\$ -	\$ 8,765	\$ 27,950	\$ 162,586	\$ (151)	\$ 199,150

Combining Balance Sheet
Nonmajor Governmental Funds - Certificates of Obligation
As of September 30, 2022
(In Thousands)

	<u>PRE-2017</u> <u>CERTIFICATES</u> <u>OF</u> <u>OBLIGATION</u>	<u>2017</u> <u>CERTIFICATES</u> <u>OF</u> <u>OBLIGATION</u>	<u>2018</u> <u>CERTIFICATES</u> <u>OF</u> <u>OBLIGATION</u>	<u>2019</u> <u>CERTIFICATES</u> <u>OF</u> <u>OBLIGATION</u>	<u>2020</u> <u>CERTIFICATES</u> <u>OF</u> <u>OBLIGATION</u>	<u>2021</u> <u>CERTIFICATES</u> <u>OF</u> <u>OBLIGATION</u>	<u>2022</u> <u>CERTIFICATES</u> <u>OF</u> <u>OBLIGATION</u>	<u>CERTIFICATES</u> <u>OF</u> <u>OBLIGATION</u> <u>PROJECTS FUND</u>	<u>TOTAL</u> <u>CERTIFICATES</u> <u>OF</u> <u>OBLIGATION</u>
Assets:									
Restricted Assets:									
Cash and Cash Equivalents	\$ 6,521	\$ 1,365	\$ 18,355	\$ 1,055	\$ 1,595	\$ 5,747	\$ 5,641	\$ 2,545	\$ 42,824
Investments	26,045	5,304	13,867	4,411	6,912	22,610	27,145		106,294
Receivables, Net	52	11	29	14	16	46	122	25	315
Due From Other Governmental Agencies, Net								2,485	2,485
Total Assets	<u>\$ 32,618</u>	<u>\$ 6,680</u>	<u>\$ 32,251</u>	<u>\$ 5,480</u>	<u>\$ 8,523</u>	<u>\$ 28,403</u>	<u>\$ 32,908</u>	<u>\$ 5,055</u>	<u>\$ 151,918</u>
Liabilities and Fund Balances:									
Liabilities:									
Liabilities Payable From Restricted Assets:									
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,710	\$ 7,710
Accounts Payable - Other								281	281
Accrued Payroll								2	2
Total Liabilities								<u>7,993</u>	<u>7,993</u>
Deferred Inflows of Resources								<u>19</u>	<u>19</u>
Fund Balances:									
Nonspendable									
Restricted	32,618	6,680	32,251	5,480	8,523	28,403	32,908		146,863
Unassigned								(2,957)	(2,957)
Total Fund Balances (Deficits)	<u>32,618</u>	<u>6,680</u>	<u>32,251</u>	<u>5,480</u>	<u>8,523</u>	<u>28,403</u>	<u>32,908</u>	<u>(2,957)</u>	<u>143,906</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 32,618</u>	<u>\$ 6,680</u>	<u>\$ 32,251</u>	<u>\$ 5,480</u>	<u>\$ 8,523</u>	<u>\$ 28,403</u>	<u>\$ 32,908</u>	<u>\$ 5,055</u>	<u>\$ 151,918</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Certificates of Obligation
Year-Ended September 30, 2022

(In Thousands)

	PRE-2017 CERTIFICATES OF OBLIGATION	2017 CERTIFICATES OF OBLIGATION	2018 CERTIFICATES OF OBLIGATION	2019 CERTIFICATES OF OBLIGATION	2020 CERTIFICATES OF OBLIGATION	2021 CERTIFICATES OF OBLIGATION	2022 CERTIFICATES OF OBLIGATION	CERTIFICATES OF OBLIGATION PROJECTS FUND	TOTAL CERTIFICATES OF OBLIGATION
Revenues:									
Intergovernmental	\$ -	\$ -	\$ 7,000	\$ -	\$ -	\$ -	\$ -	\$ 2,627	\$ 9,627
Investment (Loss)	(314)	(63)	(162)	(102)	(101)	(291)	(138)		(1,171)
Contributions								9,090	9,090
Total Revenues	(314)	(63)	6,838	(102)	(101)	(291)	(138)	11,717	17,546
Expenditures:									
Capital Outlay								31,077	31,077
Debt Service:									
Issuance Costs						38	568		606
Total Expenditures						38	568	31,077	31,683
Excess (Deficiency) of Revenues Over (Under) Expenditures	(314)	(63)	6,838	(102)	(101)	(329)	(706)	(19,360)	(14,137)
Other Financing Sources (Uses):									
Issuance of Long-Term Debt							79,830		79,830
Premium on Long-Term Debt							9,398		9,398
Transfers In			7,000					16,248	23,248
Transfers Out	(2,518)	(248)	(4,996)	(8,551)	(4,119)	(3,334)	(55,614)		(79,380)
Total Other Financing Sources (Uses), Net	(2,518)	(248)	2,004	(8,551)	(4,119)	(3,334)	33,614	16,248	33,096
Net Change in Fund Balances	(2,832)	(311)	8,842	(8,653)	(4,220)	(3,663)	32,908	(3,112)	18,959
Fund Balances, October 1	35,450	6,991	23,409	14,133	12,743	32,066		155	124,947
Fund Balances (Deficits), September 30	\$ 32,618	\$ 6,680	\$ 32,251	\$ 5,480	\$ 8,523	\$ 28,403	\$ 32,908	\$ (2,957)	\$ 143,906

Combining Balance Sheet
Nonmajor Governmental Funds - Other Capital Projects
As of September 30, 2022
(In Thousands)

	IMPROVEMENT PROJECTS	MUNICIPAL DRAINAGE UTILITY SYSTEM	TAX & REVENUE NOTES	TOTAL OTHER CAPITAL PROJECTS
Assets:				
Cash and Cash Equivalents	\$ -	\$ -	\$ 69	\$ 69
Investments			269	269
Receivables, Net			1	1
Restricted Assets:				
Cash and Cash Equivalents	8,428	577	4,921	13,926
Investments		443	31,182	31,625
Receivables, Net	234	146	93	473
Due From Other Funds	18,623			18,623
Due From Other Governmental Agencies, Net	1,227			1,227
Total Assets	\$ 28,512	\$ 1,166	\$ 36,535	\$ 66,213
Liabilities and Fund Balances (Deficits):				
Liabilities:				
Liabilities Payable From Restricted Assets:				
Vouchers Payable	\$ 21,578	\$ 396	\$ -	\$ 21,974
Accounts Payable - Other	8,337	220		8,557
Accrued Payroll	1			1
Unearned Revenue	6			6
Total Liabilities	29,922	616		30,538
Deferred Inflows of Resources	23			23
Fund Balances (Deficits):				
Restricted		550	36,196	36,746
Committed			339	339
Unassigned	(1,433)			(1,433)
Total Fund Balances (Deficits)	(1,433)	550	36,535	35,652
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 28,512	\$ 1,166	\$ 36,535	\$ 66,213

CITY OF SAN ANTONIO, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds - Other Capital Projects

Year-Ended September 30, 2022

(In Thousands)

	IMPROVEMENT PROJECTS	MUNICIPAL DRAINAGE UTILITY SYSTEM	TAX & REVENUE NOTES	TOTAL OTHER CAPITAL PROJECTS
Revenues:				
Intergovernmental	\$ 10,408	\$ 244	\$ -	\$ 10,652
Miscellaneous	12			12
Investment (Loss)		(16)	(271)	(287)
Contributions	240			240
Total Revenues	<u>10,660</u>	<u>228</u>	<u>(271)</u>	<u>10,617</u>
Expenditures:				
Capital Outlay	211,021	5,264		216,285
Debt Service:				
Issuance Costs			243	243
Total Expenditures	<u>211,021</u>	<u>5,264</u>	<u>243</u>	<u>216,528</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(200,361)</u>	<u>(5,036)</u>	<u>(514)</u>	<u>(205,911)</u>
Other Financing Sources (Uses):				
Issuance of Long-Term Debt			47,910	47,910
Premium on Long-Term Debt			1,431	1,431
Transfers In	257,794	5,012		262,806
Transfers Out	(251)	(2,832)	(44,098)	(47,181)
Total Other Financing Sources (Uses), Net	<u>257,543</u>	<u>2,180</u>	<u>5,243</u>	<u>264,966</u>
Net Change in Fund Balances	57,182	(2,856)	4,729	59,055
Fund Balances (Deficits), October 1	(58,615)	3,406	31,806	(23,403)
Fund Balances (Deficits), September 30	<u>\$ (1,433)</u>	<u>\$ 550</u>	<u>\$ 36,535</u>	<u>\$ 35,652</u>

Combining Balance Sheet
Nonmajor Governmental Funds - Permanent
As of September 30, 2022

(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	\$ 71	\$ 927	\$ 63	\$ 104	\$ 250	\$ 1,415
Investments	277	3,599	247	404	973	5,500
Receivables, Net		279	1	1	2	283
Total Assets	\$ 348	\$ 4,805	\$ 311	\$ 509	\$ 1,225	\$ 7,198
Liabilities and Fund Balances:						
Liabilities:						
Liabilities Payable From Restricted Assets:						
Vouchers Payable	\$ -	\$ 11	\$ -	\$ -	\$ -	\$ 11
Accounts Payable - Other		2				2
Accrued Payroll		1				1
Total Liabilities		14				14
Fund Balances:						
Nonspendable	334	4,155	313	514	1,086	6,402
Restricted	14	636			139	789
Unassigned			(2)	(5)		(7)
Total Fund Balances	348	4,791	311	509	1,225	7,184
Total Liabilities and Fund Balances	\$ 348	\$ 4,805	\$ 311	\$ 509	\$ 1,225	\$ 7,198

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Permanent
Year-Ended September 30, 2022

(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	\$ -	\$ 541	\$ -	\$ -	\$ 748	\$ 1,289
Investment (Loss)	(3)	(41)	(3)	(5)	(12)	(64)
Total Revenues	<u>(3)</u>	<u>500</u>	<u>(3)</u>	<u>(5)</u>	<u>736</u>	<u>1,225</u>
Expenditures:						
Current:						
Culture and Recreation		198		1		199
Total Expenditures		<u>198</u>		<u>1</u>		<u>199</u>
Excess (Deficiency) of Revenue Over (Under) Expenditures	<u>(3)</u>	<u>302</u>	<u>(3)</u>	<u>(6)</u>	<u>736</u>	<u>1,026</u>
Net Change in Fund Balances	<u>(3)</u>	<u>302</u>	<u>(3)</u>	<u>(6)</u>	<u>736</u>	<u>1,026</u>
Fund Balances, October 1	351	4,489	314	515	489	6,158
Fund Balances, September 30	<u>\$ 348</u>	<u>\$ 4,791</u>	<u>\$ 311</u>	<u>\$ 509</u>	<u>\$ 1,225</u>	<u>\$ 7,184</u>

Supplementary Budget and Actual Schedules for Legally Adopted Funds

CITY OF SAN ANTONIO, TEXAS

Schedules of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)

General Fund

Year-Ended September 30, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes	\$ 822,865	\$ 829,648	\$ 6,783
Licenses and Permits	9,389	9,377	(12)
Intergovernmental	36,921	22,586	(14,335)
Revenues from Utilities	419,862	419,985	123
Charges for Services	70,575	71,436	861
Fines and Forfeits	6,200	6,931	731
Miscellaneous	19,926	25,024	5,098
Investment Earnings	1,782	2,519	737
Total Revenues	\$ 1,387,520	\$ 1,387,506	\$ (14)
Expenditures:			
General Government	95,760	93,051	2,709
Public Safety	855,427	854,717	710
Public Works	82,547	82,444	103
Health Services	45,601	43,912	1,689
Welfare	52,775	49,437	3,338
Culture and Recreation	135,088	134,026	1,062
Economic Development and Opportunity	19,168	14,377	4,791
Urban Redevelopment and Housing	35,655	35,228	427
Total Expenditures	\$ 1,322,021	\$ 1,307,192	\$ 14,829
Excess of Revenues Over Expenditures	\$ 65,499	\$ 80,314	\$ 14,815
Other Financing Sources (Uses):			
Transfers In	16,649	16,895	246
Transfers Out	(98,857)	(99,938)	(1,081)
Total Other Financing Sources (Uses), Net	\$ (82,208)	\$ (83,043)	\$ (835)
Net Change in Fund Balance	(16,709)	(2,729)	\$ 13,980
Fund Balances, October 1	373,144	373,144	
Add Encumbrances		100,600	
Fund Balances, September 30	\$ 356,435	\$ 471,015	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Amortized Lease Revenue (GASB 87)		1,329	
Net Fair Value of Investments (GASB 31)		(6,469)	
Ending Fund Balance		\$ 465,875	

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

**Schedule of Revenues Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund**

Year-Ended September 30, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes:			
Property:			
Current	\$ 410,351	\$ 410,859	\$ 508
Delinquent	1,720	3,054	1,334
General Sales and Use:			
City Sales	377,447	382,328	4,881
Selective Sales and Use:			
Alcoholic Beverages	11,519	11,698	179
Gross Receipts Business:			
Telecommunication Access Lines Fees	7,200	6,847	(353)
Cablevision Franchise	9,584	9,388	(196)
Bingo	1,277	1,155	(122)
Other	1,367	1,384	17
Penalties and Interest on Delinquent Taxes	2,400	2,935	535
Total Taxes	\$ 822,865	\$ 829,648	\$ 6,783
Licenses and Permits:			
Alarm Licenses	2,070	2,131	61
Alcoholic Beverages Licenses	853	826	(27)
Amusement Licenses	39	40	1
Building Permits	96	72	(24)
Health Licenses	4,960	4,880	(80)
Professional and Occupational Licenses	795	858	63
Street Permits	576	570	(6)
Total Licenses and Permits	\$ 9,389	\$ 9,377	\$ (12)
Intergovernmental:			
Bexar County - Child Support	38	37	(1)
Federal Aid	30,000	14,966	(15,034)
Health Aid from Bexar County	191	79	(112)
Library Aid from Bexar County	2,584	2,584	
Other	3,744	4,546	802
VIA Contributions	364	374	10
Total Intergovernmental	\$ 36,921	\$ 22,586	\$ (14,335)
Revenues from Utilities:			
CPS Energy	386,296	385,887	(409)
San Antonio Water System	33,566	34,098	532
Total Revenues from Utilities	\$ 419,862	\$ 419,985	\$ 123

(Continued)

**Schedule of Revenues Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2022**

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Charges for Services:			
General Government	\$ 3,742	\$ 3,874	\$ 132
Public Safety:			
Fire Department	39,016	38,981	(35)
Police Department	8,820	9,557	737
Sanitation:			
Demolition of Unsafe Structures	668	747	79
Health	2,714	2,673	(41)
Streets	110	114	4
Culture and Recreation:			
Attractions and Venues	13,582	13,323	(259)
Community Centers	115	154	39
Concessions & Rentals	353	300	(53)
Library	285	448	163
Miscellaneous Recreation Revenue	191	305	114
Recreation Fees	973	958	(15)
Swimming Pools	6	2	(4)
Total Charges for Services	\$ 70,575	\$ 71,436	\$ 861
Fines and Forfeits:			
Municipal Court Fines	\$ 6,200	\$ 6,931	\$ 731
Miscellaneous:			
Interfund Charges	1,481	1,874	393
Other	1,917	5,002	3,085
Recovery of Expenditures	5,732	5,456	(276)
Rents, Leases, and Concessions	1,394	1,507	113
Sales	9,402	11,185	1,783
Total Miscellaneous	\$ 19,926	\$ 25,024	\$ 5,098
Investment Earnings:			
Interest	\$ 1,782	\$ 2,519	\$ 737
Total Revenues	\$ 1,387,520	\$ 1,387,506	\$ (14)

(End of Schedule)

**Schedule of Expenditures Compared to Budget
Budget and Actual (Budgetary Basis)**

General Fund

Year-Ended September 30, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Expenditures:			
General Government:			
Executive:			
Personal Services	\$ 46,188	\$ 45,267	\$ 921
Contractual Services	10,151	8,858	1,293
Commodities	588	570	18
Other Expenditures	9,927	10,009	(82)
Capital Outlay	632	1,064	(432)
Total Executive	<u>\$ 67,486</u>	<u>\$ 65,768</u>	<u>\$ 1,718</u>
Judicial:			
Personal Services	11,163	11,048	115
Contractual Services	1,630	1,943	(313)
Commodities	181	201	(20)
Other Expenditures	2,152	2,153	(1)
Capital Outlay	740	363	377
Total Judicial	<u>\$ 15,866</u>	<u>\$ 15,708</u>	<u>\$ 158</u>
Legislative:			
Personal Services	4,995	4,943	52
Contractual Services	4,423	2,934	1,489
Commodities	299	526	(227)
Other Expenditures	2,386	2,754	(368)
Capital Outlay	305	418	(113)
Total Legislative	<u>\$ 12,408</u>	<u>\$ 11,575</u>	<u>\$ 833</u>
Total General Government	<u>\$ 95,760</u>	<u>\$ 93,051</u>	<u>\$ 2,709</u>
Public Safety:			
Fire:			
Personal Services	281,445	281,007	438
Contractual Services	13,835	14,083	(248)
Commodities	10,182	10,446	(264)
Other Expenditures	33,937	34,079	(142)
Capital Outlay	4,112	3,671	441
Total Fire	<u>\$ 343,511</u>	<u>\$ 343,286</u>	<u>\$ 225</u>
Police:			
Personal Services	429,362	427,970	1,392
Contractual Services	20,148	21,716	(1,568)
Commodities	6,422	5,419	1,003
Other Expenditures	48,478	47,976	502
Capital Outlay	7,506	8,350	(844)
Total Police	<u>\$ 511,916</u>	<u>\$ 511,431</u>	<u>\$ 485</u>
Total Public Safety	<u>\$ 855,427</u>	<u>\$ 854,717</u>	<u>\$ 710</u>

(Continued)

**Schedule of Expenditures Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund**

Year-Ended September 30, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Public Works:			
Administration:			
Personal Services	\$ 3,233	\$ 3,218	\$ 15
Contractual Services	11,802	11,530	272
Commodities	83	107	(24)
Other Expenditures	3,009	2,707	302
Capital Outlay	79	38	41
Total Administration	\$ 18,206	\$ 17,600	\$ 606
Streets:			
Personal Services	14,810	14,736	74
Contractual Services	7,256	9,571	(2,315)
Commodities	6,061	5,834	227
Other Expenditures	21,571	21,618	(47)
Capital Outlay	393	259	134
Total Streets	\$ 50,091	\$ 52,018	\$ (1,927)
Traffic and Transportation:			
Personal Services	5,812	5,673	139
Contractual Services	5,100	3,693	1,407
Commodities	1,149	1,264	(115)
Other Expenditures	2,120	2,121	(1)
Capital Outlay	69	75	(6)
Total Traffic and Transportation	\$ 14,250	\$ 12,826	\$ 1,424
Total Public Works	\$ 82,547	\$ 82,444	\$ 103
Health Services:			
Personal Services	24,896	24,359	537
Contractual Services	10,414	9,607	807
Commodities	2,350	2,268	82
Other Expenditures	6,635	6,338	297
Capital Outlay	1,306	1,340	(34)
Total Health Services	\$ 45,601	\$ 43,912	\$ 1,689
Welfare:			
Personal Services	11,385	10,973	412
Contractual Services	28,748	26,266	2,482
Commodities	451	424	27
Other Expenditures	10,654	8,355	2,299
Capital Outlay	1,537	3,419	(1,882)
Total Welfare	\$ 52,775	\$ 49,437	\$ 3,338

(Continued)

**Schedule of Expenditures Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund**

Year-Ended September 30, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Culture and Recreation:			
Downtown Operations:			
Personal Services	\$ 5,464	\$ 5,346	\$ 118
Contractual Services	7,621	6,901	720
Commodities	353	439	(86)
Other Expenditures	3,404	3,258	146
Capital Outlay	152	147	5
Total Downtown Operations	\$ 16,994	\$ 16,091	\$ 903
Libraries:			
Personal Services	26,902	26,691	211
Contractual Services	6,395	6,384	11
Commodities	6,181	6,162	19
Other Expenditures	4,592	4,816	(224)
Capital Outlay	1,510	1,480	30
Total Libraries	\$ 45,580	\$ 45,533	\$ 47
Parks:			
Personal Services	42,957	42,136	821
Contractual Services	10,499	10,734	(235)
Commodities	3,795	3,934	(139)
Other Expenditures	14,283	14,504	(221)
Capital Outlay	980	1,094	(114)
Total Parks	\$ 72,514	\$ 72,402	\$ 112
Total Culture and Recreation	\$ 135,088	\$ 134,026	\$ 1,062
Economic Development and Opportunity:			
Personal Services	3,568	3,401	167
Contractual Services	14,832	9,798	5,034
Commodities	63	39	24
Other Expenditures	659	1,090	(431)
Capital Outlay	46	49	(3)
Total Economic Development and Opportunity	\$ 19,168	\$ 14,377	\$ 4,791
Urban Redevelopment and Housing			
Personal Services	13,492	13,418	74
Contractual Services	15,593	15,363	230
Commodities	285	291	(6)
Other Expenditures	5,840	5,879	(39)
Capital Outlay	445	277	168
Total Urban Redevelopment and Housing	\$ 35,655	\$ 35,228	\$ 427
Total Expenditures	\$ 1,322,021	\$ 1,307,192	\$ 14,829

(End of Schedule)

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Encumbrances	(53,049)
Lease Right-to-Use Assets Expenditures	578
Total Expenditures	\$ 1,254,721

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

CITY OF SAN ANTONIO, TEXAS

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances

Budget and Actual (Budgetary Basis)

Debt Service Fund

Year-Ended September 30, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Property Taxes:			
Current	\$ 250,279	\$ 251,014	\$ 735
Delinquent	488	1,893	1,405
Penalties and Interest on Delinquent Taxes	1,288	1,799	511
Miscellaneous		158	158
Investment Earnings	72	578	506
Total Revenues	<u>\$ 252,127</u>	<u>\$ 255,442</u>	<u>\$ 3,315</u>
Expenditures:			
General Government:			
Contractual Services	632	632	
Total General Government	<u>\$ 632</u>	<u>\$ 632</u>	<u>\$ -</u>
Debt Service:			
Principal Retirement	192,300	192,300	
Interest	79,820	79,820	
Total Debt Service	<u>\$ 272,120</u>	<u>\$ 272,120</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 272,752</u>	<u>\$ 272,752</u>	<u>\$ -</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (20,625)</u>	<u>\$ (17,310)</u>	<u>\$ 3,315</u>
Other Financing Sources:			
Transfers In	20,036	20,069	33
Total Other Financing Sources	<u>\$ 20,036</u>	<u>\$ 20,069</u>	<u>\$ 33</u>
Net Change in Fund Balance	(589)	2,759	<u>\$ 3,348</u>
Fund Balances, October 1	42,288	42,288	
Fund Balances, September 30	<u>\$ 41,699</u>	<u>\$ 45,047</u>	

CITY OF SAN ANTONIO, TEXAS

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, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
General Sales and Use:			
City Sales Tax	\$ 23,512	\$ 23,637	\$ 125
Investment Earnings	103	115	12
Total Revenues	\$ 23,615	\$ 23,752	\$ 137
Expenditures:			
Public Works:			
Personal Services	2,738	2,672	66
Contractual Services	898	854	44
Commodities	74	62	12
Other Expenditures	2,775	2,662	113
Capital Outlay	39	36	3
Total Expenditures	\$ 6,524	\$ 6,286	\$ 238
Excess of Revenues Over Expenditures	\$ 17,091	\$ 17,466	\$ 375
Other Financing (Uses):			
Transfers Out	(31,511)	(31,375)	136
Total Other Financing (Uses)	\$ (31,511)	\$ (31,375)	\$ 136
Net Change in Fund Balance	(14,420)	(13,909)	\$ 511
Fund Balances, October 1	21,321	21,321	
Add Encumbrances		14,801	
Fund Balances, September 30	\$ 6,901	\$ 22,213	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(299)	
Ending Fund Balance		\$ 21,914	

**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, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes:			
Occupancy	\$ 73,049	\$ 72,358	\$ (691)
Penalties and Interest on Delinquent Taxes	339	382	43
Intergovernmental	18,588	18,276	(312)
Charges for Services	26,642	32,564	5,922
Miscellaneous	1,151	5,272	4,121
Investment Earnings	2	605	603
Total Revenues	\$ 119,771	\$ 129,457	\$ 9,686
Expenditures:			
Culture & Recreation:			
Arts & Cultural:			
Personal Services	1,857	1,835	22
Contractual Services	1,007	991	16
Commodities	49	16	33
Other Expenditures	373	387	(14)
Capital Outlay	13	69	(56)
Total Arts & Cultural	<u>\$ 3,299</u>	<u>\$ 3,298</u>	<u>\$ 1</u>
Alamodome:			
Personal Services	4,669	4,545	124
Contractual Services	5,639	5,130	509
Commodities	378	493	(115)
Other Expenditures	5,645	6,105	(460)
Capital Outlay	60	97	(37)
Total Alamodome	<u>\$ 16,391</u>	<u>\$ 16,370</u>	<u>\$ 21</u>
Nondepartmental:			
Personal Services	434	427	7
Contractual Services	2,188	2,183	5
Other Expenditures	93	93	
Total Nondepartmental	<u>\$ 2,715</u>	<u>\$ 2,703</u>	<u>\$ 12</u>
Contributions to Other Agencies	7,682	7,487	195
Total Culture & Recreation	<u>\$ 30,087</u>	<u>\$ 29,858</u>	<u>\$ 229</u>
Convention and Tourism:			
Convention Center:			
Personal Services	13,402	13,106	296
Contractual Services	3,355	3,454	(99)
Commodities	559	674	(115)
Other Expenditures	9,947	10,226	(279)
Capital Outlay	279	265	14
Total Convention Center	<u>\$ 27,542</u>	<u>\$ 27,725</u>	<u>\$ (183)</u>
Contributions to Other Agencies (VSA)	17,710	17,710	
Total Convention and Tourism	<u>\$ 45,252</u>	<u>\$ 45,435</u>	<u>\$ (183)</u>
Total Expenditures	\$ 75,339	\$ 75,293	\$ 46
Excess of Revenues Over Expenditures	\$ 44,432	\$ 54,164	\$ 9,732
Other Financing Sources (Uses):			
Transfers In	20,340	46,667	26,327
Transfers Out	(43,175)	(53,949)	(10,774)
Total Other Financing Sources (Uses), Net	\$ (22,835)	\$ (7,282)	\$ 15,553
Net Change in Fund Balance	21,597	46,882	\$ 25,285
Fund Balances, October 1	79,726	79,726	
Add Encumbrances		946	
Fund Balances, September 30	\$ 101,323	\$ 127,554	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Amortized Lease Revenue (GASB 87)		(4)	
Net Fair Value of Investments (GASB 31)		(1,521)	
Ending Fund Balance		<u>\$ 126,029</u>	

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

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, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Intergovernmental	\$ 723	\$ 756	\$ 33
Miscellaneous	44	45	1
Investment Earnings	10	24	14
Total Revenues	\$ 777	\$ 825	\$ 48
Expenditures:			
Public Safety:			
Personal Services	68	37	31
Contractual Services	732	717	15
Commodities	115	62	53
Other Expenditures	56	44	12
Capital Outlay	194	39	155
Total Expenditures	\$ 1,165	\$ 899	\$ 266
(Deficiency) of Revenues (Under) Expenditures	\$ (388)	\$ (74)	\$ 314
Net Change in Fund Balance	(388)	(74)	\$ 314
Fund Balances, October 1	3,183	3,700	
Add Encumbrances		388	
Fund Balances, September 30	\$ 2,795	\$ 4,014	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(59)	
Ending Fund Balance		\$ 3,955	

CITY OF SAN ANTONIO, TEXAS

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, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes:			
Occupancy	\$ 20,871	\$ 20,671	\$ (200)
Penalties and Interest on Delinquent Taxes	85	109	24
Miscellaneous		10,450	10,450
Investment Earnings		88	88
Total Revenues	\$ 20,956	\$ 31,318	\$ 10,362
Expenditures:			
Convention and Tourism:			
Contractual Services	8	1	7
Total Expenditures	\$ 8	\$ 1	\$ 7
Excess of Revenues Over Expenditures	\$ 20,948	\$ 31,317	\$ 10,369
Other Financing Sources (Uses):			
Transfer In	24,876	39,219	14,343
Transfers Out	(46,373)	(72,699)	(26,326)
Total Other Financing Sources (Uses), Net	\$ (21,497)	\$ (33,480)	\$ (11,983)
Net Change in Fund Balance	(549)	(2,163)	\$ (1,614)
Fund Balances, October 1	3,293	3,293	
Fund Balances, September 30	\$ 2,744	\$ 1,130	

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Net Fair Value of Investments (GASB 31)	(208)
Ending Fund Balance	<u>\$ 922</u>

The City noted budget violations of excess 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.

CITY OF SAN ANTONIO, TEXAS

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances

Budget and Actual (Budgetary Basis)

Special Revenue Funds

Parks Development and Expansion - 2015 and 2010 Venue Projects

Year-Ended September 30, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Investment Earnings	\$ 193	\$ 322	\$ 129
Total Revenues	<u>\$ 193</u>	<u>\$ 322</u>	<u>\$ 129</u>
Excess of Revenues Over Expenditures	<u>\$ 193</u>	<u>\$ 322</u>	<u>\$ 129</u>
Other Financing (Uses):			
Transfers Out	(74,721)	(70,436)	4,285
Total Other Financing (Uses)	<u>\$ (74,721)</u>	<u>\$ (70,436)</u>	<u>\$ 4,285</u>
Net Change in Fund Balance	<u>(74,528)</u>	<u>(70,114)</u>	<u>\$ 4,414</u>
Fund Balances, October 1	74,528	74,528	
Add Encumbrances		38,822	
Fund Balances, September 30	<u>\$ -</u>	<u>\$ 43,236</u>	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(822)	
Ending Fund Balance		<u>\$ 42,414</u>	

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, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 11,191	\$ 10,956	\$ (235)
Investment Earnings	2	7	5
Miscellaneous		4	4
Total Revenues	<u>\$ 11,193</u>	<u>\$ 10,967</u>	<u>\$ (226)</u>
Expenditures:			
Sanitation:			
Personal Services	6,989	7,059	(70)
Contractual Services	3,177	3,221	(44)
Commodities	498	486	12
Other Expenditures	665	676	(11)
Capital Outlay	90	113	(23)
Total Expenditures	<u>\$ 11,419</u>	<u>\$ 11,555</u>	<u>\$ (136)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (226)</u>	<u>\$ (588)</u>	<u>\$ (362)</u>
Net Change in Fund Balance	(226)	(588)	<u>\$ (362)</u>
Fund Balances, October 1	543	1,634	
Add Encumbrances		275	
Fund Balances, September 30	<u>\$ 317</u>	<u>\$ 1,321</u>	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(19)	
Ending Fund Balance		<u>\$ 1,302</u>	

The City noted budget violations of excess expenditures and encumbrances over appropriations. As there was sufficient actual revenues and fund balances to cover these excesses, the City does not deem these violations to be material.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances

Budget and Actual (Budgetary Basis)

Special Revenue Funds

Right of Ways

Year-Ended September 30, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 4,547	\$ 4,735	\$ 188
Investment Earnings	27	38	11
Total Revenues	\$ 4,574	\$ 4,773	\$ 199
Expenditures:			
Public Works:			
Personal Services	2,876	2,828	48
Contractual Services	306	286	20
Commodities	34	30	4
Other Expenditures	354	349	5
Capital Outlay	127	121	6
Total Public Works	3,697	3,614	83
Total Expenditures	\$ 3,697	\$ 3,614	\$ 83
Excess of Revenues Over Expenditures	\$ 877	\$ 1,159	\$ 282
Other Financing (Uses):			
Transfers Out	(5,448)	(5,448)	
Total Other Financing (Uses)	\$ (5,448)	\$ (5,448)	\$ -
Net Change in Fund Balance	(4,571)	(4,289)	\$ 282
Fund Balances, October 1	6,348	6,348	
Add Encumbrances		5,376	
Fund Balances, September 30	\$ 1,777	\$ 7,435	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(96)	
Ending Fund Balance		\$ 7,339	

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances

Budget and Actual (Budgetary Basis)

Special Revenue Funds

Stormwater Operations

Year-Ended September 30, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 61,516	\$ 63,013	\$ 1,497
Miscellaneous	11	11	
Investment Earnings	319	344	25
Total Revenues	\$ 61,846	\$ 63,368	\$ 1,522
Expenditures:			
Public Works:			
Administration:			
Personal Services	5,180	4,740	440
Contractual Services	6,684	6,673	11
Commodities	55	97	(42)
Other Expenditures	354	350	4
Capital Outlay	337	48	289
Total Administration	\$ 12,610	\$ 11,908	\$ 702
Vegetation Control:			
Personal Services	5,583	4,911	672
Contractual Services	1,241	1,550	(309)
Commodities	871	527	344
Other Expenditures	2,440	2,461	(21)
Capital Outlay	21	82	(61)
Total Vegetation Control	\$ 10,156	\$ 9,531	\$ 625
River Maintenance:			
Personal Services	106	182	(76)
Contractual Services	1,068	1,383	(315)
Commodities	7		7
Other Expenditures	130	129	1
Capital Outlay	1		1
Total River Maintenance	\$ 1,312	\$ 1,694	\$ (382)
Street Sweeping:			
Personal Services	2,425	2,335	90
Contractual Services	685	649	36
Commodities	334	330	4
Other Expenditures	1,050	1,148	(98)
Capital Outlay	3	2	1
Total Street Sweeping	\$ 4,497	\$ 4,464	\$ 33
Tunnel Maintenance:			
Personal Services	4,807	4,674	133
Contractual Services	2,446	3,132	(686)
Commodities	672	880	(208)
Other Expenditures	1,636	4,143	(2,507)
Capital Outlay	520	195	325
Total Tunnel Maintenance	\$ 10,081	\$ 13,024	\$ (2,943)

(Continued)

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Stormwater Operations
Year-Ended September 30, 2022

(In Thousands)

	2022		VARIANCE WITH FINAL BUDGET
	FINAL BUDGET	ACTUAL	
Expenditures Continued:			
Design Engineering:			
Personal Services	2,147	2,206	(59)
Contractual Services	387	298	89
Commodities	16	6	10
Other Expenditures	82	56	26
Capital Outlay	9	18	(9)
Total Design Engineering	<u>\$ 2,641</u>	<u>\$ 2,584</u>	<u>\$ 57</u>
Total Public Works	<u>41,297</u>	<u>43,205</u>	<u>(1,908)</u>
Total Expenditures	<u>\$ 41,297</u>	<u>\$ 43,205</u>	<u>\$ (1,908)</u>
Excess of Revenues Over Expenditures	<u>\$ 20,549</u>	<u>\$ 20,163</u>	<u>\$ (386)</u>
Other Financing (Uses):			
Transfers Out	<u>(69,415)</u>	<u>(66,840)</u>	<u>2,575</u>
Total Other Financing (Uses)	<u>\$ (69,415)</u>	<u>\$ (66,840)</u>	<u>\$ 2,575</u>
Net Change in Fund Balance	<u>(48,866)</u>	<u>(46,677)</u>	<u>\$ 2,189</u>
Fund Balances, October 1	57,472	57,472	
Add Encumbrances		<u>52,951</u>	
Fund Balances, September 30	<u>\$ 8,606</u>	<u>\$ 63,746</u>	

(End of Schedule)

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Net Fair Value of Investments (GASB 31)	<u>(882)</u>
Ending Fund Balance	<u>\$ 62,864</u>

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

The City noted budget violations of excess expenditures and encumbrances over appropriations. As there was sufficient actual revenues and fund balances to cover these excesses, the City does not deem these violations to be material.

CITY OF SAN ANTONIO, TEXAS

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, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Administrative Fee ¹	\$ 1,095	\$ 1,072	\$ (23)
Investment Earnings	2	12	10
Total Revenues	<u>\$ 1,097</u>	<u>\$ 1,084</u>	<u>\$ (13)</u>
Expenditures:			
Economic Development and Opportunity:			
Personal Services	641	621	20
Contractual Services	76	32	44
Commodities	2		2
Other Expenditures	19	19	
Capital Outlay	13	14	(1)
Total Expenditures	<u>\$ 751</u>	<u>\$ 686</u>	<u>\$ 65</u>
Excess of Revenues Over Expenditures	<u>\$ 346</u>	<u>\$ 398</u>	<u>\$ 52</u>
Other Financing (Uses):			
Transfers Out	(67)	(67)	
Total Other Financing (Uses)	<u>\$ (67)</u>	<u>\$ (67)</u>	<u>\$ -</u>
Net Change in Fund Balance	279	331	<u>\$ 52</u>
Fund Balances, October 1	1,922	1,922	
Add Encumbrances		13	
Fund Balances, September 30	<u>\$ 2,201</u>	<u>\$ 2,266</u>	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(31)	
Ending Fund Balance		<u>\$ 2,235</u>	

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 2022 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, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 222	\$ 222	\$ -
Intergovernmental	1,935	1,970	35
Investment Earnings		2	2
Total Revenues	\$ 2,157	\$ 2,194	\$ 37
Expenditures:			
Public Safety:			
Personal Services	1,838	1,872	(34)
Contractual Services	19	20	(1)
Commodities	13	12	1
Other Expenditures	278	282	(4)
Total Expenditures	\$ 2,148	\$ 2,186	\$ (38)
Excess of Revenues Over Expenditures	\$ 9	\$ 8	\$ (1)
Net Change in Fund Balance	9	8	\$ (1)
Fund Balances, October 1	550	550	
Add Encumbrance		2	
Fund Balances, September 30	\$ 559	\$ 560	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(6)	
Ending Fund Balance		\$ 554	

The City noted budget violations of excess expenditures and encumbrances over appropriations. As there was sufficient actual revenues and fund balances to cover these excesses, the City does not deem these violations to be material.

**Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)**

Special Revenue Funds

Community Service Funds - Energy Efficiency Fund

Year-Ended September 30, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Intergovernmental	\$ 12	\$ 8	\$ (4)
Investment Earnings		14	14
Miscellaneous		200	200
Total Revenues	<u>\$ 12</u>	<u>\$ 222</u>	<u>\$ 210</u>
Expenditures:			
General Government:			
Personal Services	407	405	2
Contractual Services	1,808	157	1,651
Other Expenditures	26	23	3
Total Expenditures	<u>\$ 2,241</u>	<u>\$ 585</u>	<u>\$ 1,656</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (2,229)</u>	<u>\$ (363)</u>	<u>\$ 1,866</u>
Other Financing Sources (Uses):			
Transfers In	1,234	1,234	
Transfers Out		(307)	(307)
Total Other Financing Sources (Uses), Net	<u>\$ 1,234</u>	<u>\$ 927</u>	<u>\$ (307)</u>
Net Change in Fund Balance	(995)	564	<u>\$ 1,559</u>
Fund Balances, October 1	<u>1,811</u>	<u>1,811</u>	
Fund Balances, September 30	<u>\$ 816</u>	<u>\$ 2,375</u>	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(34)	
Ending Fund Balance		<u>\$ 2,341</u>	

The City noted budget violations of excess 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

Community Service Funds - Golf Course Operating and Maintenance

Year-Ended September 30, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Miscellaneous ¹	\$ 1,231	\$ 1,231	\$ -
Investment Earnings		1	1
Total Revenues	<u>\$ 1,231</u>	<u>\$ 1,232</u>	<u>\$ 1</u>
Excess of Revenues Over Expenditures	<u>\$ 1,231</u>	<u>\$ 1,232</u>	<u>\$ 1</u>
Other Financing Sources (Uses):			
Transfers Out	(1,231)	(1,231)	
Total Other Financing (Uses)	<u>\$ (1,231)</u>	<u>\$ (1,231)</u>	<u>\$ -</u>
Net Change in Fund Balance		1	<u>\$ 1</u>
Fund Balances, October 1	17	17	
Fund Balances, September 30	<u>\$ 17</u>	<u>\$ 18</u>	

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Net Fair Value of Investments (GASB 31)	(3)
Ending Fund Balance	<u>\$ 15</u>

¹ For financial reporting presentation the revenue is reported as transfers in; however the above schedule reflects the fund schedule from the City's 2022 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, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 287	\$ 291	\$ 4
Investment Earnings		1	1
Total Revenues	\$ 287	\$ 292	\$ 5
Expenditures:			
General Government:			
Personal Services	244	239	5
Contractual Services	131	124	7
Commodities	2	1	1
Other Expenditures	21	21	
Total Expenditures	\$ 398	\$ 385	\$ 13
(Deficiency) of Revenues (Under) Expenditures	\$ (111)	\$ (93)	\$ 18
Other Financing Sources:			
Transfers In	137	137	
Total Other Financing Sources, Net	\$ 137	\$ 137	\$ -
Net Change in Fund Balance	26	44	\$ 18
Fund Balances, October 1	61	61	
Fund Balances, September 30	\$ 87	\$ 105	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(2)	
Ending Fund Balance		\$ 103	

**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, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 250	\$ 251	\$ 1
Investment Earnings		1	1
Total Revenues	<u>\$ 250</u>	<u>\$ 252</u>	<u>\$ 2</u>
Expenditures:			
General Government:			
Contractual Services	764	763	1
Capital Outlay	45	45	
Total Expenditures	<u>\$ 809</u>	<u>\$ 808</u>	<u>\$ 1</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (559)</u>	<u>\$ (556)</u>	<u>\$ 3</u>
Other Financing Sources:			
Transfers In	612	612	
Total Other Financing Sources	<u>\$ 612</u>	<u>\$ 612</u>	<u>\$ -</u>
Net Change in Fund Balance	53	56	<u>\$ 3</u>
Fund Balances, October 1	5	5	
Add Encumbrances		45	
Fund Balances, September 30	<u>\$ 58</u>	<u>\$ 106</u>	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(3)	
Ending Fund Balance		<u>\$ 103</u>	

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 - Municipal Court Truancy Intervention & Prevention Fund
Year-Ended September 30, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 482	\$ 439	\$ (43)
Total Revenues	<u>\$ 482</u>	<u>\$ 439</u>	<u>\$ (43)</u>
Expenditures:			
General Government:			
Personal Services	699	700	(1)
Contractual Services	4	6	(2)
Commodities	1	1	
Other Expenditures	89	89	
Capital Outlay	31	31	
Total Expenditures	<u>\$ 824</u>	<u>\$ 827</u>	<u>\$ (3)</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (342)</u>	<u>\$ (388)</u>	<u>\$ (46)</u>
Other Financing Sources:			
Transfers In	394	394	
Total Other Financing Sources	<u>\$ 394</u>	<u>\$ 394</u>	<u>\$ -</u>
Net Change in Fund Balance	52	6	<u>\$ (46)</u>
Fund Balances, October 1	85	85	
Add Encumbrances		31	
Fund Balances, September 30	<u>\$ 137</u>	<u>\$ 122</u>	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(1)	
Ending Fund Balance		<u>\$ 121</u>	

The City noted budget violations of excess expenditures and encumbrances over appropriations. As there was sufficient actual revenues and fund balances to cover these excesses, the City does not deem these violations to be material.

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 - Public Education and Government

Year-Ended September 30, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Business and Franchise Tax	\$ 2,286	\$ 2,241	\$ (45)
Investment Earnings	60	55	(5)
Total Revenues	<u>\$ 2,346</u>	<u>\$ 2,296</u>	<u>\$ (50)</u>
Expenditures:			
General Government:			
Contractual Services	679	555	124
Commodities	1	372	(371)
Capital Outlay	2,288	1,579	709
Total Expenditures	<u>\$ 2,968</u>	<u>\$ 2,506</u>	<u>\$ 462</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (622)</u>	<u>\$ (210)</u>	<u>\$ 412</u>
Other Financing (Uses):			
Transfers Out	(37)	(10)	27
Total Other Financing (Uses)	<u>\$ (37)</u>	<u>\$ (10)</u>	<u>\$ 27</u>
Net Change in Fund Balance	(659)	(220)	<u>\$ 439</u>
Fund Balances, October 1	9,227	9,227	
Add Encumbrances		752	
Fund Balances, September 30	<u>\$ 8,568</u>	<u>\$ 9,759</u>	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(139)	
Ending Fund Balance		<u>\$ 9,620</u>	

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 - Tree Canopy Preservation and Mitigation Fund

Year-Ended September 30, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 7,597	\$ 9,390	\$ 1,793
Investment Earnings	53	77	24
Total Revenues	<u>\$ 7,650</u>	<u>\$ 9,467</u>	<u>\$ 1,817</u>
Expenditures:			
Culture and Recreation:			
Personal Services	240	214	26
Contractual Services	2,737	2,612	125
Commodities	322	343	(21)
Other Expenditures	122	114	8
Capital Outlay	7	7	
Total Expenditures	<u>\$ 3,428</u>	<u>\$ 3,290</u>	<u>\$ 138</u>
Excess of Revenues Over Expenditures	<u>\$ 4,222</u>	<u>\$ 6,177</u>	<u>\$ 1,955</u>
Other Financing (Uses):			
Transfers Out	(4,109)	(4,162)	(53)
Total Other Financing (Uses)	<u>\$ (4,109)</u>	<u>\$ (4,162)</u>	<u>\$ (53)</u>
Net Change in Fund Balance	113	2,015	<u>\$ 1,902</u>
Fund Balances, October 1	8,338	8,338	
Add Encumbrances		4,682	
Fund Balances, September 30	<u>\$ 8,451</u>	<u>\$ 15,035</u>	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(198)	
Ending Fund Balance		<u>\$ 14,837</u>	

CITY OF SAN ANTONIO, TEXAS

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances

Budget and Actual (Budgetary Basis)

Permanent Fund

City Cemeteries

Year-Ended September 30, 2022

(In Thousands)

	2022		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Lease Revenue	\$ 276	\$ 334	\$ 58
Investment Earnings	2	3	1
Total Revenues	<u>\$ 278</u>	<u>\$ 337</u>	<u>\$ 59</u>
Expenditures:			
Culture and Recreation:			
Personal Services	76	76	
Contractual Services	191	115	76
Commodities	5		5
Self Insurance	5	5	
Capital Outlay	2	4	(2)
Total Culture and Recreation	<u>\$ 279</u>	<u>\$ 200</u>	<u>\$ 79</u>
Total Expenditures	<u>\$ 279</u>	<u>\$ 200</u>	<u>\$ 79</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ (1)</u>	<u>\$ 137</u>	<u>\$ 138</u>
Net Change in Fund Balance	(1)	137	<u>138</u>
Fund Balances, October 1	504	504	
Add Encumbrances		2	
Fund Balances, September 30	<u>\$ 503</u>	<u>\$ 643</u>	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(7)	
Ending Fund Balance		<u>\$ 636</u>	

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, 2022
(In Thousands)

	<u>DEVELOPMENT SERVICES</u>	<u>MARKET SQUARE</u>	<u>PARKING SYSTEM</u>	<u>TOTAL NONMAJOR ENTERPRISE FUNDS</u>
Assets:				
Current Assets:				
Unrestricted Assets:				
Cash and Cash Equivalents	\$ 6,317	\$ 210	\$ 1,846	\$ 8,373
Investments	24,772	840	6,714	32,326
Receivables, Net	1,118	171	31	1,320
Materials and Supplies, at Cost			135	135
Prepaid Expenses	449			449
Lease Receivable		1,105	342	1,447
Total Unrestricted Assets	<u>32,656</u>	<u>2,326</u>	<u>9,068</u>	<u>44,050</u>
Restricted Assets:				
Debt Service Accounts:				
Cash and Cash Equivalents	234		1,281	1,515
Investments	15		381	396
Receivables, Net			1	1
Construction Accounts:				
Cash and Cash Equivalents	24	6		30
Investments	92			92
Improvement and Contingency Accounts:				
Cash and Cash Equivalents			185	185
Investments			720	720
Receivables, Net			1	1
Total Restricted Assets	<u>365</u>	<u>6</u>	<u>2,569</u>	<u>2,940</u>
Total Current Assets	<u>33,021</u>	<u>2,332</u>	<u>11,637</u>	<u>46,990</u>
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	12,639		1,462	14,101
Depreciable Intangible	14,404			14,404
Construction in Progress		186		186
Total Capital Assets	<u>29,272</u>	<u>10,405</u>	<u>39,792</u>	<u>79,469</u>
Less: Accumulated Depreciation	<u>15,699</u>	<u>6,004</u>	<u>21,913</u>	<u>43,616</u>
Net Capital Assets	<u>13,573</u>	<u>4,401</u>	<u>17,879</u>	<u>35,853</u>
Lease Assets	4		10	14
Less: Accumulated Amortization	<u>2</u>		<u>1</u>	<u>3</u>
Lease Assets, Net	<u>2</u>		<u>9</u>	<u>11</u>
Lease Receivable		7,664	4,215	11,879
Total Noncurrent Assets	<u>13,575</u>	<u>12,065</u>	<u>22,103</u>	<u>47,743</u>
Total Assets	<u>46,596</u>	<u>14,397</u>	<u>33,740</u>	<u>94,733</u>
Total Deferred Outflows of Resources	<u>7,311</u>	<u>137</u>	<u>2,032</u>	<u>9,480</u>

(Continued)

Combining Statement of Net Position
Nonmajor Enterprise Funds (Continued)
As of September 30, 2022
(In Thousands)

	<u>DEVELOPMENT SERVICES</u>	<u>MARKET SQUARE</u>	<u>PARKING SYSTEM</u>	<u>TOTAL NONMAJOR ENTERPRISE FUNDS</u>
Liabilities:				
Current Liabilities:				
Payable from Current Unrestricted Assets:				
Vouchers Payable	\$ 214	\$ 122	\$ 130	\$ 466
Accounts Payable - Other	5,141	19	110	5,270
Accrued Payroll	426	5	77	508
Current Portion of Accrued Leave Payable	1,103	12	207	1,322
Unearned Revenue		22	58	80
Current Portion of Lease Liability	2		2	4
Total Payable from Current Unrestricted Assets	<u>6,886</u>	<u>180</u>	<u>584</u>	<u>7,650</u>
Payable from Current Restricted Assets:				
Accrued Interest	42		3	45
Current Portion of Bonds and Certificates (net of premium/discount)	322		1,570	1,892
Due to Other Funds	168			168
Total Payable from Restricted Assets	<u>532</u>		<u>1,573</u>	<u>2,105</u>
Total Current Liabilities	<u>7,418</u>	<u>180</u>	<u>2,157</u>	<u>9,755</u>
Noncurrent Liabilities:				
Bonds and Certificates (net of current portion & discount/premium)	6,085		1,580	7,665
Accrued Leave Payable (net of current portion)	75	6	2	83
Lease Liability (net of current portion)			6	6
Net OPEB and Pension Liabilities	27,917	414	5,389	33,720
Total Noncurrent Liabilities	<u>34,077</u>	<u>420</u>	<u>6,977</u>	<u>41,474</u>
Total Liabilities	<u>41,495</u>	<u>600</u>	<u>9,134</u>	<u>51,229</u>
Total Deferred Inflows of Resources	<u>16,609</u>	<u>8,936</u>	<u>8,120</u>	<u>33,665</u>
Net Position (Deficit):				
Net Investment in Capital Assets	7,282	4,401	14,911	26,594
Restricted:				
Debt Service	207		1,661	1,868
Capital Projects			907	907
Unrestricted (Deficit)	(11,686)	597	1,039	(10,050)
Total Net Position (Deficit)	<u>\$ (4,197)</u>	<u>\$ 4,998</u>	<u>\$ 18,518</u>	<u>\$ 19,319</u>

Combining Statement of Revenues, Expenses, and Changes in Net Position**Nonmajor Enterprise Funds**

Year-Ended September 30, 2022

(In Thousands)

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Operating Revenues:				
Charges for Services	\$ 47,555	\$ 2,966	\$ 8,077	\$ 58,598
Total Operating Revenues	47,555	2,966	8,077	58,598
Operating Expenses:				
Personal Services	28,718	151	3,156	32,025
Contractual Services	2,999	1,097	1,582	5,678
Commodities	418	73	195	686
Other	7,636	469	1,300	9,405
Depreciation	4,787	443	884	6,114
Total Operating Expenses	44,558	2,233	7,117	53,908
Operating Income	2,997	733	960	4,690
Nonoperating Revenues (Expenses):				
Investment (Loss)	(238)	(9)	(79)	(326)
Other Nonoperating Revenue	5	7	5	17
Interest and Debt Expense	(150)		(118)	(268)
Total Nonoperating Revenues (Expenses), Net	(383)	(2)	(192)	(577)
Change in Net Position Before Transfers	2,614	731	768	4,113
Transfers In (Out):				
Transfers In	1167		2027	3,194
Transfers Out	(2,984)	(312)	(380)	(3,676)
Total Transfers In (Out), Net	(1,817)	(312)	1,647	(482)
Change In Net Position	797	419	2,415	3,631
Net Position (Deficit) - October 1	(4,994)	4,579	16,103	15,688
Net Position (Deficit) - September 30	\$ (4,197)	\$ 4,998	\$ 18,518	\$ 19,319

Combining Statement of Cash Flows**Nonmajor Enterprise Funds**

Year-Ended September 30, 2022

(In Thousands)

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 46,836	\$ 2,741	\$ 9,936	\$ 59,513
Cash Payments to Suppliers for Goods and Services	(10,907)	(1,583)	(2,964)	(15,454)
Cash Payments to Employees for Service	(26,743)	(350)	(4,492)	(31,585)
Cash Received from Other Cash Receipts	5	7	5	17
Net Cash Provided by Operating Activities	9,191	815	2,485	12,491
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	1,167		2,027	3,194
Transfers Out to Other Funds	(2,984)	(312)	(380)	(3,676)
Net Cash Provided by (Used for) Noncapital Financing Activities	(1,817)	(312)	1,647	(482)
Cash Flows from Capital and Related Financing Activities:				
Acquisitions and Construction of Capital Assets		(166)	(3)	(169)
Interest and Fees Paid on Long-Term Debt	(150)		(119)	(269)
Principal Payments on Long-Term Debt	(324)		(1,565)	(1,889)
Net Cash (Used for) Capital and Related Financing Activities	(474)	(166)	(1,687)	(2,327)
Cash Flows from Investing Activities:				
Purchases of Investment Securities	(19,076)	(645)	(8,873)	(28,594)
Maturity of Investment Securities	8,117	207	5,327	13,651
Investment Earnings	(228)	(9)	(79)	(316)
Net Cash (Used for) Investing Activities	(11,187)	(447)	(3,625)	(15,259)
Net (Decrease) in Cash and Cash Equivalents	(4,287)	(110)	(1,180)	(5,577)
Cash and Cash Equivalents, October 1	10,862	326	4,492	15,680
Cash and Cash Equivalents, September 30	\$ 6,575	\$ 216	\$ 3,312	\$ 10,103
Reconciliation of Operating Income to Net Cash Provided by Operating Activities				
Operating Income	\$ 2,997	\$ 733	\$ 960	\$ 4,690
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	4,787	443	884	6,114
Other Nonoperating Revenues	5	7	5	17
Changes in Assets, Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:				
(Increase) Decrease in Accounts Receivable		(126)	2,168	2,042
(Increase) Decrease in Lease Receivable		(8,769)	(4,557)	(13,326)
Decrease in Materials and Supplies			1	1
(Increase) Decrease in Prepaid Expenses	(36)		62	26
Increase in Vouchers Payable	18	54	6	78
Increase (Decrease) in Accounts Payable - Other	(555)	2	48	(505)
(Decrease) in Accrued Payroll	(633)	(6)	(87)	(726)
Increase (Decrease) in Accrued Leave Payable	(125)	(3)	(11)	(139)
(Decrease) in Net OPEB Obligation and Pension Liability	(1,038)	(255)	(2,117)	(3,410)
(Increase) Decrease in Deferred Outflows of Resources Related to OPEB and Pension	136	16	290	442
Increase in Deferred Inflows of Resources	3,635	8,697	4,878	17,210
Increase (Decrease) in Unearned Revenue		22	(41)	(19)
(Decrease) in Due to Other Government Agencies			(4)	(4)
Net Cash Provided by (Used for) Operating Activities	\$ 9,191	\$ 815	\$ 2,485	\$ 12,491



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, 2022
(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	\$ 5,886	\$ 6,144	\$ 6,865	\$ 1,993	\$ 23,196	\$ 497	\$ 44,581
Investments	22,865	23,657	28,690	6,476	90,069	1,577	173,334
Receivables, Net	101	21	64	492	279		957
Materials and Supplies, at Cost					3,902		3,902
Deposits	265		36				301
Prepaid Expenses		5,185		224			5,409
Lease Receivable				154	64		218
Due From Other Governmental Agencies, Net				642	59		701
Total Unrestricted Assets	29,117	35,007	35,655	9,981	117,569	2,074	229,403
Restricted Assets:							
Debt Service Accounts:							
Cash and Cash Equivalents					66		66
Investments					4		4
Construction Accounts:							
Cash and Cash Equivalents					355		355
Investments					1,379		1,379
Total Restricted Assets					1,804		1,804
Total Current Assets	29,117	35,007	35,655	9,981	119,373	2,074	231,207
Noncurrent Assets:							
Capital Assets:							
Buildings				21	158		179
Improvements					715		715
Machinery and Equipment	5	10	50	6,933	315,980	249	323,227
Depreciable Intangible					250		250
Total Capital Assets	5	10	50	6,954	316,853	499	324,371
Less: Accumulated Depreciation	5	10	28	6,749	192,342	446	199,580
Net Capital Assets			22	205	124,511	53	124,791
Lease Assets				31,742	29	30	31,801
Less: Accumulated Amortization				1,484	4	4	1,492
Lease Assets, Net				30,258	25	26	30,309
Lease Receivable				1,789	175		1,964
Total Noncurrent Assets			22	32,252	124,711	79	157,064
Total Assets	29,117	35,007	35,677	42,233	244,084	2,153	388,271
Total Deferred Outflows of Resources	649	622	564	9,618	8,621	5,074	25,148

(Continued)

**Combining Statement of Net Position
Internal Service Funds (Continued)
As of September 30, 2022**

(In Thousands)

	SELF-INSURANCE PROGRAMS						
	EMPLOYEE HEALTH BENEFITS	INSURANCE RESERVE	WORKERS' COMPENSATION	INFORMATION SERVICES	OTHER INTERNAL SERVICES	CAPITAL MANAGEMENT SERVICES	TOTAL INTERNAL SERVICE FUNDS
Liabilities:							
Current Liabilities:							
Payable from Current Unrestricted Assets:							
Vouchers Payable	\$ 5,987	\$ 869	\$ 706	\$ 1,288	\$ 3,853	\$ 31	\$ 12,734
Accounts Payable - Other	491	303	138	1,767	690	454	3,843
Claims Payable	8,692	11,521	8,700				28,913
Accrued Payroll	37	35	32	575	403	285	1,367
Accrued Interest					37		37
Current Portion of Accrued Leave Payable	86	101	66	1,792	1,052	738	3,835
Unearned Revenue					8	10	18
Current Portion of Lease Liability				956	5	6	967
Current Portion of Pollution Remediation					48		48
Current Portion of Asset Retirement Obligations					111		111
Total Payable from Current Unrestricted Assets	15,293	12,829	9,642	6,378	6,207	1,524	51,873
Payable from Restricted Assets:							
Current Portion of Bonds and Certificates (net of premium/discount)					204		204
Total Payable from Restricted Assets					204		204
Total Current Liabilities	15,293	12,829	9,642	6,378	6,411	1,524	52,077
Noncurrent Liabilities:							
Bonds and Certificates (net of current portion & discount/premium)					4,443		4,443
Claims Payable (net of current portion)		19,543	19,690				39,233
Accrued Leave Payable (net of current portion)	116	42		1,347	254	335	2,094
Lease Liability (net of current portion)				29,776	20	20	29,816
Net OPEB and Pension Liabilities	2,423	2,295	2,100	35,597	28,990	17,467	88,872
Asset Retirement Obligations (net of current portion)					767		767
Total Noncurrent Liabilities	2,539	21,880	21,790	66,720	34,474	17,822	165,225
Total Liabilities	17,832	34,709	31,432	73,098	40,885	19,346	217,302
Total Deferred Inflows of Resources	1,420	1,322	1,251	22,297	18,439	10,462	55,191
Net Position (Deficit):							
Net Investment in Capital Assets			22	205	120,259	53	120,539
Restricted:							
Debt Service					29		29
Capital Projects					1,739		1,739
Unrestricted (Deficit)	10,514	(402)	3,536	(43,749)	71,354	(22,634)	18,619
Total Net Position (Deficit)	\$ 10,514	\$ (402)	\$ 3,558	\$ (43,544)	\$ 193,381	\$ (22,581)	\$ 140,926

Combining Statement of Revenues, Expenses, and Changes in Net Position

Internal Service Funds

Year-Ended September 30, 2022

(In Thousands)

	SELF-INSURANCE PROGRAMS						TOTAL INTERNAL SERVICE FUNDS
	EMPLOYEE HEALTH BENEFITS	INSURANCE RESERVE	WORKERS' COMPENSATION	INFORMATION SERVICES	OTHER INTERNAL SERVICES	CAPITAL MANAGEMENT SERVICES	
Operating Revenues:							
Charges for Services	\$ 161,865	\$ 27,652	\$ 11,484	\$ 69,913	\$ 125,996	\$ 21,425	\$ 418,335
Total Operating Revenues	161,865	27,652	11,484	69,913	125,996	21,425	418,335
Operating Expenses:							
Personal Services	12,334	2,001	1,934	29,039	26,734	13,680	85,722
Contractual Services	14,463	301	2,171	28,771	7,872	891	54,469
Commodities	20	16	38	313	1,601	178	2,166
Materials and Supplies					35,659		35,659
Claims	142,595	12,904	8,644				164,143
Other	2,830	7,288	1,249	10,213	16,247	3,368	41,195
Depreciation		2	10	141	34,184	37	34,374
Total Operating Expenses	172,242	22,512	14,046	68,477	122,297	18,154	417,728
Operating Income (Loss)	(10,377)	5,140	(2,562)	1,436	3,699	3,271	607
Nonoperating Revenues (Expenses):							
Investment (Loss)	(233)	(159)	(357)	(81)	(1,073)		(1,903)
Other Nonoperating Revenue	19,382	56	672	62	220	2	20,394
Gain on Sale of Capital Assets				(2)	8,274		8,272
Interest and Debt Expense					(232)		(232)
Total Nonoperating Revenues	19,149	(103)	315	(21)	7,189	2	26,531
Change in Net Position Before Transfers	8,772	5,037	(2,247)	1,415	10,888	3,273	27,138
Transfers In (Out):							
Transfers In		2,500	85	871	5,090	23	8,569
Transfers Out	(208)	(85)	(306)	(929)	(2,844)	(136)	(4,508)
Total Transfers In (Out), Net	(208)	2,415	(221)	(58)	2,246	(113)	4,061
Change in Net Position	8,564	7,452	(2,468)	1,357	13,134	3,160	31,199
Net Position (Deficit) - October 1	1,950	(7,854)	6,026	(44,901)	180,247	(25,741)	109,727
Net Position (Deficit) - September 30	\$ 10,514	\$ (402)	\$ 3,558	\$ (43,544)	\$ 193,381	\$ (22,581)	\$ 140,926

Combining Statement of Cash Flows
Internal Service Funds
Year-Ended September 30, 2022
(In Thousands)

	SELF-INSURANCE PROGRAMS						TOTAL INTERNAL SERVICE FUNDS
	EMPLOYEE HEALTH BENEFITS	INSURANCE RESERVE	WORKERS' COMPENSATION	INFORMATION SERVICES	OTHER INTERNAL SERVICES	CAPITAL MANAGEMENT SERVICES	
Cash Flows from Operating Activities:							
Cash Received from Customers	\$ 161,847	\$ 27,652	\$ 11,480	\$ 69,705	\$ 125,850	\$ 21,425	\$ 417,959
Cash Payments to Suppliers for Goods and Services	(160,151)	(18,673)	(14,007)	(39,409)	(59,844)	(4,293)	(296,377)
Cash Payments to Employees for Service	(12,828)	(2,252)	(2,080)	(36,071)	(26,012)	(17,167)	(96,410)
Cash Received from Other Cash Receipts	19,383	56	672	62	220	2	20,395
Net Cash Provided by (Used for) Operating Activities	8,251	6,783	(3,935)	(5,713)	40,214	(33)	45,567
Cash Flows from Noncapital Financing Activities:							
Transfers In from Other Funds		2,500	85	871	5,090	23	8,569
Transfers Out to Other Funds	(208)	(85)	(306)	(929)	(2,844)	(136)	(4,508)
Net Cash Provided by (Used for) Noncapital Financing Activities	(208)	2,415	(221)	(58)	2,246	(113)	4,061
Cash Flows from Capital and Related Financing Activities:							
Acquisitions and Construction of Capital Assets				474	(41,088)		(40,614)
Interest and Fees Paid on Long-Term Debt					(234)		(234)
Principal Payments on Long-Term Debt					(194)		(194)
Proceeds from Sale of Assets					11,247		11,247
Net Cash (Used for) Capital and Related Financing Activities				474	(30,269)		(29,795)
Cash Flows from Investing Activities:							
Purchases of Investment Securities	(17,542)	(18,150)	(22,011)	(4,968)	(70,322)	(1,210)	(134,203)
Maturity of Investment Securities	10,961	(1,291)	14,002	6,096	36,159	(28)	65,899
Investment (Loss)	(267)	(176)	(396)	(89)	(1,207)		(2,135)
Net Cash Provided by (Used for) Investing Activities	(6,848)	(19,617)	(8,405)	1,039	(35,370)	(1,238)	(70,439)
Net Increase (Decrease) in Cash and Cash Equivalents	1,195	(10,419)	(12,561)	(4,258)	(23,179)	(1,384)	(50,606)
Cash and Cash Equivalents, October 1	4,691	16,563	19,426	6,251	46,796	1,881	95,608
Cash and Cash Equivalents, September 30	\$ 5,886	\$ 6,144	\$ 6,865	\$ 1,993	\$ 23,617	\$ 497	\$ 45,002
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Operating Income (Loss)	\$ (10,377)	\$ 5,140	\$ (2,562)	\$ 1,436	\$ 3,699	\$ 3,271	\$ 607
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:							
Depreciation		2	10	141	34,184	37	34,374
Other Nonoperating Revenues	19,382	56	672	62	220	2	20,394
Changes in Assets, Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:							
(Increase) Decrease in Accounts Receivable	(18)		(4)	(73)	92		(3)
(Increase) Decrease in Lease Receivable				(1,942)	(239)		(2,181)
(Increase) Decrease in Due from Other Governmental Agencies				(106)	2		(104)
(Increase) Decrease in Materials and Supplies				5	(641)		(636)
(Increase) in Prepaid Expenses		(1,461)		(224)			(1,685)
Increase (Decrease) in Vouchers Payable	(820)	(258)	440	(563)	1,992	(37)	754
Increase (Decrease) in Claims Payable	665	4,150	(2,332)				2,483
Increase (Decrease) in Accounts Payable - Other	(87)	(595)	(12)	668	96	182	252
(Decrease) in Accrued Payroll	(65)	(55)	(66)	(974)	(656)	(426)	(2,242)
(Decrease) Accrued Leave Payable	(20)	(1)	(17)	(168)	(123)	(44)	(373)
(Decrease) in Net OPEB Obligation and Pension Liability	(732)	(510)	(354)	(10,604)	(2,780)	(5,424)	(20,404)
(Decrease) in Pollution Remediation Liability					(72)		(72)
Increase in Asset Retirement Obligations					160		160
(Increase) Decrease in Deferred Outflows of Resources Related to OPEB and Pension	11	(2)	10	93	310	167	589
Increase in Deferred Inflows of Resources	312	317	280	6,536	3,971	2,239	13,655
(Decrease) in Unearned Revenue					(1)		(1)
Net Cash Provided by (Used for) Operating Activities	\$ 8,251	\$ 6,783	\$ (3,935)	\$ (5,713)	\$ 40,214	\$ (33)	\$ 45,567



Fiduciary Funds

PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS – to account for resources of the pension and other employee benefit trust funds established for the City’s firefighters, police officers, and retired civilians:

SAN ANTONIO FIRE AND POLICE PENSION FUND – to account for collection and payment of funds for the pension fund established for the City’s firefighters and police officers, as provided for under state law.

RETIREE HEALTH & WELLNESS SAN ANTONIO FIRE AND POLICE FUND – to account for the collection and payment of funds for health care benefits of the City’s firefighters and police officers who retired after October 1, 1989, as provided for under state law and the respective collective bargaining agreements.

CITY OF SAN ANTONIO RETIREE HEALTH CARE FUND – to account for the collection and payment of funds for health care benefits of the City’s civilian and pre-October 1, 1989 uniformed retirees.

CUSTODIAL FUNDS – to account for funds which are custodial in nature and for which the City is acting as an agent. The City has established the following custodial funds based upon the above definition:

BEXAR COUNTY TAX COLLECTIONS FUND – to account for the collection and payment to Bexar County for certain hotel occupancy and bingo taxes.

CIBOLO CANYON SPECIAL IMPROVEMENT DISTRICT – to account for the tax collection and payment to Cibolo Canyon’s Special Improvement District.

CRIMINAL JUSTICE PLANNING FUND – to account for the collection and payment to the State of Texas for Law Enforcement Fees collected.

DEPOSIT FUND – to account for the collection and payment related to the Subdivision Plat Recordation deposits collected by the City and submitted to Bexar County.

EVIDENTIARY CASH FUND – to account for cash impounded by the San Antonio Police Department pending the outcome of legal proceedings.

STATE BIRTH CERTIFICATE FUND – to account for the collection and payment to the State of Texas for the cost of filing birth certificates.

STATE SALES TAX FUND – to account for the collection and payment to the State of Texas for sales tax collected.

UNCLAIMED PROPERTY FUND – to account for the collection and administration of unclaimed property in accordance with the Texas Property Code - Title 6.

**Combining Statement of Fiduciary Net Position
Pension (and Other Employee Benefit) Trust Funds
As of September 30, 2022**

(In Thousands)

	FIRE AND POLICE PENSION FUND	RETIREE HEALTH & WELLNESS SAN ANTONIO FIRE AND POLICE FUND	CITY OF SAN ANTONIO RETIREE HEALTH CARE FUND	TOTAL PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 93,707	\$ 8,842	\$ 1,268	\$ 103,817
Security Lending Collateral	134,858			134,858
Investments:				
Common Stock	1,998,879	21,479		2,020,358
U.S. Government Securities	119,223		4,924	124,147
Corporate Bonds	668,110			668,110
Foreign Bonds	184,998			184,998
Mutual Funds		118,047		118,047
Hedge Funds	30,886			30,886
Real Estate	345,140	29,281		374,421
Alternative	717,901	375,388		1,093,289
Receivables:				
Accounts	2,454	1,541	46	4,041
Accrued Interest	4,699	23	10	4,732
Accrued Revenue	14,492			14,492
Prepaid Expenses		53		53
Total Current Assets	4,315,347	554,654	6,248	4,876,249
Capital Assets:				
Land		14,667		14,667
Machinery and Equipment	465	577		1,042
Buildings	790	1,234		2,024
Total Capital Assets	1,255	16,478		17,733
Less: Accumulated Depreciation	583	1,454		2,037
Net Capital Assets	672	15,024		15,696
Total Assets	\$ 4,316,019	\$ 569,678	\$ 6,248	\$ 4,891,945
Liabilities:				
Vouchers Payable	\$ 11,281	\$ -	\$ -	\$ 11,281
Accounts Payable - Other	18,458	857		19,315
Claims Payable		4,523	349	4,872
Accrued Payroll	492	38		530
Unearned Revenue			1	1
Securities Lending Obligation	134,858			134,858
Total Liabilities	165,089	5,418	350	170,857
Net Position:				
Restricted for Pension	4,150,930			4,150,930
Restricted for Other Postemployment Benefits		564,260	5,898	570,158
Total Net Position	\$ 4,150,930	\$ 564,260	\$ 5,898	\$ 4,721,088

**Combining Statement of Changes in Fiduciary Net Position
Pension (and Other Employee Benefit) Trust Funds
Year-Ended September 30, 2022**

(In Thousands)

	FIRE AND POLICE PENSION FUND	RETIREE HEALTH & WELLNESS SAN ANTONIO FIRE AND POLICE FUND	CITY OF SAN ANTONIO RETIREE HEALTH CARE FUND	TOTAL PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS
Additions:				
Contributions:				
Employer	\$ 86,323	\$ 42,030	\$ 6,666	\$ 135,019
Employee	43,213	21,012	1,597	65,822
Other Contributions		1,545	581	2,126
Total Contributions	<u>129,536</u>	<u>64,587</u>	<u>8,844</u>	<u>202,967</u>
Investment Earnings:				
Net Increase in Fair Value of Investments	475,823	55,719		531,542
Real Estate Income, Net	7,663			7,663
Interest and Dividends (Loss)	51,819	3,437	(61)	55,195
Securities Lending	400			400
Other Income	30	647		677
Total Investment Earnings	535,735	59,803	(61)	595,477
Less: Investment Expenses				
Investment Management Fees and Custodian Fees	(14,064)	(547)		(14,611)
Less: Securities Lending Expenses				
Borrower Rebates and Lending Fees	(96)			(96)
Net Investment Earnings (Loss)	<u>521,575</u>	<u>59,256</u>	<u>(61)</u>	<u>580,770</u>
Total Additions	<u>651,111</u>	<u>123,843</u>	<u>8,783</u>	<u>783,737</u>
Deductions:				
Benefits	227,235	39,850	7,084	274,169
Refunds of Contributions	1,179			1,179
Administrative Expenses	2,963	3,793	1,135	7,891
Total Deductions	<u>231,377</u>	<u>43,643</u>	<u>8,219</u>	<u>283,239</u>
Change in Net Position	419,734	80,200	564	500,498
Net Position - Beginning of Fiscal Year	3,731,196	484,060	5,334	4,220,590
Net Position - End of Fiscal Year	<u>\$ 4,150,930</u>	<u>\$ 564,260</u>	<u>\$ 5,898</u>	<u>\$ 4,721,088</u>

Combining Statement of Fiduciary Net Position

Custodial Funds

As of September 30, 2022

(In Thousands)

	BEXAR COUNTY TAX COLLECTIONS FUND	CIBOLO CANYON SPECIAL IMPROVEMENT DISTRICT	CRIMINAL JUSTICE PLANNING FUND	DEPOSIT FUND	EVIDENTIARY CASH FUND	STATE BIRTH CERTIFICATE FUND	STATE SALES TAX FUND	UNCLAIMED PROPERTY FUND	TOTAL CUSTODIAL FUNDS
Assets:									
Current Assets:									
Cash and Cash Equivalents	\$ 310	\$ 657	\$ 1,675	\$ 392	\$ 169	\$ 8	\$ 360	\$ 67	\$ 3,638
Investments:									
U.S. Government Securities	1,261				658	32		260	2,211
Receivables:									
Accounts	656								656
Accrued Interest	2				2			1	5
Total Current Assets	<u>2,229</u>	<u>657</u>	<u>1,675</u>	<u>392</u>	<u>829</u>	<u>40</u>	<u>360</u>	<u>328</u>	<u>6,510</u>
Total Assets	<u>\$ 2,229</u>	<u>\$ 657</u>	<u>\$ 1,675</u>	<u>\$ 392</u>	<u>\$ 829</u>	<u>\$ 40</u>	<u>\$ 360</u>	<u>\$ 328</u>	<u>\$ 6,510</u>
Net Position:									
Restricted for individuals, organizations, and other governments	2,229	657	1,675	392	829	40	360	328	6,510
Total Net Position	<u>\$ 2,229</u>	<u>\$ 657</u>	<u>\$ 1,675</u>	<u>\$ 392</u>	<u>\$ 829</u>	<u>\$ 40</u>	<u>\$ 360</u>	<u>\$ 328</u>	<u>\$ 6,510</u>

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

Year-Ended September 30, 2022

(In Thousands)

	BEXAR COUNTY TAX COLLECTIONS FUND	CIBOLO CANYON SPECIAL IMPROVEMENT DISTRICT	CRIMINAL JUSTICE PLANNING FUND	DEPOSIT FUND	EVIDENTIARY CASH FUND	STATE BIRTH CERTIFICATE FUND	STATE SALES TAX FUND	UNCLAIMED PROPERTY FUND	TOTAL CUSTODIAL FUNDS
Additions:									
Investment Earnings:									
Net Increase (Decrease) in Fair Value of Investments	\$ (21)	\$ -	\$ -	\$ -	\$ (16)	\$ -	\$ -	\$ (6)	\$ (43)
Interest and Dividends	8				7			2	17
Total Investment Earnings	(13)				(9)			(4)	(26)
Collections:									
Tax Collections for Other Governments	21,902	6,892					14,560		43,354
Fee and Fine Collections for Other Governments			5,911	128		135			6,174
Payments Collected on Behalf of Others					178			21	199
Total Collections	21,902	6,892	5,911	128	178	135	14,560	21	49,727
Total Additions	21,889	6,892	5,911	128	169	135	14,560	17	49,701
Deductions:									
Administrative Expenses	195		416				61		672
Fees and Fines Disbursed to Other Governments			4,950	100		140			5,190
Payments Disbursed on Behalf of Others					632			155	787
Tax Collections Disbursed to Other Governments	19,875	6,235					12,194		38,304
Other Disbursements	7			24	20		2,188		2,239
Total Deductions	20,077	6,235	5,366	124	652	140	14,443	155	47,192
Change in Net Position	1,812	657	545	4	(483)	(5)	117	(138)	2,509
Net Position - Beginning of Fiscal Year	417		1,130	388	1,312	45	243	466	4,001
Net Position - End of Fiscal Year, 2022	\$ 2,229	\$ 657	\$ 1,675	\$ 392	\$ 829	\$ 40	\$ 360	\$ 328	\$ 6,510



Nonmajor Discretely Presented Component Units

SAN ANTONIO BEXAR COUNTY SOCCER PUBLIC FACILITY CORPORATION (SABC PFC) – was established as a nonprofit in fiscal year 2016 in accordance with state law for the purpose of, and to act on behalf of the City in, the renovation and operation of a facility and related property and infrastructure to be used for and to support professional soccer within the City. SABC PFC is governed by a four-member board of directors comprised of two appointees from the City and two from the County.

PORT AUTHORITY OF SAN ANTONIO (THE PORT) – was established for the purpose of monitoring the closing of Kelly Air Force Base (Kelly) and formulating and adopting a comprehensive plan for the conversion and redevelopment of Kelly. The Port is authorized to issue bonds to finance related projects. These bonds are not obligations of the City.

SA ENERGY ACQUISITION PUBLIC FACILITY CORPORATION (SAEAPFC) – was established for the purpose of, and to act on behalf of the City in, the financing and acquisition of electric energy and power, oil, gas, coal and other liquid, gaseous or solid hydrocarbon fuels for the electric and gas systems of the City of San Antonio.

Combining Statement of Net Position
Nonmajor Discretely Presented Component Units
As of September 30, 2022

(In Thousands)

	SABC SOCCER PUBLIC FACILITY CORPORATION	PORT AUTHORITY OF SAN ANTONIO	SA ENERGY ACQUISITION PUBLIC FACILITY CORPORATION	TOTAL NONMAJOR COMPONENT UNITS
Assets:				
Current Assets:				
Unrestricted Assets:				
Cash and Cash Equivalents	\$ -	\$ 13,410	\$ 1,846	\$ 15,256
Investments		25,136	19,216	44,352
Receivables, Net		25,326	4,051	29,377
Materials and Supplies, at Cost				
Due from Other Governmental Agencies		3,391		3,391
Prepaid Expenses			23,823	23,823
Other Assets		719		719
Total Unrestricted Assets		67,982	48,936	116,918
Restricted Assets:				
Debt Service Accounts:				
Cash and Cash Equivalents			10,543	10,543
Investments			99,548	99,548
Receivables, Net			69	69
Other Restricted Accounts:				
Cash and Cash Equivalents	638	7,044		7,682
Receivables, Net	447			447
Lease Receivable	251			251
Total Restricted Assets	1,336	7,044	110,160	118,540
Total Current Assets	1,336	75,026	159,096	235,458
Noncurrent Assets:				
Capital Assets:				
Land	3,980	35,583		39,563
Infrastructure	16,505	61,657		78,162
Buildings		415,307		415,307
Machinery and Equipment		13,492		13,492
Construction in Progress		27,104		27,104
Total Capital Assets	20,485	553,143		573,628
Less: Accumulated Depreciation	7,232	181,713		188,945
Net Capital Assets	13,253	371,430		384,683
Other Noncurrent Assets:				
Receivables, Net		154,577		154,577
Prepaid Expenses		3,650	82,401	86,051
Lease Receivable	5,127			5,127
Other Noncurrent Assets				
Total Other Noncurrent Assets	5,127	158,227	82,401	245,755
Total Noncurrent Assets	18,380	529,657	82,401	630,438
Total Assets	19,716	604,683	241,497	865,896
Deferred Outflows of Resources		861		861
Liabilities:				
Current Liabilities:				
Payable from Current Unrestricted Assets:				
Accounts Payable and Other Current Liabilities	\$ -	18,669	\$ -	\$ 18,669
Unearned Revenues		1,369		1,369
Current Portion of Long-Term Lease/Notes Payable		3,967		3,967
Current Portion of Other Payables				
Total Payable from Current Unrestricted Assets		24,005		24,005
Payable from Restricted Assets:				
Accrued Interest on Bonds and Certificates		52	4,529	4,581
Current Portion of Bonds and Certificates		1,900	29,495	31,395
Total Payable from Current Restricted Assets		1,952	34,024	35,976
Total Current Liabilities		25,957	34,024	59,981
Noncurrent Liabilities:				
Bonds and Certificates (net of current portion & premium/discount)		24,025	136,925	160,950
Long-Term Lease/Notes Payable (net of current portion)		198,346		198,346
Other Payables (net of current portion)		1,082	70,548	71,630
Total Noncurrent Liabilities		223,453	207,473	430,926
Total Liabilities		249,410	241,497	490,907
Deferred Inflows of Resources	5,378	172,684		178,062
Net Position:				
Net Investment in Capital Assets	13,253	137,621		150,874
Restricted for:				
Capital Projects	1,085			1,085
Unrestricted		45,829		45,829
Total Net Position	\$ 14,338	\$ 183,450	\$ -	\$ 197,788

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, 2022**

(In Thousands)

	<u>2022</u>
Governmental Funds Capital Assets:	
Land	\$ 1,441,439
Non-Depreciable Intangible Assets	246,423
Depreciable Intangible Assets	4,091
Buildings	1,572,773
Improvements	1,161,287
Infrastructure	4,002,482
Machinery and Equipment	437,139
Construction in Progress	<u>514,863</u>
Total Governmental Funds Capital Assets	<u>\$ 9,380,497</u>
Investment in Governmental Funds Capital Assets by Source:	
Current Revenue	\$ 3,506,110
General Obligation Bonds, Certificates of Obligation, Tax and Revenue Notes, and Revenue Bonds	5,185,555
Federal and State Grants	625,548
Special Assessments	1,008
Municipal Golf Association - San Antonio	28,380
Visit San Antonio	4,659
Private Citizens' Contribution	24,695
San Antonio Fair, Inc.	<u>4,542</u>
Total Investment in Governmental Funds Capital Assets by Source	<u>\$ 9,380,497</u>

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, 2022

(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		573	21,112
Executive							27	27
Administration	3,093	12,641	2,618	168,905	52,901	30,864	222,423	493,445
Total General Government	3,345	12,641	3,622	190,588	53,240	30,864	223,368	517,668
Public Safety:								
Police	11,969			38,168	10,410		81,095	141,642
Fire	40,941			82,965	11,679	235	53,622	189,442
Building Inspection and Regulations	7,299			14,210			190	21,699
Total Public Safety	60,209			135,343	22,089	235	134,907	352,783
Public Works	1,245,487	22,137		554,462	656,297	3,927,007	32,985	6,438,375
Health Services	2,818		469	1,139	2,278		6,019	12,723
Convention and Tourism	5,422			463,506	95,695		8,332	572,955
Sanitation				164	15		523	702
Welfare	345			27,672	7,595		2,569	38,181
Culture and Recreation:								
Libraries	8,700			99,464	25,679	22,997	1,932	158,772
Parks	114,201	211,575		43,270	275,225	19,513	11,498	675,282
Culture & Arts				28,413	18,351		13,509	60,273
Total Culture and Recreation	122,901	211,575		171,147	319,255	42,510	26,939	894,327
Urban Redevelopment and Housing					699	1,866	617	3,182
Education	912			27,752			458	29,122
Economic Development and Opportunity				1,000	4,124		422	5,546
Environment		70						70
Total Capital Assets Allocated to Functions	\$ 1,441,439	\$ 246,423	\$ 4,091	\$ 1,572,773	\$ 1,161,287	\$ 4,002,482	\$ 437,139	\$ 8,865,634
Construction in Progress								514,863
Total Governmental Funds Capital Assets								\$ 9,380,497

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, 2022

(In Thousands)

	Beginning Balance	Additions ²	Deductions ³	Ending Balance
Function and Activity:				
General Government:				
Legislative	\$ 3,084	\$ -	\$ -	\$ 3,084
Judicial	21,175	7	70	21,112
Executive	27			27
Administration	476,506	17,531	592	493,445
Total General Government	500,792	17,538	662	517,668
Public Safety:				
Police	140,466	1,341	165	141,642
Fire	188,085	1,455	98	189,442
Building Inspection and Regulations	21,699			21,699
Total Public Safety	350,250	2,796	263	352,783
Public Works	6,109,278	329,490	393	6,438,375
Health Services	14,378	100	1,755	12,723
Convention and Tourism	572,507	552	104	572,955
Sanitation	702			702
Welfare	38,052	140	11	38,181
Culture and Recreation:				
Libraries	158,760	21	9	158,772
Parks	642,152	33,315	185	675,282
Culture & Arts	47,376	12,971	74	60,273
Total Culture and Recreation	848,288	46,307	268	894,327
Urban Redevelopment and Housing	3,210		28	3,182
Education	29,122			29,122
Economic Development and Opportunity	4,975	573	2	5,546
Environment	176		106	70
Construction in Progress	520,925	356,516	362,578	514,863
Total Governmental Funds Capital Assets	\$ 8,992,655	\$ 754,012	\$ 366,170	\$ 9,380,497

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 \$348,189 transferred from construction in progress.

³ Deductions from construction in progress include the \$348,189 in assets transferred.

STATISTICAL SECTION

Statistical Section (Unaudited)

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

FINANCIAL TRENDS – These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.

REVENUE CAPACITY – These schedules contain information to help the reader assess the factors affecting the City’s ability to generate its property and sales and use taxes.

DEBT CAPACITY – These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.

DEMOGRAPHIC AND ECONOMIC INFORMATION – These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place and to help make comparisons over time and with other governments.

OPERATING INFORMATION – These schedules contain information about the City’s operations and resources to help the reader understand how the City’s financial information relates to the services the City provides and the activities it performs.



Statistical Data
Net Position by Component
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

	2013	2014	2015 (Restated)	2016 (Restated)	2017 (Restated)	2018 (Restated)	2019 (Restated)	2020	2021	2022
Governmental Activities:										
Net Investment in Capital Assets	\$ 2,304,579	\$ 2,554,305	\$ 2,615,833	\$ 2,675,249	\$ 2,815,626	\$ 2,852,015	\$ 2,957,496	\$ 3,017,372	\$ 3,086,156	\$ 3,156,106
Restricted	72,643	100,264	61,946	62,622	56,706	52,819	45,376	68,775	91,786	181,560
Unrestricted	72,932	(516,002)	(471,052)	(566,044)	(1,125,842)	(1,007,985)	(1,048,034)	(1,118,991)	(1,076,517)	(762,571)
Total Governmental Activities, net position	\$ 2,450,154	\$ 2,138,567	\$ 2,206,727	\$ 2,171,827	\$ 1,746,490	\$ 1,896,849	\$ 1,954,838	\$ 1,967,156	\$ 2,101,425	\$ 2,575,095
Business-Type Activities:										
Net Investment in Capital Assets	\$ 292,278	\$ 300,791	\$ 316,995	\$ 348,896	\$ 365,001	\$ 338,367	\$ 331,455	\$ 317,220	\$ 304,394	\$ 304,918
Restricted	91,418	102,390	113,968	85,629	97,709	136,568	169,981	151,649	173,439	222,510
Unrestricted	18,024	(47,431)	(55,809)	(67,721)	(101,635)	(118,932)	(125,547)	(116,237)	(120,163)	(118,632)
Total Business-Type Activities, net position	\$ 401,720	\$ 355,750	\$ 375,154	\$ 366,804	\$ 361,075	\$ 356,003	\$ 375,889	\$ 352,632	\$ 357,670	\$ 408,796
Primary Government:										
Net Investment in Capital Assets	\$ 2,596,857	\$ 2,855,096	\$ 2,932,828	\$ 3,024,145	\$ 3,180,627	\$ 3,190,382	\$ 3,288,951	\$ 3,334,592	\$ 3,390,550	\$ 3,461,024
Restricted	164,061	202,654	175,914	148,251	154,415	189,387	215,357	220,424	265,225	404,070
Unrestricted	90,956	(563,433)	(526,861)	(633,765)	(1,227,477)	(1,126,917)	(1,173,581)	(1,235,228)	(1,196,680)	(881,203)
Total Primary Government, net position	\$ 2,851,874	\$ 2,494,317	\$ 2,581,881	\$ 2,538,631	\$ 2,107,565	\$ 2,252,852	\$ 2,330,727	\$ 2,319,788	\$ 2,459,095	\$ 2,983,891

Statistical Data
Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)
 (In Thousands)

	2013	2014	2015 (Restated)	2016 (Restated)	2017	2018	2019	2020	2021	2022
Expenses:										
Governmental Activities:										
General Government	\$ 127,697	\$ 112,845	\$ 99,788	\$ 131,273	\$ 101,673	\$ 134,370	\$ 137,479	\$ 142,073	\$ 128,496	\$ 135,351
Public Safety	684,547	721,930	717,447	888,100	828,839	721,695	846,878	932,262	834,517	766,295
Public Works	257,395	324,257	247,087	240,763	244,437	349,150	327,811	319,114	355,965	347,536
Sanitation	13,250	7,142	7,535	7,090	9,574	5,748	7,507	11,521	10,482	11,316
Health Services	38,250	55,014	55,020	54,953	67,038	80,505	75,978	82,349	104,369	102,620
Culture and Recreation	161,280	167,463	169,505	171,704	161,408	214,302	208,092	182,630	197,024	202,798
Convention and Tourism	29,674	31,579	57,277	73,932	66,634	60,426	82,251	63,981	56,198	80,658
Urban Redevelopment and Housing	9,111	25,949	27,839	27,025	30,867	38,521	56,855	99,542	139,752	126,328
Welfare	162,015	115,094	121,932	126,440	143,370	157,828	164,042	188,256	204,113	260,447
Education	6,381	8,530	64,917	62,579	81,563	74,314	83,331	74,133	73,261	79,651
Economic Development and Opportunity	117,362	25,909	34,634	22,974	27,994	27,463	34,137	73,298	100,791	70,732
Environmental						209	930	302	197	193
Bond Issuance Costs		1,862	2,544	2,192	1,951	1,832	3,008	10,148	2,000	4,061
Interest on Long-Term Debt	115,016	93,313	88,813	86,862	89,469	91,718	91,909	80,130	81,021	63,382
Total Governmental Activities Expenses	1,721,978	1,690,887	1,694,338	1,895,887	1,854,817	1,958,081	2,120,208	2,259,739	2,288,186	2,251,368
Business-Type Activities:										
Airport System	102,041	106,033	112,439	127,122	127,419	134,352	147,216	137,308	129,769	135,836
Development Services	24,437	22,273	26,042	27,033	29,643	30,490	38,184	37,982	41,831	43,540
Market Square	2,135	2,558	2,846	2,708	2,488	2,535	2,535	1,914	1,979	2,232
Parking System	8,214	12,165	10,038	14,157	9,671	12,321	10,051	12,446	8,502	7,188
Solid Waste Management	93,056	98,555	92,492	110,361	114,308	113,513	123,390	131,175	128,111	138,763
Total Business-Type Activities Expenses	229,883	241,584	243,857	281,381	283,684	293,164	321,376	320,825	310,192	327,559
Total Primary Government Expenses	\$ 1,951,861	\$ 1,932,471	\$ 1,938,195	\$ 2,177,268	\$ 2,138,501	\$ 2,251,245	\$ 2,441,584	\$ 2,580,564	\$ 2,598,378	\$ 2,578,927
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 27,951	\$ 27,710	\$ 33,662	\$ 23,084	\$ 24,489	\$ 29,185	\$ 22,787	\$ 13,951	\$ 13,752	\$ 17,156
Public Safety	12,278	49,363	60,147	52,110	54,055	49,748	50,399	52,266	36,763	75,304
Public Works	44,706	47,342	49,111	51,862	58,198	61,532	64,578	65,469	66,746	79,460
Sanitation	365	7,491	7,366	6,846	6,961	7,078	7,176	10,934	10,917	
Health Services	30,356	18,844	16,660	19,336	21,106	19,756	16,121	13,822	16,024	10,255
Culture and Recreation	46,707	53,698	50,047	56,416	63,892	70,083	71,081	46,670	49,474	80,882
Urban Redevelopment and Housing	584		148	487	976	688	1,096	929	733	1,072
Welfare	2			151	785					
Education		267	412	726	778	697	747	677	280	399
Economic Development and Opportunity	90	135	220	383	588				220	1,144
Environmental						105	577	205	197	10,294
Operating Grants and Contributions	202,932	168,170	175,921	188,371	225,040	186,005	184,117	362,730	425,728	466,837
Capital Grants and Contributions	145,199	84,744	32,642	68,366	39,254	49,653	61,254	52,855	77,902	97,368
Total Governmental Activities	511,170	457,764	426,336	468,138	496,122	474,530	479,933	620,508	698,736	840,171
Business-Type Activities:										
Charges for Services:										
Airport System	80,635	84,410	83,193	84,792	85,773	100,976	104,298	74,791	80,590	109,994
Development Services	24,813	27,646	27,878	28,874	30,230	31,345	35,092	37,215	43,279	47,555
Market Square	2,477	2,598	2,654	2,891	2,925	3,019	2,891	1,291	1,723	2,966
Parking System	8,654	8,487	9,272	9,671	9,406	9,269	9,754	5,831	5,729	8,077
Solid Waste Management	92,871	96,321	100,334	101,954	107,633	117,310	133,212	128,594	129,534	131,910
Operating Grants and Contributions								10,480	24,812	36,350
Capital Grants and Contributions	39,580	44,206	45,886	45,837	53,872	54,198	47,296	27,473	31,777	44,588
Total Business-Type Activities	249,030	263,668	269,217	274,019	289,839	316,117	332,543	285,675	317,444	381,440
Total Primary Government	\$ 760,200	\$ 721,432	\$ 695,553	\$ 742,157	\$ 785,961	\$ 790,647	\$ 812,476	\$ 906,183	\$ 1,016,180	\$ 1,221,611

(Continued)

Statistical Data
Changes in Net Position (Continued)
Last Ten Fiscal Years
(accrual basis of accounting)
(In Thousands)

	2013	2014	2015 (Restated)	2016 (Restated)	2017	2018	2019	2020	2021	2022
Net (Expense) Revenue:										
Governmental Activities	\$ (1,210,808)	\$ (1,233,123)	\$ (1,268,002)	\$ (1,437,254)	\$ (1,358,695)	\$ (1,483,551)	\$ (1,640,275)	\$ (1,639,231)	\$ (1,589,450)	\$ (1,411,197)
Business-Type Activities	19,147	22,084	25,360	(7,362)	6,155	22,953	11,167	(35,150)	7,252	53,881
Total Primary Government Net (Expense)	\$ (1,191,661)	\$ (1,211,039)	\$ (1,242,642)	\$ (1,444,616)	\$ (1,352,540)	\$ (1,460,598)	\$ (1,629,108)	\$ (1,674,381)	\$ (1,582,198)	\$ (1,357,316)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property	\$ 402,619	\$ 423,781	\$ 446,705	\$ 495,638	\$ 550,204	\$ 577,870	\$ 617,045	\$ 653,263	\$ 684,784	\$ 708,485
General Sales and Use	287,944	324,612	339,012	347,874	358,076	378,367	397,869	390,513	439,381	501,259
Selective Sales and Use	5,799	7,554	7,957	8,516	8,875	9,554	9,928	6,876	9,083	11,698
Gross Receipts Business	33,745	34,784	36,202	35,992	33,380	32,086	32,109	25,455	22,211	21,015
Occupancy	72,770	77,064	79,163	81,280	85,814	91,563	100,648	58,177	69,520	103,044
Penalties and Interest on Delinquent Taxes	3,302	3,557	3,303	3,480	3,647	3,923	4,023	4,092	4,581	5,225
Revenues from Utilities	307,687	355,515	348,997	345,666	363,612	389,319	377,652	373,426	383,127	419,985
Investment Earnings	5,192	3,997	3,164	4,811	8,109	19,031	39,682	26,116	1,897	(16,959)
Miscellaneous	35,500	50,868	62,021	84,841	82,132	96,643	116,883	113,606	117,043	130,851
Transfers, net	(2,871)	1,570	7,720	3,733	6,006	35,554	2,956	706	(7,908)	431
Total Governmental Activities	1,151,687	1,283,302	1,334,244	1,411,831	1,499,855	1,633,910	1,698,795	1,652,230	1,723,719	1,885,034
Business-Type Activities:										
Investment Earnings	1,026	764	562	1,152	1,969	3,808	6,605	3,923	233	(2,176)
Miscellaneous	621	4,861	13,440	1,684	5,396	4,568	5,663	7,860	2,183	2,100
Transfers, net	(4,351)	(4,552)	(7,364)	(3,824)	(4,619)	(36,401)	(3,501)	110	(4,630)	(2,679)
Total Business-Type Activities	(2,704)	1,073	6,638	(988)	2,746	(28,025)	8,767	11,893	(2,214)	(2,755)
Total Primary Government	\$ 1,148,983	\$ 1,284,375	\$ 1,340,882	\$ 1,410,843	\$ 1,502,601	\$ 1,605,885	\$ 1,707,562	\$ 1,664,123	\$ 1,721,505	\$ 1,882,279
Change in Net Position:										
Governmental Activities	\$ (59,121)	\$ 50,179	\$ 66,242	\$ (25,423)	\$ 141,160	\$ 150,359	\$ 58,520	\$ 12,999	\$ 134,269	\$ 473,837
Business-Type Activities	16,443	23,157	31,998	(8,350)	8,901	(5,072)	19,934	(23,257)	5,038	51,126
Total Primary Government	\$ (42,678)	\$ 73,336	\$ 98,240	\$ (33,773)	\$ 150,061	\$ 145,287	\$ 78,454	\$ (10,258)	\$ 139,307	\$ 524,963

Statistical Data
Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(In Thousands)

	Fiscal Year									
	2013	2014	2015 (Restated)	2016	2017	2018	2019 (Restated)	2020	2021	2022
General Fund:										
Nonspendable	\$ 6,238	\$ 5,504	\$ 7,026	\$ 6,681	\$ 6,087	\$ 6,887	\$ 7,084	\$ 7,814	\$ 7,400	\$ 8,048
Restricted	718	1,032	537	470	528	2,283	2,392			
Committed	39,603	46,882	52,686	49,333	64,594	97,134	108,420	49,821	76,165	111,165
Assigned	3,230	523	521	6,554	10	8	21	6	7	8
Unassigned	135,375	164,654	182,698	192,072	212,930	243,828	247,125	284,708	289,572	346,654
Total General Fund	\$ 185,164	\$ 218,595	\$ 243,468	\$ 255,110	\$ 284,149	\$ 350,140	\$ 365,042	\$ 342,349	\$ 373,144	\$ 465,875
All Other Governmental Funds:										
Nonspendable	\$ 4,943	\$ 4,716	\$ 11,274	\$ 11,635	\$ 6,220	\$ 8,357	\$ 11,730	\$ 13,405	\$ 10,445	\$ 14,161
Restricted	946,189	853,657	744,698	644,983	629,077	840,375	976,322	1,019,689	1,115,066	1,111,742
Committed	85,060	101,183	101,040	72,312	87,316	98,975	135,757	246,157	107,848	174,300
Assigned	19,866	24,495	19,384	32,407	10,665	3,367	4,225	7,338	8,993	17,647
Unassigned	(30,699)	(3,427)	(14,860)	(10,478)	(7,617)	(7,346)	(6,463)	(164,302)	(90,547)	(60,453)
Total All Other Governmental Funds	\$ 1,025,359	\$ 980,624	\$ 861,536	\$ 750,859	\$ 725,661	\$ 943,728	\$ 1,121,571	\$ 1,122,287	\$ 1,151,805	\$ 1,257,397

Statistical Data
Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(In Thousands)

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 ¹
Revenues:										
Taxes	\$ 808,185	\$ 872,987	\$ 912,934	\$ 973,357	\$ 1,032,903	\$ 1,091,138	\$ 1,161,167	\$ 1,133,948	\$ 1,227,421	\$ 1,350,905
Licenses and Permits	8,343	7,396	8,107	8,961	9,264	9,160	7,351	9,130	8,806	9,377
Intergovernmental	230,356	240,847	198,307	235,542	233,963	216,367	224,753	334,617	452,002	513,446
Revenues from Utilities	307,300	348,480	348,997	345,666	363,612	389,319	377,652	373,426	383,127	419,985
Charges for Services	131,220	153,995	169,492	169,896	187,071	195,946	198,253	174,734	170,886	227,706
Fines and Forfeits	13,925	13,597	12,589	11,215	12,317	12,253	10,247	6,470	6,256	7,153
Miscellaneous	35,308	50,955	57,546	69,440	70,978	78,534	90,929	66,979	76,404	103,073
Investment Earnings	4,232	3,505	2,761	4,158	7,006	16,261	34,280	23,090	1,679	(15,056)
Contributions	128,012	30,579	31,596	44,141	48,587	47,579	45,368	45,582	48,169	60,742
Total Revenues	1,666,881	1,722,341	1,742,329	1,862,376	1,965,701	2,056,557	2,150,000	2,167,976	2,374,750	2,677,331
Expenditures:										
General Government	94,973	74,902	79,295	85,007	88,856	89,784	95,349	94,251	97,902	119,448
Public Safety	659,949	688,987	711,201	731,816	751,133	774,563	793,409	841,487	846,099	876,169
Public Works	92,498	164,768	112,470	118,290	131,310	127,177	130,575	121,029	133,909	149,325
Health Services	36,625	52,499	56,133	58,533	63,729	61,664	65,001	77,701	103,075	104,886
Sanitation	13,190	7,050	6,963	7,174	9,891	6,957	7,804	11,251	10,353	11,280
Welfare	159,528	113,074	123,064	128,236	139,916	144,121	155,572	184,900	199,523	268,786
Culture and Recreation	146,270	142,537	155,098	161,757	158,688	172,407	167,426	158,871	176,267	189,894
Convention and Tourism	18,939	20,969	23,406	45,246	51,373	51,829	61,192	46,981	41,235	67,475
Urban Redevelopment and Housing	9,214	25,251	30,496	28,424	29,945	33,083	49,350	97,401	138,847	127,197
Education	3,500	34,750	57,172	63,032	76,157	74,064	74,224	69,777	70,691	79,596
Economic Development and Opportunity	116,838	25,524	34,762	23,282	28,458	27,383	32,892	72,676	100,743	71,217
Environmental						1,247	214	226	124	88
Capital Outlay	291,038	379,309	475,466	455,746	410,626	298,671	355,349	417,118	464,797	441,722
Debt Service:										
Principal Retirement	117,595	130,412	140,963	149,489	162,594	172,790	180,464	183,577	191,140	200,979
Interest	102,965	105,417	105,939	110,902	111,584	113,702	118,037	108,754	109,025	104,141
Issuance Costs	6,465	1,862	2,544	2,192	1,951	1,832	3,008	10,148	2,000	4,061
Leases:										
Principal Retirement										5,976
Interest										1,088
Total Expenditures	1,869,587	1,967,311	2,114,972	2,169,126	2,216,211	2,151,274	2,289,866	2,496,148	2,685,730	2,823,328
(Deficiency) of Revenues (Under) Expenditures	(202,706)	(244,970)	(372,643)	(306,750)	(250,510)	(94,717)	(139,866)	(328,172)	(310,980)	(145,997)
Other Financing Sources (Uses):										
Issuance of Long-Term Debt	793,671	223,555	237,765	180,114	221,934	310,557	279,985	262,665	335,819	313,266
Refunding Debt Issued		67,050	144,880	147,130			193,395	465,190		265,875
Payments to Refunded Bond Escrow Agent	(356,969)	(76,531)	(159,593)	(176,308)			(221,348)	(463,795)		(297,558)
Issuance of Notes and Loans				835				1,558	188	
Issuance of Lease Liability										11,917
Premium on Long-Term Debt	43,246	31,455	41,762	51,282	24,002	32,069	73,907	44,747	50,337	54,403
Transfers In	694,459	528,253	585,857	550,511	550,995	453,830	505,548	658,464	618,673	754,992
Transfers Out	(698,979)	(532,384)	(574,161)	(545,849)	(542,608)	(417,681)	(498,876)	(656,494)	(633,724)	(758,622)
Total Other Financing Sources (Uses)	475,428	241,398	276,510	207,715	254,323	378,775	332,611	312,335	371,293	344,273
Net Change in Fund Balances	\$ 272,722	\$ (3,572)	\$ (96,133)	\$ (99,035)	\$ 3,813	\$ 284,058	\$ 192,745	\$ (15,837)	\$ 60,313	\$ 198,276
Debt Service as a Percentage of Noncapital Expenditures	13.8%	14.9%	14.6%	14.8%	15.3%	15.5%	15.3%	13.8%	13.2%	12.6%

¹ GASB Statement No. 87, *Leases* was implemented in fiscal year 2022.

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
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
2021	682,645	439,381	9,083	22,211	69,520	4,581	1,227,421
2022	708,664	501,259	11,698	21,015	103,044	5,225	1,350,905
Change:							
2013-2022	75.1%	74.1%	101.7%	-37.7%	41.6%	58.2%	67.2%

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 Property¹	Estimated Actual Value	Total Direct Tax Rate
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	10,956,519	17,170,373	105,670,286	0.56
2019	61,409,375	54,766,795	3,770,062	11,595,996	18,424,378	113,117,850	0.56
2020	65,741,727	58,265,400	3,620,328	11,830,066	20,129,805	119,327,716	0.56
2021	70,312,580	60,297,819	3,783,214	14,823,463	23,752,713	125,464,363	0.56
2022	75,846,822	60,843,554	3,406,094	15,321,498	24,839,166	130,578,802	0.56

Source: Bexar Appraisal District

¹ Tax-exempt property deductions include a residential homestead exemption and additional exemptions granted to persons 65 years of age and older, the disabled, and disabled veterans. Effective for tax year 2019, persons with a residence homestead are entitled to a \$5 exemption of the assessed valuation of their home. Other exemptions include historic properties, tax phase-ins, freeport, absolute, prorated, low income housing, pollution control, community housing development organization, armed services or first responder surviving spouse, personal property vehicle and disaster damage.

Statistical Data

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Years

(rate per \$100 of assessed value)

Fiscal Year	Tax Roll	City Direct Rates			Overlapping Rates						
		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	
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	
2021	2020	0.346770	0.211500	0.558270	0.149150	0.277429	0.276235	0.018580	1.196400	1.420000	
2022	2021	0.346770	0.211500	0.558270	0.149150	0.276331	0.276235	0.018580	1.193400	1.088000	

Fiscal Year	Tax Roll	Overlapping Rates									
		Edgewood ISD	Harlandale ISD	Judson ISD	North East ISD	Northside ISD	San Antonio ISD	Somerset ISD	South San Antonio ISD	Southside ISD	Southwest ISD
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
2021	2020	1.261321	1.428200	1.274900	1.268400	1.285700	1.502300	1.322250	1.391200	1.389144	1.438004
2022	2021	1.175570	1.400700	1.270000	1.252500	1.261300	1.496100	1.263931	1.384800	1.389144	1.374004

Source: Bexar County Tax Office, Bexar Appraisal District, and Independent School Districts

Statistical Data

Principal Property Taxpayers

Current Year and Nine Years Ago

(Dollars In Thousands)

Taxpayer	2022			2013		
	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	\$ 1,653,966	1	1.25%	\$ 800,582	1	1.11%
Microsoft Corporation	1,542,215	2	1.17%			
Toyota Motor Manufacturing Texas, Inc	849,550	3	0.64%	430,975	2	0.60%
United Services Automobile Association	831,443	4	0.63%	312,636	7	0.44%
Methodist Healthcare System	737,703	5	0.56%	381,180	3	0.53%
VHS San Antonio Partners LP	568,371	6	0.43%	373,701	4	0.52%
Wal-Mart Stores, Inc.	567,097	7	0.43%	344,485	5	0.48%
General Growth Properties, Inc. ²	480,842	8	0.36%			
Frankel Family Trust	379,496	9	0.29%			
AT&T	304,808	10	0.23%	217,467	10	0.30%
Hyatt Regency Hotels				306,888	6	0.43%
Marriott International, Inc.				244,869	8	0.34%
La Cantera Retail LTD Partnership				230,609	9	0.32%
Total	\$ 7,915,491		5.99%	\$ 3,643,392		5.07%

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		Collections in Subsequent Years ^{2, 3}	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2013	\$ 400,055	\$ 394,756	98.68%	\$ 3,445	\$ 398,201	99.54%
2014	417,936	413,452	98.93%	1,827	415,279	99.36%
2015	442,164	437,746	99.00%	1,736	439,482	99.39%
2016	489,748	484,769	98.98%	2,539	487,308	99.50%
2017	535,505	529,916	98.96%	2,399	532,315	99.40%
2018	573,757	567,369	98.89%	259	567,628	98.93%
2019	611,672	604,639	98.85%	359	604,998	98.91%
2020	644,999	636,806	98.73%	501	637,307	98.81%
2021	675,376	667,124	98.78%	1,584	668,708	99.01%
2022	698,694	690,239	98.79%		690,239	98.79%

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									
	2012	2013 ⁴	2014	2015	2016	2017	2018	2019	2020	2021 ^{4,5}
Motor Vehicle and Parts Dealers	\$ 541,129	\$ 571,398	\$ 608,744	\$ 614,692	\$ 615,592	\$ 615,479	\$ 638,281	\$ 661,134	\$ 649,408	\$ 781,408
Furniture and Home Furnishings Stores	458,965	480,569	563,611	637,118	563,966	556,688	587,722	621,933	559,025	637,803
Electronics and Appliance Stores	618,470	660,797	545,778	522,708	516,082	524,175	626,402	678,726	546,101	654,118
Building Material and Garden Equipment and Supplies Dealers	1,171,782	1,270,827	1,430,979	1,528,088	1,547,838	1,612,541	1,673,106	1,738,215	1,952,906	2,364,898
Food and Beverage Stores ²	1,090,222	1,214,149	1,242,065	1,267,148	1,301,232	1,307,578	1,378,002	1,474,209	1,575,761	1,648,080
Health and Personal Care Stores	271,402	284,652	292,477	287,982	296,910	286,245	273,322	269,121	233,285	294,500
Gasoline Stations	444,008	392,004	405,563	434,216	462,318	490,228	501,924	535,192	579,675	626,836
Clothing and Clothing Accessories Stores ³	1,137,776	1,214,530	1,222,788	1,228,480	1,206,815	1,152,396	1,227,961	1,195,253	886,813	1,374,381
Sporting Goods, Hobby, Book and Music Stores	534,610	567,623	574,906	569,892	556,242	504,898	472,035	461,854	474,979	605,550
General Merchandise Stores	2,303,225	2,358,250	2,473,208	2,575,692	2,589,998	2,593,070	2,415,265	2,460,491	2,269,944	2,724,087
Miscellaneous Store Retailers	524,087	558,642	558,764	543,416	541,602	532,605	744,249	759,887	745,014	924,111
Nonstore Retailers	55,622	57,204	62,149	106,696	95,331	78,624	85,046	85,674	84,541	136,148
Food Services and Drinking Places	2,887,476	3,040,666	3,245,232	3,447,511	3,625,730	3,730,076	3,955,173	4,146,366	3,522,433	4,518,409
Total	\$ 12,038,774	\$ 12,671,311	\$ 13,226,264	\$ 13,763,639	\$ 13,919,656	\$ 13,984,603	\$ 14,578,488	\$ 15,088,055	\$ 14,079,885	\$ 17,290,329
City Direct Sales Tax Rate	1.125%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%

Source: Texas Comptroller of Public Accounts

¹ Calendar Year 2022 information will not be available until May 2023.

² General grocery items are not taxable; the sales and use tax applies only to prepared food items and nonfood items.

³ Clothing under \$100 is exempt during the sales and use tax holiday in August. (Not in thousands).

⁴ In November 2012, the citizens of the City elected to enact a 1/8 cent sales tax to fund the San Antonio Early Childhood Municipal Development Corporation (Pre-K 4 SA). In November 2020, the citizens approved the continuation of the program.

⁵ In November 2020, the citizens of the City elected to enact 1/8 cent sales tax to fund SA: Ready to Work. Sales tax allocations began in May 2021.

Statistical Data
Direct and Overlapping Sales and Use Tax Rates
Last Ten Fiscal Years

Fiscal Year	San Antonio Tax¹	SA: Ready to Work Tax¹	Pre-K 4 SA Tax	San Antonio ATD²	San Antonio MTA³	State of Texas	Total⁴
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%
2021	1.000%	0.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2022	1.000%	0.125%	0.125%	0.250%	0.500%	6.250%	8.250%

¹ In November 2020, the citizens of the City elected to reallocate the Edwards Aquifer Protection and Parks Development Expansion 1/8 cent sales tax to fund the SA: Ready to Work program.

² San Antonio Advanced Transportation District (ATD) is tax added for improvements to public transportation, streets, highways, and other related transportation infrastructure.

³ San Antonio Metropolitan Transit Authority (MTA) is tax added by the Transit Authority to provide public transportation services within designated boundaries.

⁴ The City is currently at its Sales and Use Tax Rate maximum limit of 8.250%.



Statistical Data

Ratios of Outstanding Debt by Type

Last Ten Fiscal Years

(dollars in thousands, except per capita)

Governmental Activities							
Fiscal Year	Tax-Exempt General	Taxable General	Tax-Exempt	Taxable	Tax Notes ^{1,2}	Revenue Bonds ^{1,2}	Notes Payable
	Obligation Bonds ^{1,2}	Obligation Bonds ^{1,2}	Certificates of Obligation ^{1,2}	Certificates of Obligation ^{1,2}			
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	
2021	1,283,913	428,710	379,329	145,680	81,919	897,905	
2022	1,222,659	508,940	446,622	140,085	90,187	757,951	

Governmental Activities Direct Borrowing & Direct Placement:³

Fiscal Year	Taxable	Tax Notes ¹	Contractual Obligations	Revenue Notes	Financed Purchases	Notes Payable
	Certificates of Obligation ¹					
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
2021	15,955		9,115	5,435	4,852	147
2022	15,955		6,895	5,075	3,754	

Business Type Activities:

Direct Borrowing & Direct Placement:³

Business-Type Activities

Fiscal Year	Tax-Exempt General	Taxable General	Tax-Exempt	Revenue Bonds ¹	Tax Notes ¹	Financed Purchases	Total Primary Government	Percentage of Personal Income ⁴	Per Capita ⁴
	Obligation Bonds ¹	Obligation Bonds ¹	Certificates of Obligation ¹						
2013	\$ 1,286	\$ 13,658	\$ 1,894	\$ 374,045	\$ -	\$ 16,105	\$ 2,877,190	9.36%	\$ 2,080
2014	1,329	12,093	1,670	350,636		16,471	2,918,393	9.24%	2,071
2015	2,542	11,098	331	498,477		15,580	3,169,363	9.67%	2,206
2016	2,579	10,102	7,604	479,959		33,598	3,207,409	9.19%	2,182
2017	2,472	9,080	13,074	460,587		23,425	3,234,223	9.06%	2,167
2018	2,265	8,004	38,336	440,472	36,000	16,939	3,411,499	9.16%	2,256
2019	2,054	6,862	44,069	423,862	36,000	8,127	3,508,270	9.28%	2,290
2020	1,831	6,275	42,085	408,900	36,000	1,342	3,600,169	8.67%	2,327
2021	1,603	4,715	40,108	386,910	62,000	1,146	3,749,442	9.93%	2,614
2022	1,366	3,150	38,120	364,621	62,000	943	3,668,323	8.75%	2,527

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)

Fiscal Year	Governmental and Business-Type Activities ¹						Less Principal ³	Less Debt Service Fund ⁴	Net Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita ⁵
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Contractual Obligations	Total ²						
2013	\$ 1,141,469	\$ 342,409	\$ 19,844	\$ -	\$ 1,503,722	\$ (57,730)	\$ (45,426)	\$ 1,400,566	1.96%	\$ 1,012.56	
2014	1,226,976	294,145	38,465	17,500	1,577,086	(69,915)	(38,233)	1,468,938	1.97%	1,042.54	
2015	1,353,031	306,634	27,013	8,835	1,695,513	(104,680)	(34,430)	1,556,403	1.96%	1,083.30	
2016	1,379,462	332,407	37,302		1,749,171	(132,940)	(33,478)	1,582,753	1.77%	1,076.83	
2017	1,354,991	434,228	44,838		1,834,057	(184,962)	(32,497)	1,616,598	1.65%	1,083.15	
2018	1,404,474	552,259	90,940		2,047,673	(254,237)	(28,981)	1,764,455	1.67%	1,167.03	
2019	1,553,771	569,000	95,606		2,218,377	(249,423)	(26,158)	1,942,796	1.72%	1,267.97	
2020	1,713,530	524,976	107,764	11,300	2,357,570	(206,858)	(35,517)	2,115,195	1.77%	1,367.07	
2021	1,718,941	581,072	143,919	9,115	2,453,047	(315,178)	(36,485)	2,101,384	1.67%	1,464.76	
2022	1,736,115	640,782	152,187	6,895	2,535,979	(323,489)	(38,079)	2,174,411	1.67%	1,497.67	

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 2013 to fiscal year 2022; 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, 2022

(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	\$ 759,953	69.52%	\$ 528,331
Bexar County Bonds	1,952,018	69.68%	1,360,164
San Antonio River Authority Bonds	19,494	66.56%	12,974
University Health System	873,395	68.35%	596,965
Alamo Heights Independent School District Bonds	180,926	50.77%	91,861
East Central Independent School District Bonds	95,861	46.35%	44,431
Edgewood Independent School District Bonds	58,390	100.00%	58,390
Harlandale Independent School District Bonds	199,645	100.00%	199,645
Judson Independent School District Bonds	539,417	25.39%	136,979
North East Independent School District Bonds	1,235,825	84.23%	1,040,986
Northside Independent School District Bonds	2,246,622	66.95%	1,504,186
San Antonio Independent School District Bonds	1,088,022	99.31%	1,080,510
Somerset Independent School District Bonds	45,705	4.27%	1,954
South San Antonio Independent School District Bonds	130,314	100.00%	130,314
Southside Independent School District Bonds	78,241	35.72%	27,949
Southwest Independent School District Bonds	258,568	60.13%	155,487
Total Overlapping Debt			<u>\$ 6,971,126</u>
City Direct Debt ²			<u>\$ 3,198,123</u>
Total Direct and Overlapping Debt			<u><u>\$ 10,169,249</u></u>

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 financed purchases.

Statistical Data
Legal Debt Margin Information
Last Ten Fiscal Years
(Dollars In Thousands)

Legal Debt Margin Calculation for Fiscal Year 2022

Assessed Value	\$ 156,336,528
Debt Limit (10.0% of Assessed Value)	15,633,653
Debt Applicable to Limit:	
Total Bonded Debt	2,371,095
Less: Self-Supporting Debt:	(323,489)
Debt Supplemented by Other Sources	
Assets Available for Payment of	
Principal In:	
Debt Service Fund	<u>(40,946)</u>
Total Net Debt Applicable to Limit	<u>2,006,660</u>
Legal Debt Margin	<u>\$ 13,626,993</u>

	Fiscal Year									
	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Debt Limit	\$ 8,349,432	\$ 8,698,321	\$ 9,247,186	\$ 10,432,156	\$ 11,444,581	\$ 12,433,599	\$ 13,264,791	\$ 14,088,674	\$ 15,055,755	\$ 15,633,653
Total Net Debt Applicable to Limit	<u>1,297,787</u>	<u>1,381,400</u>	<u>1,448,815</u>	<u>1,450,349</u>	<u>1,487,662</u>	<u>1,626,425</u>	<u>1,763,694</u>	<u>1,940,440</u>	<u>1,922,797</u>	<u>2,006,660</u>
Legal Debt Margin	<u>\$ 7,051,645</u>	<u>\$ 7,316,921</u>	<u>\$ 7,798,371</u>	<u>\$ 8,981,807</u>	<u>\$ 9,956,919</u>	<u>\$ 10,807,174</u>	<u>\$ 11,501,097</u>	<u>\$ 12,148,234</u>	<u>\$ 13,132,958</u>	<u>\$ 13,626,993</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	15.5%	15.9%	15.7%	13.9%	13.0%	13.1%	13.3%	13.8%	12.8%	12.8%

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)

Fiscal Year	Convention Center Hotel Finance Corporation ¹				Municipal Drainage Utility System			
	Net Revenues of Hotel	Debt Service		Coverage	Municipal Drainage Utility System Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2013	\$ -	\$ 2,690	\$ 10,122	-	\$ 38,847	\$ 3,200	\$ 2,851	6.4
2014		2,895	9,993		39,279	3,245	3,312	6.0
2015		3,120	9,850		39,919	3,390	3,170	6.1
2016		3,350	9,699		42,955	3,515	3,045	6.6
2017		3,600	9,528		47,436	3,645	2,919	7.2
2018		3,860	9,344		50,167	3,785	2,770	7.7
2019		4,140	9,148		51,730	3,965	2,596	7.9
2020		4,435	8,937		53,100	4,165	2,392	8.1
2021		4,745	8,709		53,293	4,375	2,179	8.1
2022			4,231		53,424	4,605	1,954	8.1

Fiscal Year	Starbright Industrial Development Corporation			
	Pledged Revenue	Debt Service		Coverage
		Principal	Interest	
2013	\$ 293,310	\$ -	\$ 605	484.8
2014	331,717		733	452.5
2015	332,068		733	453.0
2016	331,847	825	733	213.0
2017	346,985	935	724	209.2
2018	371,136	950	710	223.6
2019	358,789	965	693	216.4
2020	342,787	985	674	206.6
2021	352,975	1,010	650	212.6
2022	385,887	1,035	623	232.7

(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 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). In fiscal year 2022, the Convention Center Hotel Finance Corporation debt was defeased relieving the City of any debt obligations.

Statistical Data Pledged-Revenue Coverage (Continued)

Last Ten Fiscal Years

(Dollars In Thousands)

Airport System							
Fiscal Year	Airport System Revenues	Debt Service		Coverage			
		Principal	Interest				
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			
2021	101,945	9,695	7,148	6.1			
2022	153,085	10,115	6,748	9.1			

PFC Operations							
Fiscal Year	PFC Beginning Fund Balance	PFC Revenues	Less: PFC Expenses	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
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
2021	28,125	12,343	586	39,882	7,160	4,770	3.3
2022	28,339	18,756	(586)	47,681	7,475	4,446	4.0

CFC Operations ¹							
Fiscal Year	CFC Beginning Fund Balance	CFC Revenues	Less: CFC Expenses	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2015	\$ -	\$ 9,621	\$ -	\$ 9,621	\$ -	\$ -	-
2016		10,694		10,694		6,293	1.7
2017		10,676		10,676		6,823	1.6
2018		12,024		12,024		6,823	1.8
2019		14,263		14,263	700	6,823	1.9
2020		8,763		8,763	950	6,804	1.1
2021		9,380		9,380	1,150	6,773	1.2
2022		11,578		11,578	1,450	6,731	1.4

(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.

CITY OF SAN ANTONIO, TEXAS

Statistical Data
Demographic and Economic Statistics
Last Ten Calendar Years ⁴

Year	Population	Personal Income	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2012 ⁴	1,383,194	\$ 30,752,552	\$ 22,233	33.2	397,500	6.2%
2013 ⁴	1,409,000	31,581,326	22,414	33.0	407,047	5.8%
2014 ⁴	1,436,723	32,790,329	22,823	33.2	401,771	4.7%
2015 ⁴	1,469,824	34,905,380	23,748	33.1	403,558	3.8%
2016 ⁴	1,492,494	35,701,949	23,921	33.5	401,867	3.8%
2017 ⁴	1,511,913	37,230,858	24,625	33.6	410,625	3.5%
2018 ⁴	1,532,212	37,821,121	24,684	33.7	411,539	3.4%
2019 ⁴	1,547,250	41,506,529	26,826	34.4	411,357	3.1%
2020 ^{1, 2, 4}	1,434,625	37,770,807	26,328	33.8	410,917	7.4%
2021 ³	1,451,863	41,900,766	28,860	34.1	372,075	5.2%

Sources: Population, personal income, per capita income, median age, and school enrollment are produced using the 2012-2021 U.S. Census Bureau American Community Survey one-year estimates for each year except 2020 as noted.

The unemployment rate is produced from data by the Bureau of Labor Statistics for the San Antonio Metropolitan Statistical Area.

¹ Population produced using the 2020 Decennial Census.

² Personal income, per capita income, median age, and school enrollment are produced using the 2016-2020 U.S. Census Bureau American Community Survey five-year estimates. Five-year estimate reports were utilized given the drop in population with the decennial census.

³ The 2021 data reflects 2021 American Community Survey estimates that is based on the 2020 Census, whereas the 2020 information is based on the 2010 Census.

⁴ Prior year amounts updated to reflect change in availability of data for respective reporting period.

CITY OF SAN ANTONIO, TEXAS

Statistical Data
Principal Employers
Current Year and Nine Years Ago

Employer	2022			2013		
	Employees	Rank	Percentage of Total City Employment ¹	Employees	Rank	Percentage of Total City Employment ²
Joint Base San Antonio (JBSA) - Lackland, Fort Sam & Randolph	82,639	1	7.23%	92,301	1	9.83%
H.E.B. Food Stores	20,000	2	1.75%	20,000	2	2.13%
United Services Automobile Association	19,000	3	1.66%	17,000	3	1.81%
City of San Antonio	13,420	4	1.17%	11,371	5	1.21%
Northside Independent School District	12,206	5	1.07%	12,751	4	1.36%
Methodist Healthcare System	12,000	6	1.05%	8,000	7	0.85%
North East Independent School District	8,208	7	0.72%	10,522	6	1.12%
San Antonio Independent School District	7,500	8	0.66%	7,374	8	0.79%
University of Texas Health Science	7,200	9	0.63%	5,500	10	0.59%
Baptist Health Systems	6,490	10	0.57%	6,216	9	0.66%
Total	188,663		16.51%	191,035		20.35%

Source: Economic Development Division, City of San Antonio, Texas, Book of Lists 2022, and Department of Defense personnel statistics.

¹ Percent based on an Employment Estimate of 1,142,300 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of November 2022. Figure provided by the U.S. Bureau of Labor Statistics.

² Percent based on an Employment Estimate of 939,000 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of January 2013. Figure provided by the U.S Bureau of Labor Statistics.

Statistical Data

Full-Time Equivalent City Government Employees by Function/Program
Last Ten Fiscal Years

Function/Program:	Full-time Equivalent Employees as of September 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Mayor and Council	19	18	15	15	18	18	13	17	18	25
City Manager	18	18	15	20	18	18	15	15	13	17
Animal Care Services	116	109	112	116	121	123	133	131	130	130
Arts and Culture ⁹	19	20	24	18	17	16	16	12	18	18
Aviation Civilian Employees	338	322	349	353	368	408	427	364	340	358
Aviation Uniformed - Fire and Rescue	52	49	31	28	30	30	32	47	43	40
Building & Equipment Services ^{6,17}	250	155	156	157	169	166	173	183	171	175
Capital Management Services (CMS) ⁵	198									
Center City Development ^{4,9,15}	7	121	114	132	136	132	139	146	122	134
City Attorney	94	84	84	83	79	79	81	75	80	80
City Auditor	21	21	22	24	21	21	22	21	23	21
City Clerk	27	30	28	29	29	32	31	31	27	32
Code Enforcement Services		137	133	141	142	146	149	142	137	142
Communications and Public Affairs ^{3,8}	16	56	50							
Communications & Engagement ¹⁸										37
Convention and Visitors Bureau ¹²	127	80	81	76						
Convention, Sports and Entertainment Facilities ¹⁷	292	297	283	285	312	322	330	159	200	248
Customer Services/311 System ^{3,13}	42					37	36	34	34	41
Development Services ¹	195	221	231	233	255	261	273	283	271	297
Diversity, Equity and Inclusion ¹⁹										13
Downtown Operations ⁴	123									
Eastpoint ¹⁵		15	15	3	4	2				
Economic Development ⁷	21	24	23	29	35	34	33	28	29	34
Finance ¹⁰	186	145	147	143	134	131	131	128	131	146
Firefighters and EMS	1,641	1,655	1,601	1,616	1,714	1,719	1,734	1,738	1,746	1,732
Fire Department Civilian Employees ²⁰	107	112	153	158	264	163	146	119	120	160
Government and Public Affairs ^{8,13,18}				59	69	34	35	35	32	5
Health	295	292	306	312	354	364	372	390	456	661
Housing and Neighborhood Services ²	134									
Human Resources ¹⁷	80	105	102	105	112	74	77	101	93	108
Human Services	285	255	297	296	312	310	305	298	332	365
Information Technology Services	317	309	309	314	317	322	320	315	306	300
Intergovernmental Relations ⁷	5	7	7							
Library	468	297	297	308	310	321	322	317	308	320
Military & Veteran Affairs ¹⁸										3
Municipal Court	171	175	168	160	114	124	122	117	111	109
Municipal Court Detention Center					41	38	35	36	32	35
Neighborhood and Housing Services ¹⁴						51	70	67	66	78
Non Departmental ^{19,21}	53	35	36	28	40	29	35	37	36	37
Office of Historic Preservation ¹		12	16	15	18	16	19	19	17	19
Office of Innovation ¹¹					8	5	9	8	10	10
Office of Management and Budget ¹¹	21	26	24	24	18	16	19	18	18	14
Parks and Recreation	587	566	594	606	474	464	469	461	425	460
Parks Police					160	174	185	181	170	160
Planning ^{2,14}	57	52	56	55	62	18	22	22	20	21
Police Officers	2,311	2,333	2,191	2,199	2,201	2,240	2,311	2,410	2,332	2,367
Police Department Civilian Employees ²⁰	547	506	541	551	815	773	838	730	723	701
Public Works ^{5,16}	547							777	727	737
Risk Management ¹⁰					19	17	24	23	22	21
Solid Waste Management ^{6,17}	512	578	606	609	649	684	694	737	704	735
Transportation ^{5,16}		698	741	740	758	794	809	10	9	9
Total	10,299	9,935	9,958	10,040	10,717	10,726	11,006	10,782	10,602	11,155

(Continued)

Statistical Data**Full-Time Equivalent City Government Employees by Function/Program (Continued)
Last Ten Fiscal Years**

Source: City of San Antonio, Texas. Figures account for actual employment positions filled.

- ¹ In fiscal year 2014, Office of Historic Preservation split from Development Services.
- ² In fiscal year 2014, Housing and Neighborhood Services combined with Planning.
- ³ In fiscal year 2014, Customer Services/311 Systems combined with Communications and Public Affairs.
- ⁴ In fiscal year 2014, Downtown Operations was combined with Center City Development.
- ⁵ In fiscal year 2014, Public Works and CMS combined to form Transportation and Capital Improvements.
- ⁶ In fiscal year 2015, some Fleet employees were reclassified from Building Equipment Services into Solid Waste Management.
- ⁷ In fiscal year 2016, the International Relations Office was combined with the Economic Development Department.
- ⁸ In fiscal year 2016, the Communications and Public Affairs Department was combined into the Government and Public Affairs Department.
- ⁹ In fiscal year 2016, some employees were reclassified from Arts & Culture into Center City Development.
- ¹⁰ In fiscal year 2017, Risk Management split from the Finance Department.
- ¹¹ In fiscal year 2017, Office of Innovation split from Office of Management and Budget (OMB).
- ¹² In fiscal year 2017, the Convention and Visitors Bureau transitioned to the independent, non-profit corporation, Visit San Antonio (VSA).
- ¹³ In fiscal year 2018, Customer Services/311 Systems split from Government and Public Affairs Department.
- ¹⁴ In fiscal year 2018, some employees were reclassified from Planning to Neighborhood and Housing Services Department.
- ¹⁵ In fiscal year 2019, Eastpoint was combined with Center City Development.
- ¹⁶ In fiscal year 2020, Public Works split from Transportation (Formerly "Transportation and Capital Improvements").
- ¹⁷ 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.
- ¹⁸ In fiscal year 2022, Government and Public Affairs split into Communications & Engagement, Government Affairs, Military & Veteran Affairs.
- ¹⁹ In fiscal year 2022, Diversity, Equity and Inclusion was split from Non Departmental.
- ²⁰ Fire Department Civilian Employees and Police Department Civilian Employees include cadets before completing Academy training.
- ²¹ Non Departmental includes Office of Sustainability, Energy Efficiency, Carver Community Center, Equity, Spanish Governors Palace, Mission Drive In, Film Commission, and Collections and Compliance divisions.

Statistical Data

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program:	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Police:										
Physical Arrests ¹	164,310	180,667	188,212	116,382	103,443	103,318	54,173	43,339 ²	25,036 ²	45,539
Parking Violations	77,570	76,128	74,716	77,694	92,678	73,561	61,202	53,190 ²	40,806 ²	58,444
Traffic Violations	226,084	215,164	182,237	183,140	166,659	178,759	144,358	106,259 ²	66,381 ²	92,247
Fire:										
Fire Incidents	105,404	99,191	114,483	142,358	160,520	167,977	174,701	175,185	190,454	201,504
Fires Extinguished	2,420	2,371	2,046	2,512	3,155	2,881	2,756	3,057	3,719	5,032
Inspections	23,891	24,517	24,668	24,300	29,693	32,222	31,659	35,563	27,536	26,539
Solid Waste:										
Refuse Collected (tons per day)	1,138	1,084	1,219	1,225	1,305	1,247	1,230	1,333	1,324	1,220
Recyclables Collected (tons per day)	593	504	581	627	628	592	678	716	866	763
Other Public Works:										
Street Resurfacing (miles)	252	241	270	271	241	275	300	404	329	339
Potholes Repaired	10,465	12,955	29,401	57,679	75,127	85,443	100,520	91,910	80,937	80,761
Parks and Recreation:										
Athletic Field Permits Issued	4,746	5,043	4,116	3,919	3,634	4,166	4,026	2,184 ³	3,258	3,955
Community Center Reservations	2,198	2,097	2,173	2,114	2,550	3,172	3,124	1,166 ³	0 ⁵	0 ⁵
Library:										
Volumes in Collection	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	1,984,612	2,021,538
Volumes in Circulation	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	5,751,098	7,548,649
Water:										
Customers	365,099	367,408	373,920	378,365	488,705	496,543	505,627	515,981	529,392	544,991
Water Main Breaks	2,128	1,863	2,018	2,151	1,194	1,843	2,329	2,357	2,494	1,599
Average Daily Consumption (millions of gallons)	192.2	189.1	191.3	194.2	240.5	245.6	233.1	232.1	234.0	223.2
Maximum Daily Consumption (millions of gallons)	264.0	270.2	261.0	292.9	359.9	302.8	301.1	328.6	315.0	442.4
Wastewater:										
Amount Treated Peak Day (millions of gallons)	199.0	221.0	196.0	286.0	311.0	245.0	235.0	187.0	198.0	213.0

Sources: Various City departments and San Antonio Water System.

¹ City Class "C" offenses.

² Decrease is due to the stay at home orders, remote working and social distancing related to the COVID-19 pandemic.

³ Decrease is due to the closures of facilities during the year due to the COVID-19 pandemic.

⁴ Physical library locations were closed due to COVID-19 pandemic from Mar 14 - June 15 and reopened with contact-free pickup service at 29 locations and had public computers at nine locations.

⁵ Community Center Reservations were not available due to COVID-19 pandemic.

Statistical Data
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/Program:	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
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	719	769	768	768	772	773	783
Fire:										
Fire Stations	51	51	51	51	53	53	54	54	54	54
Solid Waste:										
Collection Vehicles ¹	333	349	360	377	377	377	383	387	389	388
Other Public Works:										
Streets (miles)	4,066	4,066	4,066	4,081	4,081	4,152	4,155	4,161	4,190	4,201
Highways (miles)	1,140	1,180	1,180	1,180	1,180	1,180	1,219	1,219	1,219	1,219
Streetlights	71,531	71,877	71,834	74,010	77,521	79,290	79,936	80,448	81,075	81,826
Traffic Signals	1,332	1,366	1,385	1,397	1,402	1,419	1,422	1,438	1,444	1,459
Parks and Recreation:										
Acreage	14,822	14,866	15,469	15,572	15,933	15,942	15,994	16,251	16,384	16,385
Playgrounds	177	180	182	183	186	186	188	189	190	192
Baseball/Softball Diamonds	129	130	129	129	129	129	129	129	129	129
Soccer/Football Fields	94	94	94	100	100	100	114	114	114	114
Golf Courses	7	7	8	8	8	8	8	8	8	8
Swimming Pools	30	30	30	29	29	29	30	30	30	30
Community Centers	30	30	30	30	30	30	30	30	28	28
Water:										
Water Mains (miles)	5,022	5,072	5,259	5,315	6,961	7,060	7,144	7,260	7,391	7,511
Fire Hydrants	27,914	28,323	28,753	29,530	39,998	40,872	41,553	42,513	43,345	44,305
Storage Capacity (millions of gallons)	183.7	197.4	220.6	221.0	269.2	277.2	287.6	287.6	308.4	308.4
Wastewater:										
Sewer Mains (miles)	5,200	5,238	5,247	5,322	5,375	5,482	5,535	5,629	5,699	5,795
Storm Sewers (miles)	581.0	700.0	700.0	700.0	574.0	646.0	623.0	648.0	800.0	800.0
Permitted Treatment Capacity (millions of gallons)	187.0	187.0	187.0	187.0	187.0	187.0	187.0	187.0	187.0	187.0

Sources: Various City departments, CPS Energy, TxDOT, and San Antonio Water System.

¹ The City has Collection Vehicles, which serve as garbage, recycling, organics, brush and bulky collection vehicles.

FEDERAL SECTION

Summary Schedule of Federal Awards by Type Last Two Fiscal Years

Grant Type	Fiscal Year 2022	Fiscal Year 2021	Variance Increase (Decrease)
Federal Categorical Grants:			
Air Transportation	\$ 20,429,424	\$ 68,099,240	\$ (47,669,816)
Criminal Justice	3,856,242	4,543,058	(686,816)
Emergency Management	4,845,876	5,542,706	(696,830)
Environmental Quality	372,000	335,411	36,589
Public Health	12,838,187	410,626,276	(397,788,089)
Public Works	25,766,676	13,086,384	12,680,292
Recreation and Culture	315,086	1,277,433	(962,347)
Social Services	210,433,760	234,236,966	(23,803,206)
Total Federal Categorical Grants	<u>\$ 278,857,251</u>	<u>\$ 737,747,474</u>	<u>\$ (458,890,223)</u>
Federal Block Grants:			
Community Development Block Grant	\$ 13,556,693	\$ 23,348,346	\$ (9,791,653)
HOME Program Block Grant	25,571,994	5,472,229	20,099,765
Total Federal Block Grants	<u>\$ 39,128,687</u>	<u>\$ 28,820,575</u>	<u>\$ 10,308,112</u>
Total Federal Grants	<u>\$ 317,985,938</u>	<u>\$ 766,568,049</u>	<u>\$ (448,582,111)</u>

Air Transportation decrease of \$47.7 million is due to a decrease in COVID-19 related funding of \$49 million that was awarded in fiscal year 2021 and used to replace lost revenues resulting from the sharp decline in passenger traffic.

Criminal Justice decrease of \$687 thousand is due to \$750 thousand of Justice and Mental Health Collaboration Program funds awarded in fiscal year 2021 but not in 2022. This was offset by increases of \$56 thousand in High Intensity Drug Trafficking Areas program, and \$54 thousand in Justice Assistance Grant funding awarded in fiscal year 2022.

Emergency Management decreased due to two grants awarded in fiscal year 2021 totaling \$697 thousand; \$544 thousand in Regional Catastrophic Planning Grant Program and \$146 thousand of Emergency Management Performance Grant funds. No grants for catastrophic occurrences were awarded in fiscal year 2022.

Public Health decrease of \$397.8 million is due to a decrease of City-wide COVID-19 awards of \$326 million that were used to offset public health salaries, personal protective equipment, supplies, emergency response and secondary impacts to the community due to COVID-19. An additional decrease of \$71 million was due to COVID-19 funding for immunizations, community health workers and to address health disparities among high-risk populations awarded in fiscal year 2021 but not in fiscal year 2022.

Public Works increase of \$12.7 million is due to the award of five Texas Department of Transportation Advanced Funding Agreements executed in fiscal year 2022, including a \$18.8 million agreement for South Zarzamora overpass project, \$4 million for the Highway Safety Improvement Program, and \$2 million for TXDOT Roosevelt Avenue versus seven agreements awarded in fiscal year 2021 for a total of \$13 million.

Summary Schedule of Federal Awards by Type (Continued)
Last Two Fiscal Years (Continued)

Recreation and Culture decrease of \$962 thousand is due to a \$1.2 million Summer Food grant awarded in fiscal year 2021 that was not awarded to the City in fiscal year 2022 due to the grant being directly awarded to the San Antonio Food Bank.

Social Services decrease of \$23.8 million is due to a \$36.6 million decrease in Emergency Rental and Mortgage Assistance COVID-19 funds offset by a \$3.5 million increase in Child Care Services funding, \$2.5 million increase in Emergency Food and Shelter Program funding, and a new \$3 million Department of Labor grant for the Apprenticeship Building America Program.

Community Development Block Grants decreased \$9.8 million due to \$10.2 million in CDBG COVID-19 Emergency Housing Assistance funding that was awarded in fiscal year 2021 and not in fiscal year 2022.

HOME Program Block Grant increased \$20 million due to ARPA HOME funds awarded in fiscal year 2022 that will address homeless needs by creating affordable housing and providing tenant-based rental assistance.

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, 2022

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL ASSISTANCE LISTING NO.	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U. S. Department of Agriculture:					
Pass Through - Texas Health and Human Services Commission:					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children:					
WIC 2020-2021	10.557	2017-049832-001	22-01636084	\$ -	\$ 490,928
WIC 2020-2022	10.557	HHS000806100001	22-01636122		6,381,105
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children				<u>\$ -</u>	<u>\$ 6,872,033</u>
SNAP Cluster:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:					
WIC 2021-2022	10.561	HHS000806100001	22-01636122	\$ -	\$ 20,000
Total U.S. Department of Agriculture				<u>\$ -</u>	<u>\$ 6,892,033</u>
U.S. Department of Housing and Urban Development:					
Direct Programs:					
Housing Counseling Assistance Program:					
Housing Counseling Program 2020	14.169	HC190821004	22-05457005	\$ -	\$ 6,117
CDBG - Entitlement Grants Cluster:					
Community Development Block Grants/Entitlement Grants:					
Community Development Program - 41st Year	14.218	B15MC480508	28-041000	\$ 63,166	\$ 30,803
Community Development Program - 42nd Year	14.218	B16MC480508	28-242000	122,287	123,800
Community Development Program - 43rd Year	14.218	B17MC480508	28-243000		503,846
Community Development Program - 44th Year	14.218	B18MC480508	28-244000		46,053
Community Development Program - 45th Year	14.218	B19MC480508	28-245000	1,089,420	1,987,067
Community Development Program - 46th Year	14.218	B20MC480508	28-246000	494,461	4,139,932
Community Development Program - 47th Year	14.218	B21MC480508	28-247000	1,134,054	5,777,153
CDBG Investment Partnerships Program Outstanding Loans	14.218	Various	Various		4,469,884
Neighborhood Stabilization Grant Program Outstanding Loans	14.218	Various	Various		2,599,838
Subtotal Community Development Block Grants/Entitlement Grants				<u>\$ 2,903,388</u>	<u>\$ 19,678,376</u>
COVID-19 Community Development Block Grants/Entitlement Grants:					
Community Development Program - 46th COVID-19 FY21	14.218	B20MC480508	21-28000002	\$ 792,781	\$ 876,941
Total CDBG - Entitlement Grants Cluster				<u>\$ 3,696,169</u>	<u>\$ 20,555,317</u>
Pass Through - Texas Department of Housing and Community Affairs:					
COVID-19 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii:					
Texas Emergency Mortgage Assistance Program (TEMAP)	14.228	B20DW480001	21-05700005	\$ -	\$ 548,004
Texas Emergency Rental Assistance Program (TERAP)	14.228	B20DW480001	21-05700003		431,545
Total COVID-19 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				<u>\$ -</u>	<u>\$ 979,549</u>
Direct Programs:					
Emergency Solutions Grant Program:					
ESG 2019-2021	14.231	E19MC480508	22-05438017	\$ -	\$ 272
ESG 2020-2022	14.231	E20MC480508	22-05438019	185,268	292,378
ESG 2021-2023	14.231	E21MC480508	22-05438022	855,686	1,025,132
Subtotal Emergency Solutions Grant Program				<u>\$ 1,040,954</u>	<u>\$ 1,317,782</u>
COVID-19 Emergency Solutions Grant Program:					
ESG 2020 COVID-19	14.231	E20MW480508	21-03800001	\$ 4,750,622	\$ 7,063,554
Total Emergency Solutions Grant Program				<u>\$ 5,791,576</u>	<u>\$ 8,381,336</u>
HOME Investment Partnerships Program:					
HOME Program Grant - 26th Year	14.239	M17MC480508	25-226000	\$ -	\$ 538,640
HOME Program Grant - 27th Year	14.239	M18MC480508	25-227000		180,595
HOME Program Grant - 28th Year	14.239	M19MC480508	25-228000		365,520
HOME Program Grant - 29th Year	14.239	M20MC480508	25-229000	1,121	332,639
HOME Program Grant - 30th Year	14.239	M21MC480508	25-230000		721,705
HOME Investment Partnerships Program Outstanding Loans	14.239	Various	Various		28,021,651
Subtotal HOME Investment Partnerships Program				<u>\$ 1,121</u>	<u>\$ 30,160,750</u>
COVID-19 HOME Investment Partnerships Program:					
HOME ARPA	14.239	M21MP480508	21-25000001	\$ -	\$ 24,590
Total HOME Investment Partnerships Program				<u>\$ 1,121</u>	<u>\$ 30,185,340</u>
Housing Opportunities for Persons with AIDS:					
HOPWA 2019-2022	14.241	TXH19F005	22-05438016	\$ -	\$ 30
HOPWA 2020-2023	14.241	TXH20F005	22-05438020	519,272	538,394
HOPWA 2021-2024	14.241	TXH21F005	22-05438023	2,022,500	2,063,346
Subtotal Housing Opportunities for Persons with AIDS				<u>\$ 2,541,772</u>	<u>\$ 2,601,770</u>
COVID-19 Housing Opportunities for Persons with AIDS:					
HOPWA HUD COVID-19	14.241	THX20-FHW005	21-03800002	\$ 48,214	\$ 48,214
Total Housing Opportunities for Persons with AIDS				<u>\$ 2,589,986</u>	<u>\$ 2,649,984</u>
Lead Hazard Reduction Demonstration Grant Program:					
Lead Hazard Reduction Demonstration 2020-2023	14.905	TXLHD0321-19	22-05457004	\$ -	\$ 331,064
Pass Through - Michigan Technological University:					
Healthy Homes Technical Studies Grants:					
Healthy Homes Tech Grant	14.906	MILTS0007-17	22-05457003	\$ -	\$ 150
Total U.S. Department of Housing and Urban Development				<u>\$ 12,078,852</u>	<u>\$ 63,088,857</u>

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2022

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL ASSISTANCE LISTING NO.	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of the Interior:					
Pass Through - Alamo Area Council of Governments:					
Historic Preservation Fund Grants-In-Aid:					
FY20 CLG Grant Survey	15.904	TX-20-10031	22-04141001	\$ -	\$ 667
FY21 CLG Grant Survey	15.904	TX-20-005	22-00641005		20,149
FY22 CLG Grant Survey	15.904	TX-20-016	22-00641008		983
Total Historic Preservation Fund Grants-In-Aid				<u>\$ -</u>	<u>\$ 21,799</u>
Total U.S. Department of the Interior					
				<u>\$ -</u>	<u>\$ 21,799</u>
U.S. Department of Justice:					
Direct Programs:					
Coronavirus Emergency Supplemental Funding Program:					
COVID-19 San Antonio PD Emergency Supplemental Funding	16.034	2020-VD-BX-1203	21-01700001	\$ -	\$ 439,661
Community-Based Violence Prevention Program:					
Supporting Victims of Gang Violence-19	16.123	2019-MU-MU-0008	22-02817012	\$ -	\$ 104,468
Services for Trafficking Victims:					
Enhanced Collaborative Model to Combat Human Trafficking	16.320	2020-VT-BX-K035	22-02817015	\$ -	\$ 152,080
Project Safe Neighborhoods:					
Stand Up SA	16.609	3919802	26-05336004	\$ -	\$ 49,682
Public Safety Partnership and Community Policing Grants:					
Cops CHRP Grant 2020-2023	16.710	2020ULWX0051	22-02817017	\$ -	\$ 1,221,827
Pass-Through - Office of Justice Programs:					
Special Data Collections and Statistical Studies:					
SAPD Conversion to NIBRS	16.734	2016-FU-CX-K057	22-02817000	\$ -	\$ 61,381
Pass-Through - Bexar County:					
Edward Byrne Memorial Justice Assistance Grant Program:					
JAG 2018-2021	16.738	2018-DJ-BX-0415	22-02817011	\$ -	\$ 9,467
JAG 2019-2022	16.738	2018-DJ-BX-0570	22-02817014		10,553
JAG 2020-2023	16.738	2020-DJ-BX-0643	22-02817019		135,296
JAG 2021-2024	16.738	15PBIA21GG01897	22-02817023		161,290
Total Edward Byrne Memorial Justice Assistance Grant Program				<u>\$ -</u>	<u>\$ 316,606</u>
Pass-Through - Office of Justice Programs:					
Criminal and Juvenile Justice and Mental Health Collaboration Program:					
SAPD Juvenile Mental Health 2020	16.745	2020-MO-BX-0018	22-02817021	\$ -	\$ 84,406
Direct Program:					
Equitable Sharing Program:					
Airport Federal Account	16.922	N/A	29-037000	\$ -	\$ 48,692
Confiscated Property-Federal Account	16.922	N/A	29-039000		107,000
HIDTA Federal Account	16.922	N/A	29-046000		174
HIDTA Federal Treasury	16.922	N/A	29-046001		116,036
Total Equitable Sharing Program				<u>\$ -</u>	<u>\$ 271,902</u>
Total U.S. Department of Justice					
				<u>\$ -</u>	<u>\$ 2,702,013</u>
U.S. Department of Transportation:					
Direct Program:					
Airport Improvement Program: *					
Airfield Pavement Management and Maintenance Plan	20.106	3-48-192-108-2022	22-05833032	\$ -	\$ 236,370
Construct Taxiway Pkg 6	20.106	3-48-0192-092-2019	22-05833014		1,241,380
Design Taxiway N Reconstruction	20.106	3-48-0192-107-2021	22-05833028		366,942
Master Plan Update, PH II	20.106	3-48-0192-093-2019	22-05833016		741,483
Master Plan Update, PH III	20.106	3-48-0192-100-2020	22-05833022		311,268
Master Plan Update, SAT	20.106	3-48-0192-091-2018	22-05833011		152,040
Rehabilitate Taxiway R	20.106	3-48-192-101-2021	22-05833026		61,881
Rehabilitate Taxiway R Pkg 6	20.106	3-48-0192-095-2019	22-05833017		978
Rehabilitate Taxiway R Phase II	20.106	3-48-0192-097-2020	22-05833019		86,806
Runway Incursion Light	20.106	3-48-0192-094-2019	22-05833018		237,385
Stinson-Master Plan	20.106	21ALSTON	22-05833029		60,701
Stinson Taxiway E Design	20.106	2015STSON	22-05833023		150,809
Stinson Taxiway E	20.106	2115STSON	22-05833024		804,365
Taxiway H Reconstruction Phase1	20.106	3-48-0192-109-2022	22-05833031		739,013
Taxiway R Rehabilitation, Phase 4	20.106	3-48-0192-098-2020	22-05833021		5,891,737
VALE Infrastructure	20.106	3-48-0192-096-2019	22-05833015		10,737
Subtotal Airport Improvement Program				<u>\$ -</u>	<u>\$ 11,093,895</u>
COVID-19 Airport Improvement Program: *					
CARES Act Airport Grant Operations	20.106	3-48-0192-099-2020	21-03300000	\$ -	\$ 5,849,079
COVID-19 CRRSAA Operations	20.106	3-48-0192-103-2021	21-03300002		1,973,270
COVID-19 CRRSAA STINSON	20.106	21CRSTSON	21-03300004		57,162
COVID-19 ARPA Operations	20.106	3-48-0192-104-2021	21-03300005		28,470,356
Subtotal COVID-19 Airport Improvement Program				<u>\$ -</u>	<u>\$ 36,349,867</u>
Total Airport Improvement Program				<u>\$ -</u>	<u>\$ 47,443,762</u>
Subtotal U.S. Department of Transportation					
				<u>\$ -</u>	<u>\$ 47,443,762</u>

* Major Program

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2022

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL ASSISTANCE LISTING NO.	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Transportation (Continued):					
Pass Through - Texas Department of Transportation:					
Highway Planning and Construction Cluster:					
Highway Planning and Construction Program:					
Congestion Mitigation and Air Quality Improvement (CMAQ) Fed 2020-2022 Traffic Signal	20.205	CSJ 0915-12-667	22-05923018	\$ -	\$ 522,878
Harry Wurzbach at Austin Highway	20.205	CSJ 0915-12-550	22-05923003		5,618,153
Multimodal Planning Study 2019	20.205	CSJ 0915-12-609	22-05923013		262,119
San Pedro Sidewalk and Improvement	20.205	CSJ 0915-12-610	22-05923007		147,055
Presa Road Streets	20.205	CSJ 0915-12-604	22-05923009		111,794
Signal Controllers	20.205	CSJ 0915-12-601	22-05923010		381,120
Intelligent Traffic System	20.205	CSJ 0915-12-668/674	22-05923020		261,668
CMAQ-Clean Air Educational	20.205	CSJ 0915-12-670/ 677/683	22-05946001		6,644
Total Highway Planning and Construction Program				\$ -	\$ 7,311,431
Total Highway Planning and Construction Cluster				\$ -	\$ 7,311,431
Direct Program:					
Motor Carrier Safety Assistance High Priority Activities Grants and Cooperative Agreements:					
High Priority - Commercial Motor Vehicles FY 2020-2022	20.237	69A3602040567MHPOTX	22-02817016	\$ -	\$ 187,647
Pass Through - Texas Department of Transportation:					
Highway Safety Cluster:					
State and Community Highway Safety:					
Operation Slowdown 2022	20.600	PD-OpSlow-00002	22-05917012	\$ -	\$ 22,964
STEP Comprehensive FY20	20.600	PD-S-1YG-00007	22-05917004		654
STEP Comprehensive FY21	20.600	2021-SanAntPD-S-1YG-00007	22-05917005		2,194
STEP Comprehensive FY22	20.600	2022-SanAntPD-S-1YG-00038	22-05917009		843,244
Total State and Community Highway Safety				\$ -	\$ 869,056
National Priority Safety Programs:					
Click It or Ticket 2022	20.616	22SanAntPDCIOT7	22-05917011	\$ -	\$ 31,474
Impaired Driver Mobilization 2021	20.616	CIOT-IDM-00009	22-05917007		(188)
Impaired Driver Mobilization 2022	20.616	2022-IDM-00027	22-05917010		34,343
Total National Priority Safety Programs				\$ -	\$ 65,629
Total Highway Safety Cluster				\$ -	\$ 934,685
Total U.S. Department of Transportation				\$ -	\$ 55,877,525
Department of Treasury:					
Pass Through - Bexar County:					
COVID-19 Emergency Rental Assistance Program:					
COVID-19 Bexar County Funds Emergency Rental Assistance 1	21.023	N/A	21-5700007	\$ -	\$ 4,164,102
COVID-19 Bexar County Funds Emergency Rental Assistance 2	21.023	N/A	21-5700001		7,910,509
Subtotal Bexar County COVID-19 Emergency Rental Assistance Program				\$ -	\$ 12,074,611
Pass Through - Texas Department of State Health and Human Services:					
Housing Stability Services Program Emergency Rental Assistance 2	21.023	N/A	21-5700008	\$ -	\$ 12,241
Direct Programs:					
COVID-19 Emergency Rent Assistance 1	21.023	ERA-2101060202	21-05700002	\$ -	\$ 12,664,284
COVID-19 Emergency Rent Assistance 2	21.023	ERA2-0076	21-05700004		38,151,827
Subtotal Direct COVID-19 Emergency Rental Assistance Program				\$ -	\$ 50,816,111
Total COVID-19 Emergency Rental Assistance Program				\$ -	\$ 62,902,963
COVID-19 Coronavirus State and Local Fiscal Recovery Funds:					
Coronavirus State and Local Fiscal Recovery Fund	21.027	SLT-0591	21-00700002	\$ -	\$ 100,245,864
Total Department of Treasury				\$ -	\$ 163,148,827
Institute of Museum and Library Services:					
Pass Through - Texas State Library and Archives Commission:					
Grants to States:					
Interlibrary Loan Grant 2022	45.310	LS-249990-OLS-21	22-01804008	\$ -	\$ 58,486
COVID-19 Grants to States:					
COVID-19 ARPA Competitive Grants	45.310	LS-250239-OLS-21	21-00400002	\$ -	\$ 160,839
Total Grants to States				\$ -	\$ 219,325
Total Institute of Museum and Library Services				\$ -	\$ 219,325
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 2021-2022	93.045	536-16-0020-0001	22-01138005	\$ -	\$ 1,559,775
Nutrition Services Incentive Program:					
SNP 2021-2022	93.053	536-16-0020-0001	22-01138005	\$ -	\$ 522,000
Total Aging Cluster				\$ -	\$ 2,081,775
Pass Through - Texas Department of State Health Services:					
Environmental Public Health and Emergency Response:					
Public Health Emergency Preparedness:					
Bio-Terrorism Preparation 2021-2022	93.069	537-18-0179-00001	22-01636104	\$ -	\$ 960,784
Bio-Terrorism Preparation 2022-2023	93.069	537-18-0179-00001	22-01636132		321,877
Cities Readiness Initiative 2022	93.069	537-18-0191-00001	22-01636105		211,615
Cities Readiness Initiative 2023	93.069	537-18-0191-00001	22-01636133		64,163
Laboratory Response Network 2022	93.069	537-18-0148-00001	22-01636103		210,645
Laboratory Response Network 2023	93.069	537-18-0148-00001	22-01636131		28,776
Total Public Health Emergency Preparedness				\$ -	\$ 1,797,860
Subtotal U.S. Department of Health and Human Services				\$ -	\$ 3,879,635

* Major Program

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2022

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL ASSISTANCE LISTING NO.	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Health and Human Services (Continued):					
Pass Through - Texas Department of State Health Services:					
Environmental Public Health and Emergency Response:					
ASTHMA 2020-2021	93.070	HHS000701300001	22-01636110	\$ -	\$ 173,217
ASTHMA 2022-2023	93.070	HHS000701300001	22-01636141		14,994
Total Environmental Public Health and Emergency Response				<u>\$ -</u>	<u>\$ 188,211</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:					
Special T.B. Team Project 2021	93.116	HHS000686100023	22-01636099	\$ -	\$ 101,058
Special T.B. Team Project 2022	93.116	HHS001096400024	22-01636123		250,908
Total Project Grants and Cooperative Agreements for Tuberculosis Control Programs				<u>\$ -</u>	<u>\$ 351,966</u>
COVID-19 Community Programs to Improve Minority Health Grant Program:					
COVID-19 Health Literacy	93.137	1 CPIMP211274	21-03600012	\$ 391,541	\$ 977,315
Substance Abuse and Mental Health Services Projects of Regional and National Significance:					
Pathway to Prevention FY 21	93.243	1H79SP082118-01	22-01636083	\$ -	\$ 240
Pathway to Prevention FY 22	93.243	5H79SP082118-02	22-01636121		160,375
Pathway to Prevention FY 23	93.243	5H79SP082118-03	22-01636144		15,810
PW Carryover	93.243	5H79SP082118-01	22-01636124		43,698
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance				<u>\$ -</u>	<u>\$ 220,123</u>
Direct Programs:					
Immunization Cooperative Agreements:					
Immunization Program 317 - 2021	93.268	5 NH23IP922584-03-00	22-02236011	\$ -	\$ 1,998,310
Immunization Program 317 - 2022	93.268	5 NH23IP922584-04-00	22-02236013		940,751
Subtotal Immunization Cooperative Agreements				<u>\$ -</u>	<u>\$ 2,939,061</u>
COVID-19 Immunization Cooperative Agreements:					
COVID-19 Immunization NCIRD Cooperative Agreements (Round 1)	93.268	5 NH23IP922584-02-00	21-03600003	\$ -	\$ 42,844
COVID-19 Immunization NCIRD Cooperative Agreements (Round 2)	93.268	6 NH23IP922584-02-01	21-03600005		77,005
COVID-19 Immunization NCIRD Cooperative Agreements (Round 3)	93.268	6 NH23IP922584-02-04	21-03600008		6,883,427
COVID-19 Immunization NCIRD Cooperative Agreements (Round 4)	93.268	6 NH23IP922584-02-05	21-03600011		2,855,967
Subtotal COVID-19 Immunization Cooperative Agreements				<u>\$ -</u>	<u>\$ 9,859,243</u>
Total Immunization Cooperative Agreements				<u>\$ -</u>	<u>\$ 12,798,304</u>
Public Health Emergency Response: Cooperative Agreement for Emergency COVID-19 Racial and Ethnic Approaches to Community Health:					
COVID-19 Racial and Ethnic Approaches to Community Health	93.304	6 NU58DP006589-03-05	21-03600009	\$ -	\$ 426,145
Pass Through - Texas Health and Human Services Commission:					
COVID-19 Epidemiology and Laboratory Capacity for Infectious Diseases (ELC):					
COVID-19 Public Health Emergency	93.323	HHS000812700013	21-03600004	\$ -	\$ 861,645
Pass Through - Texas Department of State Health Services:					
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response:					
COVID-19 PH Workforce	93.354	HHS001082800001	21-03600013	\$ -	\$ 759,293
COVID-19 Health Cooperative Agreement	93.354	HHS000767600001	21-03600002		(8,344)
Total COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				<u>\$ -</u>	<u>\$ 750,949</u>
Direct Program:					
COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Health Crises:					
COVID-19 Health Disparities	93.391	NH75OT000083	21-03600010	\$ 1,132,722	10,835,994
COVID-19 Community Health Workers For Public Health Response and Resilient:					
COVID-19 Community Health Workers 2022	93.495	1NU58DP00700901	21-03600014	\$ 782,341	\$ 2,179,345
COVID-19 Community Health Workers 2023	93.495	5NU58DP00700902	21-03600018		383,352
Total COVID-19 Community Health Workers For Public Health Response and Resilient				<u>\$ 782,341</u>	<u>\$ 2,562,697</u>
Pass Through - Texas Department of Housing & Community Affairs:					
Community Services Block Grant:					
CSBG - 2019	93.569	539160021001	22-06038004	\$ -	\$ (729)
CSBG - 2021	93.569	61200003439	22-06038008		1,013,437
CSBG - 2022	93.569	61200003439	22-06038011		1,393,485
CSBG - 2022 Discretionary	93.569	61910003704	22-06038012		29,529
Subtotal Community Services Block Grant				<u>\$ -</u>	<u>\$ 2,435,722</u>
COVID-19 Community Services Block Grant:					
COVID-19 CSBG - 2020	93.569	61200003329	21-03800008	\$ 13,591	\$ 438,116
Total Community Services Block Grant				<u>\$ 13,591</u>	<u>\$ 2,873,838</u>
Subtotal U.S. Department of Health and Human Services				<u>\$ 2,320,195</u>	<u>\$ 36,726,822</u>

* Major Program

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2022

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL ASSISTANCE LISTING NO.	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Health and Human Services (Continued):					
Pass Through - Workforce Solutions Alamo:					
CCDF Cluster:					
Child Care and Development Block Grant:					
	*				
CCDS - 2019-2020	93.575	2017CCS-03	22-03938008	\$ -	\$ (2,764,375)
CCDS - 2020-2021	93.575	2017CCS-03	22-03938009		2,751,345
CCDS - April - September 2021	93.575	2017CCS-03	22-03938010		(1,013,418)
CCDS - 2021-2022	93.575	2017CCS-03	22-03938011		72,339,053
CCQ - 2022-2023	93.575	2021-SRC-001	22-03938015		(3,920)
Subtotal Child Care and Development Block Grant				\$ -	\$ 71,308,685
COVID-19 Child Care and Development Block Grant:					
	*				
COVID-19 CCS 2020 FY21	93.575	2017CCS-03 Renewal 2-3	Various	\$ -	\$ 235,023
COVID-19 CCS 2020 FY22	93.575	2017CCS-03 Renewal 2-3	21-03800018		30,776,587
Subtotal COVID-19 Child Care and Development Block Grant				\$ -	\$ 31,011,610
Total Child Care and Development Block Grant				\$ -	\$ 102,320,295
Child Care Mandatory and Matching Funds of the Child Care and Development Fund:					
	*				
CCDS - April - September 2021	93.596	2017CCS-03	22-03938010	\$ -	\$ 5,550,114
Total CCDF Cluster				\$ -	\$ 107,870,409
Direct Programs:					
Head Start Cluster:					
Head Start:					
	*				
Early Head Start 2021-2022	93.600	06CH011533/02	22-02238012	\$ 536,220	\$ 730,328
Early Head Start 2022-2023	93.600	06CH011533/03	22-02238016	693,562	1,088,007
Early Head Start CCP 2020-2021	93.600	06HP000255-02	22-02238010		(34,037)
Early Head Start CCP 2021-2022	93.600	06HP000255-03	22-02238014		2,598,897
Early Head Start CCP 2022-2023	93.600	06HP000255-04	Various		505,169
Head Start Program 2020-2021	93.600	06CH010821-02	22-02238008		(1,931)
Head Start Program 2021-2022	93.600	06CH010821-03	22-02238011	7,544,027	10,180,072
Head Start Program 2022-2023	93.600	06CH010821-04	22-02238015	10,757,245	15,024,278
Subtotal Head Start				\$ 19,531,054	\$ 30,090,783
COVID-19 Head Start:					
	*				
COVID-19 Early Head Start Program 2019-2020	93.600	06HP000255-02	21-03800005	\$ -	\$ 28,787
COVID-19 Early Head Start Program 2022-2023	93.600	06CH011533-03	21-03800020		1,188
COVID-19 Head Start Program 2021-2022	93.600	06HE001066-01	21-03800017	446,745	1,590,128
COVID-19 Head Start Program 2022-2023	93.600	06CH010821-04	21-03800019		373,762
Subtotal COVID-19 Head Start				\$ 446,745	\$ 1,993,865
Total Head Start Cluster				\$ 19,977,799	\$ 32,084,648
PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds:					
Reach Healthy Neighborhoods FY21	93.738	5 NU58DP006589	22-01636096	\$ -	\$ 53,682
Reach Healthy Neighborhoods FY22	93.738	5 NU58DP006589	22-01636117		794,911
Reach Healthy Neighborhoods FY22	93.738	5NU58DP00658905	22-01636137		1,594
Subtotal PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds				\$ -	\$ 850,187
COVID-19 PPHF: Racial and Ethnic Approaches to Community Health Program financed solely by Public Prevention Health Funds:					
COVID-19 Reach Flu Supplement	93.738	6 NU58DP006589	21-03600006	\$ -	\$ 22,996
Total PPHF: Racial and Ethnic Approaches to Community Health Program				\$ -	\$ 873,183
Healthy Start Initiative:					
Healthy Start Initiative 2021-2022	93.926	6 H49MC00101-21-01	22-02236010	\$ -	\$ 434,511
Healthy Start Initiative 2022-2023	93.926	6 H49MC00101-22-01	22-02236012		397,328
Total Healthy Start Initiative				\$ -	\$ 831,839
Pass Through - Texas Department of State Health Services:					
HIV Prevention Activities Health Department Based:					
Ending the HIV Epidemic (EHE) FY22	93.940	HHS000897700002	22-01636109	\$ -	\$ 715,865
Ending the HIV Epidemic (EHE) FY23	93.940	HHS000897700002	22-01636127		84,948
STD Staff Support Program 2022	93.940	HHS000288900006	22-01636120		38,718
STD Staff Support Program 2023	93.940	HHS000288900006	22-01636129		1,856
Total HIV Prevention Activities Health Department Based				\$ -	\$ 841,387
Sexually Transmitted Diseases (STD) Prevention and Control Grants:					
STD Staff Support Program 2020	93.977	HHS000288900006	22-01636073	\$ -	\$ (4,624)
STD Staff Support Program 2021	93.977	HHS000288900006	22-01636098		(7)
STD Staff Support Program 2022	93.977	HHS000288900006	22-01636120		345,673
STD Staff Support Program 2023	93.977	HHS000288900006	22-01636129		16,572
Subtotal Sexually Transmitted Diseases (STD) Prevention and Control Grants				\$ -	\$ 357,614
COVID-19 Sexually Transmitted Diseases (STD) Prevention and Control Grants:					
STD Staff Support Program 2022	93.977	HHS001120300013	21-03600016	\$ -	\$ 120,277
Total Sexually Transmitted Diseases (STD) Prevention and Control Grants				\$ -	\$ 477,891
Subtotal U.S. Department of Health and Human Services				\$ 19,977,799	\$ 142,979,357

* Major Program

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2022

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL ASSISTANCE LISTING NO.	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Health and Human Services (Continued):					
Pass Through - Texas Department of State Health Services:					
Preventive Health and Health Services Block Grant:					
Federal Triple OOO FY 2022	93.991	HHS001028800001	22-01636107	\$ -	\$ 32,191
Federal Triple OOO FY 2023	93.991	HHS001028800001	22-01636135		2,225
Total Preventive Health and Health Services Block Grant				\$ -	\$ 34,416
Maternal and Child Health Services Block Grant to the States:					
DSHS Healthy Texas Babies 2022	93.994	HHS000066400001	22-01636106	\$ -	\$ 55,158
DSHS Healthy Texas Babies 2023	93.994	HHS000066400007	22-01636142		5,915
Title V CHS - Dental Services 2022	93.994	HHS000136500028	22-01636116		196,473
Title V CHS - Dental Services 2023	93.994	HHS000136500028	22-01636145		31,387
Total Maternal and Child Health Services Block Grant to the States				\$ -	\$ 288,933
Total U.S. Department of Health and Human Services				\$ 22,297,994	\$ 180,029,528
Executive Office of the President:					
Direct Program:					
High Intensity Drug Trafficking Areas Program:					
Office of National Drug Control Policy:					
HIDTA Initiative San Antonio 2019	95.001	G19SS0009A	22-02817010	\$ -	\$ (34)
HIDTA Initiative San Antonio 2020	95.001	G20SS0009A	22-02817013		219,430
HIDTA Initiative San Antonio 2021	95.001	G21SS0009A	22-02817020		1,200,367
HIDTA Initiative San Antonio 2022	95.001	G22SS0009A	22-02817024		714,273
Total High Intensity Drug Trafficking Areas Program				\$ -	\$ 2,134,036
Total Executive Office of the President				\$ -	\$ 2,134,036
U.S. Department of Homeland Security:					
Pass Through - United Way National Board:					
COVID-19 Emergency Food and Shelter National Board Program:					
COVID-19 Emergency Food and Shelter Program ARPA	97.024	ARPA-7886-00 039 E9	22-05438021	\$ -	\$ 1,044,818
Pass Through - Texas Division of Emergency Management:					
Disaster Grants-Public Assistance (Presidentially Declared Disasters)					
February 2021 Freeze	97.036	Various	Various	\$ -	\$ 999,408
Subtotal Disaster Grants-Public Assistance (Presidentially Declared Disasters)				\$ -	\$ 999,408
COVID-19 Disaster Grants-Public Assistance (Presidentially Declared Disasters)					
COVID-19 2019 Novel Coronavirus	97.036	Various	Various	\$ -	\$ 532,693
Total Disaster Grants-Public Assistance (Presidentially Declared Disasters)				\$ -	\$ 1,532,101
Emergency Management Performance Grants:					
EMPG 2021	97.042	FP20000039	22-05620026	\$ -	\$ (145,659)
COVID-19 Assistance to Firefighters Grant:					
COVID-19 Assistance to Firefighters Grant	97.044	EMW-2020-FG01395	21-02000002	\$ -	\$ 207,998
Pass Through - Texas Office of the Governor - Homeland Security Grants Division:					
Homeland Security Grant Program:					
SHSP 2018	97.067	EMW-2018-SS-00022-S01	22-06520007	\$ -	\$ (94)
SHSP 2019	97.067	EMW-2019-SS-00034-S01	22-05620023		25,106
SHSP 2020	97.067	EMW-2020-SS-00054	22-05620024		111,986
SHSP 2021	97.067	EMW-2021-SS-00062	22-05620031		239,234
UASI 2018	97.067	EMW-2018-SS-00022	22-06520006		9,632
UASI 2019	97.067	EMW-2019-SS-00034-S01	22-05620021		115,741
UASI 2020	97.067	EMW-2020-SS-00054	22-05620025		951,870
UASI 2021	97.067	EMW-2021-SS-00062	22-05620030		342,880
Total Homeland Security Grant Program				\$ -	\$ 1,796,355
Direct Programs:					
Homeland Security BioWatch Program:					
BioWatch Fed Air Monitoring 2022	97.091	150HBIO00027-07	22-01636108	\$ -	\$ 208,181
BioWatch Fed Air Monitoring 2023	97.091	150HBIO00027-08	22-01636134		78,934
Total Homeland Security BioWatch Program				\$ -	\$ 287,115
Regional Catastrophic Preparedness Grant Program:					
Regional Catastrophic Preparedness Grant Program 2020	97.111	EMT-2020-CA-00049-S01	22-05620028	\$ -	\$ 114,273
Total U.S. Department of Homeland Security				\$ -	\$ 4,837,001
TOTAL EXPENDITURES OF FEDERAL AWARDS				\$ 34,376,846	\$ 478,950,944

* Major Program

**Notes to the Schedule of Expenditures
of Federal Awards
Year-Ended September 30, 2022**

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, 2022, the City recorded net HOME Program Notes Receivable of \$29,515,835, which includes the estimated allowances for the doubtful accounts of \$27,335,766. These are loans that are made for renovation or construction of apartment complexes that provide rental assistance to low income people. Some loans are forgivable provided the program and loan criteria are met. Included in the gross notes receivable balance are multi-family loans in the amount of \$28,021,651 that have continuing eligibility compliance requirements and are included in the Schedule of Expenditures of Federal Awards.
3. As of September 30, 2022, the City recorded net CDBG Program Notes Receivable of \$8,606,568, which includes the estimated allowances for the doubtful accounts of \$12,345,970. 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 \$4,469,884 that have continuing eligibility compliance requirements and are included in the Schedule of Expenditures of Federal Awards.
4. As of September 30, 2022, the City recorded net NSP Program Notes Receivable of \$76,243, which includes estimated allowances for doubtful accounts of \$3,075,149. 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 \$2,599,838 that have continuing eligibility compliance requirements and are included in the Schedule of Expenditures of Federal Awards.
5. The City has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**Report 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**



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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Antonio, Texas (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 19, 2023.

Our report includes an emphasis of matter paragraph for a change in accounting principles.

Our report also includes a reference to other auditors who audited the financial statements of Municipal Golf Association-San Antonio dba Alamo City Golf Trail, 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 Retiree Health & Wellness San Antonio Fire and Police Fund (fiduciary component units); and CPS Energy, San Antonio Water System, SA Energy Acquisition Public Facility Corporation, and San Antonio Bexar County Soccer Public Facility Corporation (discretely presented component units). This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of CPS Energy, SA Energy Acquisition Public Facility Corporation and San Antonio Bexar County Soccer Public Facility Corporation, component units included in the financial statements of the aggregate discretely presented component units and City of San Antonio Council Aides Corporation, Municipal Golf Association – San Antonio dba Alamo City Golf Trail, San Antonio Economic Development Corporation, and Visit San Antonio, component units included in the financial statements of the aggregate remaining fund information, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with those component units or that are reported on separately by those auditors who audited the financial statements of 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, Retiree Health & Wellness San Antonio Fire and Police Fund, and San Antonio Water System.

Honorable Mayor and Members of City Council
City of San Antonio, Texas
Page 2

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS,LLP

Houston, Texas
April 19, 2023



**Report on Compliance for Each
Major Federal Program and
Report on Internal Control Over
Compliance – Independent
Auditor’s Report**

FORVIS

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Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of San Antonio, Texas' (the City's) compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2022. 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 \$17,508,095 in federal awards which are not included in the City's schedule of expenditures of federal awards during the year ended September 30, 2022. Our audit, described below, did not include the operations of SAWS because SAWS engaged other auditors to perform an audit in accordance with the Uniform Guidance and Port SA engaged FORVIS to perform a separate audit in accordance with the Uniform Guidance.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended September 30, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Honorable Mayor and Members of City of Council
City of San Antonio, Texas
Page 2

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2022-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in

Honorable Mayor and Members of City of Council
City of San Antonio, Texas
Page 3

the audit of compliance and, accordingly, we express no opinion on the response. The City is responsible for preparing a corrective action plan to address the finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a significant deficiency.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-001, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The City is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

FORVIS,LLP

Houston, Texas
April 19, 2023

Schedule of Findings and Questioned Costs Federal

Schedule of Findings and Questioned Costs

Federal Grants

Year-Ended September 30, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	_____	Yes	<u> X </u>	None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	<u> X </u>	Yes	_____	None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a)? _____ Yes X No

Identification of major Federal programs:

AL Number(s)	Name of Federal Program or Cluster
20.106	Airport Improvement Program
21.023	Emergency Rental Assistance Program
21.027	COVID-19 Coronavirus State and Local Fiscal Recovery Funds
93.391	COVID-19 Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Health Crises
93.575, 93.596	Child Care and Development Fund Cluster
93.600	Head Start Cluster
97.024	Emergency Food and Shelter National Board Program

Dollar threshold used to distinguish between Type A and Type B programs: \$3,000,000

Auditee qualified as low-risk auditee? _____ Yes X No

Schedule of Findings and Questioned Costs

Federal Grants

Year-Ended September 30, 2022

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO FINANCIAL STATEMENTS

None

Schedule of Findings and Questioned Costs**Federal Grants**

Year-Ended September 30, 2022

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**Finding #2022-001****Program Title:** Head Start**Assistance Listing Number:** 93.600**Award Numbers:** 06CH011533/02, 06CH011533/03, 06CH010821-03, 06CH010821-04, 06HE001066-01**Federal Award Year:** 10/1/2021 – 9/30/2022**Federal Agency:** U.S. Department of Health and Human Services**Reporting****Type of Finding:** Other Noncompliance and Significant Deficiency**Criteria:**

Under the requirements of the Federal Funding Accountability and Transparency Act (Pub. L. No. 109-282), as amended by Section 6202 of Pub. L. No. 110-252, that are codified in 2 CFR Part 170, recipients (i.e., direct recipients) of grants or cooperative agreements are required to report first-tier subawards of \$30,000 or more to the Federal Funding Accountability and Transparency Act Subaward Reporting System (FSRS). This reporting (per 2 CFR Part 170, Appendix A, Section 1, paragraph 2lii) must be made no later than the end of the month following the month in which the obligation or modification was made to <http://www.fsr.gov>.

Condition:

For one (1) of two (2) first-tier subawards tested, the City did not report the subaward information to FSRS timely.

Questioned Costs:

None

Context:

For the one (1) exception noted, the subaward was reported to FSRS twenty-three (23) days after the due date. The sampling method used was not statistically valid.

Transactions Tested	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
2	0	1	0	0
Dollar Amount of Tested Transactions	Subaward not reported	Report not timely	Subaward amount incorrect	Subaward missing key elements
\$14,304,982	\$0	\$1,049,999	\$0	\$0

Effect:

Lack of compliance with timely reporting of subawards awarded or modified could result in loss of funding.

Cause:

For the one (1) exception, the subaward was amended in January 2022 and improperly included with the February 2022 subawards and reported in March 2022, instead of being included with the January subawards to be reported in February 2022.

Schedule of Findings and Questioned Costs
Federal Grants
Year-Ended September 30, 2022

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS (Continued)

Repeat Finding:

No

Recommendation:

We recommend that the City of San Antonio Department of Human Services incorporate procedures to address tracking of subaward amendments to ensure timely reporting to FSRS.

Views of responsible officials:

The City agrees with the recommendation. The delay was due to a break in the communication between the responsible division and fiscal regarding final contract execution dates, this resulted in a 23-day delay reporting in FFATA.



Corrective Action Plan Federal



Corrective Action Plan
Federal Grants
Year-Ended September 30, 2022

Finding #2022-001

Type of Finding: Noncompliance and Significant Deficiency

Responsible Person

Melody Woolsey, Director
Department of Human Services

Implementation Date

September 30, 2023

Views of responsible officials and planned corrective actions

The Department of Human Services (DHS) will strengthen the process in timely FFATA reporting by implementing a shared tracking system with the responsible division(s) who originates a request for a contract/agreement. Division staff will include a checklist detailing the required documents needed for contract execution, along with a revised routing slip. The revised routing slip will include notifications to all responsible stakeholders when a contract/agreement is executed. Once a contract is executed the division owner will update the shared tracking system within 2 business days of receipt to include required fields and important dates. The final step of the routing slip is to notify fiscal staff once updates are made in the shared tracking system. Fiscal staff will review the shared tracking system on the 1st and 15th of each period/month and report required data to Central Finance within the reporting deadline. In the interim of implementing the shared tracking system, DHS will use an excel spreadsheet to update all stakeholders once contracts are executed.

Summary Status of Prior Year Findings Federal



Summary Status of Prior Year Findings

Federal Grants

Year-Ended September 30, 2022

Finding: 2021-001

Special Tests and Provisions – Segregation of Duties

Recommendation:

We recommend that the City of San Antonio Neighborhood and Housing Services Department incorporate procedures to address segregation of duties, such as vacancy in supervisor level position, that may impact the timely review and processing of financial and performance reports due to the grantor.

Status:

Corrected

Staff vacancies in the prior year led to compression of duties; these vacancies have been resolved. Segregation of duties have been implemented to ensure preparation and review are managed by different employees, ultimately ending with the Grants Administrator or Deputy Director reviewing prior to submission.

Responsible Person

Veronica Garcia, Director
Neighborhood and Housing Services



Summary Status of Prior Year Findings

Federal Grants

Year-Ended September 30, 2022

Finding: 2021-002

Special Tests and Provisions – Obligation, Expenditure and Payment

Recommendation:

We recommend that the City of San Antonio Department of Human Services incorporate procedures to address unforeseen situations such as limited resources that may impact the timely review and processing of payments to subrecipients within the thirty-day requirement.

Status:

Corrected

The Department of Human Services (DHS) has implemented several corrective actions that strengthens the timeliness to address the thirty-day requirement, ensuring time to account for the multiple levels of review. DHS has implemented an invoice workflow that tracks when approvals are received and approved by program staff, accountants, and fiscal analysts. DHS has also created a report that details the aging of invoices waiting for approval at the fiscal analyst level, which is available for supervisors. If invoices are rejected, a form is provided noting reason for rejection, and it is sent back to the accountant or fiscal analyst for action. Aging dates are reviewed to prioritize processing of the pending invoices. DHS worked with Human Resources to request temporary accountants to assist with workload.

Responsible Person

Melody Woolsey, Director
Department of Human Services



STATE SECTION

Summary Schedule of State Awards by Type Last Two Fiscal Years

Grant Type	Fiscal Year 2022	Fiscal Year 2021	Variance Increase (Decrease)
State Categorical Grants:			
Air Transportation	\$ 50,000	\$ 50,000	\$ -
Criminal Justice	1,371,608	1,218,114	153,494
Public Health	1,969,606	1,914,107	55,499
Public Works	6,647,891	599,712	6,048,179
Recreation and Culture	83,224	15,000	68,224
Social Services	6,901,747	9,344,017	(2,442,270)
Total State Categorical Grants	\$ 17,024,076	\$ 13,140,950	\$ 3,883,126

Criminal Justice increase of \$153 thousand is due to the award of the DNA Testing Kits grant of \$200 thousand in fiscal year 2022 that was not awarded in fiscal year 2021; offset by a \$34 thousand decrease in Truancy Intervention and Prevention Program funding.

Public Health increase of \$55 thousand is due to a new award for Healthy Texas Mothers & Babies in the amount of \$50 thousand and a \$5 thousand increase in funding for the TB Prevention and Control grant.

Public Works increase of \$6 million is due to the award of new funding of \$5 million for Defense Economic Adjustment Assistance Grant providing funds to defense communities that have been affected by a base realignment and closure action for the purposes of purchasing property, sharing the costs of infrastructure or redevelopment projects, and the purchase or lease of equipment, including equipment for the training of defense workers. Additionally, the State awarded the City \$1 million in State indirect cost for the South Zarzamora overpass project.

Recreation and Culture increase of \$68 thousand is due to the award from Alamo Area Council of Governments grants that support environmental efforts related to recycling, solid waste stream reduction and municipal enforcement of anti-dumping laws.

Social Services decrease of \$2.4 million is due to the City's decrease in the State portion of the Child Care Services Program as a result of outside agencies being awarded contracts directly from the State to manage this program, thus reducing the City's allocation.

The City receives multi-year grants that are awarded during the fiscal year, as well as grants whose award dates do not correlate with the City's fiscal year. As such, expenditures for these grants will be reported on the Schedule of State Expenditures when expended, and expenditures will not always be reported in the same year the award was received.

Schedule of Expenditures of State Awards by Grantor, State Program and Grant Number

Schedule of Expenditures of State Awards
Year-Ended September 30, 2022

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	\$ 54,556
New State Account	N/A	29-038000	184,784
Total State Confiscated Property			<u>\$ 239,340</u>
Total Texas Attorney General's Office			<u>\$ 239,340</u>
Texas Department of Housing and Community Affairs:			
Direct Program			
Texas Homeless Housing and Services Program:			
Texas Ending Homelessness	3021500001	22-06038009	\$ 20,885
Texas Homeless Housing and Services Program 2021	1821500001	22-06038007	34,704
Texas Homeless Housing and Services Program 2022	1822500001	22-06038010	251,279
Total Texas Department of Housing and Community Affairs			<u>\$ 306,868</u>
Texas Department of State Health Services:			
Direct Programs			
Diabetes Prevention & Control Program:			
Diabetes Prevention and Control 2022	HHS000727800001	22-01636118	\$ 88,125
Diabetes Prevention and Control 2023	HHS000727800001	22-01636140	7,051
Total Diabetes Prevention & Control Program			<u>\$ 95,176</u>
Emerging and Acute Infectious Disease Branch:			
IDCU/Surveillance Epidemiology Ebola 2022	HHS000436300023	22-01636111	\$ 50,495
IDCU/Surveillance Epidemiology Ebola 2023	HHS000436300023	22-01636138	8,988
IDCU/FLU 2022	HHS000442100005	22-01636113	4,887
Total Emerging and Acute Infectious Disease Branch			<u>\$ 64,370</u>
HIV Surveillance & Prevention Programs:			
HIV Surveillance Program 2022	537-18-0007-00001	22-01636102	\$ 149,100
HIV Surveillance Program 2023	HHS0011863000004	22-01636128	5,959
Total HIV Surveillance & Prevention Programs			<u>\$ 155,059</u>
Immunization Grants:			
Inner-City School Immunization 2022	* HHS000119700021	22-01636119	\$ 572,031
Inner-City School Immunization 2023	HHS000119700021	22-01636125	71,028
Total Immunization Grants			<u>\$ 643,059</u>
Lactation Support Program:			
Lactation Support 2021	HHS000455500001	22-01636081	\$ 1,113
Lactation Support 2022	HHS000455500001	22-01636114	170,124
Lactation Support 2023	HHS000455500001	22-01636130	15,392
Total Lactation Support Program			<u>\$ 186,629</u>
Milk Sample Lab Tests:			
Milk Group - 2022	537-18-0162-00001	22-01636112	\$ 42,879
Milk Group - 2023	537-18-0162-00001	22-01636143	3,342
Total Milk Sample Lab Tests			<u>\$ 46,221</u>
Preventive Health and Health Services Block Grant:			
Fed Triple OOO 2022	HHS000288900006	22-01636107	\$ 132,047
Fed Triple OOO 2023	HHS001028800001	22-01636135	9,128
Total Preventive Health and Health Services Block Grant			<u>\$ 141,175</u>
Maternal and Child Health Services Block Grant to the States			
DSHS Healthy Texas Babies 2022	HHS000066400001	22-01636106	\$ 48,308
Pass Through - Alamo Area Council of Governments:			
Special Programs for the Aging, Nutrition Services:			
SNP 2021-2022	VC-21-214-AAA	22-01138005	\$ 6,472
Direct Programs			
Sexually Transmitted Diseases (STD) Prevention and Control Grants:			
STD Staff Support Program 2022	HHS000288900006	22-01636120	\$ 731,403
STD Staff Support Program 2023	HHS000288900006	22-01636129	35,064
Total Sexually Transmitted Diseases (STD) Prevention and Control Grants			<u>\$ 766,467</u>
TB Prevention and Control:			
TB Prevention and Control 2021-2022	* HHS000484100001	22-01636115	\$ 681,985
TB Prevention and Control 2022-2023	HHS001182200023	22-01636136	50,137
Total TB Prevention and Control			<u>\$ 732,122</u>
Total Texas Department of State Health Services			<u>\$ 2,885,058</u>

* Major Program

See accompanying Notes to the Schedule of Expenditures of State Awards

Schedule of Expenditures of State Awards
Year-Ended September 30, 2022

STATE GRANTOR/PASS THROUGH GRANTOR/ STATE PROGRAM	GRANT NUMBER	CITY NUMBER	STATE EXPENDITURES
Texas Department of Transportation			
Pass Through - Motor Vehicle Crime Prevention Authority			
Regional Auto Crimes Team:			
Regional Auto Crimes Team 2020-2021	608-21-SPD0000	22-03117004	\$ (2,697)
Regional Auto Crimes Team 2021-2022	608-22-SPD0000	22-03117006	742,275
Regional Auto Crimes Team 2022-2023	608-23-SPD0000	22-03117008	79,059
Total Regional Auto Crimes Team			<u>\$ 818,637</u>
Direct Programs			
Airport Improvement Program:			
Stinson Ramp - 2022	M2215STSO	22-05833030	\$ 50,000
Highway Planning and Construction:			
Harry Wurzbach/Austin Highway	CSJ 0915-12-550	22-05923002	\$ 603,951
Total Texas Department of Transportation			<u>\$ 1,472,588</u>
Office of the Texas Governor:			
Direct Programs			
Criminal Justice Division:			
DNA-Test Kit Analysis 2021	3970502	22-03117007	\$ 152,656
DNA-Test Kit Analysis 2022	3970503	22-03117009	134,961
Truancy Intervention & Prevention Program 2019	3291102	22-05303002	(12)
Truancy Intervention & Prevention Program 2020	3291104	22-05303003	(849)
Truancy Intervention & Prevention Program 2021	3291105	22-05303005	329,112
Truancy Intervention & Prevention Program 2022	3291106	22-05303006	18,817
Total Criminal Justice Division			<u>\$ 634,685</u>
Total Office of the Texas Governor			<u>\$ 634,685</u>
Texas Parks and Wildlife Commission:			
Direct Program			
Local Park Grant Program:			
Pearsall Park	55-000043	22-02026005	\$ 1,000,000
Woodlawn Park	56-000010	22-05226003	1,500,000
Total Local Park Grant Program			<u>\$ 2,500,000</u>
Total Texas Parks and Wildlife Commission			<u>\$ 2,500,000</u>
Texas Workforce Commission:			
Pass Through - Alamo Workforce Development, Inc.:			
Child Care Service:			
CCS - 2020-2021	2017CCS-04	22-03938009	\$ 1,632
CCS - 2021-2022	2021SRC-001	22-03938010	(2,196)
CCS - 2022-2023	2022SRC-001	22-03938011	5,251,198
Total Texas Workforce Commission			<u>\$ 5,250,634</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 13,289,173</u>

* Major Program

**Notes to the Schedule of Expenditures
of State Awards
Year-Ended September 30, 2022**

1. The accompanying schedule of expenditures of state awards includes the state grant activity of the City and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the *Texas Grant Management Standards* ("TxGMS"). The Audit Circular was issued under the authority of the Texas Government Code, Chapter 783, entitled Uniform Grant and Contract Management. This circular sets standards for obtaining consistency and uniformity among state agencies for the coordinated audit of local governments expending any state awards. Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position of the City.
2. For the year ended September 30, 2022, the City provided state awards to subrecipients in the amount of \$251,279 for the Texas Homeless Housing and Services Program 2022 and \$34,704 for the Texas Homeless Housing and Services Program 2021.

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**Report on Internal Control over
Financial Reporting and on
Compliance and Other Matters
Required Based on an Audit of
Financial Statements Performed in
Accordance with *Government
Auditing Standards* – Independent
Auditor’s Report**



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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Antonio, Texas (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 19, 2023.

Our report includes an emphasis of matter paragraph for a change in accounting principles.

Our report also includes a reference to other auditors who audited the financial statements of Municipal Golf Association-San Antonio dba Alamo City Golf Trail, 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 Retiree Health & Wellness San Antonio Fire and Police Fund (fiduciary component units); and CPS Energy, San Antonio Water System, SA Energy Acquisition Public Facility Corporation, and San Antonio Bexar County Soccer Public Facility Corporation (discretely presented component units). This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of CPS Energy, SA Energy Acquisition Public Facility Corporation and San Antonio Bexar County Soccer Public Facility Corporation, component units included in the financial statements of the aggregate discretely presented component units and City of San Antonio Council Aides Corporation, Municipal Golf Association – San Antonio dba Alamo City Golf Trail, San Antonio Economic Development Corporation, and Visit San Antonio, component units included in the financial statements of the aggregate remaining fund information, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with those component units or that are reported on separately by those auditors who audited the financial statements of 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, Retiree Health & Wellness San Antonio Fire and Police Fund, and San Antonio Water System.

Honorable Mayor and Members of City Council
City of San Antonio, Texas
Page 2

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS,LLP

Houston, Texas
April 19, 2023



**Report on Compliance for Each
Major State Program and Report
on Internal Control Over
Compliance – Independent
Auditor’s Report**

FORVIS

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Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

Opinion on Each Major State Program

We have audited the City of San Antonio, Texas' (the City's) compliance with the types of compliance requirements identified as subject to audit in the *Texas Comptroller of Public Accounts, State of Texas Grant Management Standards*, which includes the State of Texas Single Audit Circular (TxGMS) that could have a direct and material effect on each of the City's major state programs for the year ended September 30, 2022. The City's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended September 30, 2022.

Basis for Opinion on Each Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the TxGMS. Our responsibilities under those standards and the TxGMS are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's state programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the TxGMS will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major state program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the TxGMS, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the TxGMS and which is described in the accompanying schedule of findings and questioned costs as item 2022-002. Our opinion on each major state program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The City is responsible for preparing a corrective action plan to address the audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Honorable Mayor and Members of City Council
City of San Antonio, Texas
Page 3

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, as discussed below, we did identify a deficiency in internal control over compliance that we consider to be a significant deficiency.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2022-002, to be a significant deficiency.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response. The City is responsible for preparing a corrective action plan to address the audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the TxGMS. Accordingly, this report is not suitable for any other purpose.

FORVIS,LLP

Houston, Texas
April 19, 2023

Schedule of Findings and Questioned Costs State

Schedule of Findings and Questioned Costs

State Grants

Year-Ended September 30, 2022

SECTION I – SUMMARY OF AUDITOR’S RESULTS

Financial Statements

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	_____	Yes	<u> X </u>	None Reported

Noncompliance material to financial statements noted?	_____	Yes	<u> X </u>	No
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State Awards

Internal control over State major programs:

Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	<u> X </u>	Yes	_____	None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in Accordance with the <i>State of Texas Single Audit Circular</i> ?	<u> X </u>	Yes	_____	No
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Identification of major State programs:

Grant Numbers	Name of State Program or Cluster
2017 CCS-04, 2021SRC-001, 2022SRC-001	Child Care Service
HHS000119700021	Immunization Grants
HHS000484100001, HHS001182200023	TB Prevention and Control

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	<u> X </u>	Yes	_____	No
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Schedule of Findings and Questioned Costs

State Grants

Year-Ended September 30, 2022

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO FINANCIAL STATEMENTS

None

Schedule of Findings and Questioned Costs**State Grants****Year-Ended September 30, 2022****SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO STATE AWARDS****Finding # 2022-02****Program Title:** Tuberculosis Prevention and Control – State Grant Program**State Award Number:** Texas Department of State Health Services Contract No. HHS000484100001, Amendment No.2**State Award Year:** September 1, 2021 through August 31, 2022**State Agency:** Texas Department of State Health Services**Level of Effort****Type of Finding:** Other Noncompliance and Significant Deficiency**Criteria:**

Under the provisions of the grant contract, the “Grantee will: Not lapse more than 1% of the total funded amount of the Contract.”

Condition:

San Antonio Metropolitan Health District (SAMHD) lapsed 9% of the funding for the Tuberculosis Prevention and Control Contract (the Contract).

Questioned Costs:

None

Context:

Funding for the contract was as follows: \$599,369 in Texas Department of State Health Services (DSHS) funds with SAMHD (grantee) providing \$119,874 in matching funds for a combined total of \$719,243 for the fiscal year 2022.

Effect:

Lack of compliance with level of effort requirements may result in reduced future funding for the program. Under the terms of the Contract, DSHS reserved the right to decrease funding amounts because of the grantee’s budgetary shortfalls and/or due to the grantee lapsing more than 1% of total funds.

Schedule of Findings and Questioned Costs**State Grants****Year-Ended September 30, 2022****SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO STATE AWARDS (Continued)****Cause:**

Maintenance of and adjustment to the spending plan throughout the Contract term were not sufficient to avoid lapsed funding that exceeded the level of effort requirement of the grant. More specifically, staffing levels were not maintained.

Repeat Finding:

No

Recommendation:

We recommend that the SAMHD incorporate internal controls and procedures to assure the program spending plan is maintained and adjusted appropriately to satisfy the level of effort requirement of the grant contract.

Views of responsible officials:

The City agrees with the recommendation. Spending was delayed because of vacancies and backorder of parts for a security card system in the current fiscal year.



Corrective Action Plan State



Corrective Action Plan
State Grants
Year-Ended September 30, 2022

Finding #2022-002

Type of Finding: Noncompliance and Significant Deficiency

Responsible Person

Claude Jacobs, Director
Metro Health Department

Implementation Date

April 30, 2023

Views of responsible officials and planned corrective actions

The City's Health Department's Fiscal Division will distribute monthly grant variance reports to its Executive Leadership & Administrators to assist in their monitoring of activity. These reports will include notes with information regarding variance to plan and variance to budget. Furthermore, on a quarterly basis, the group will meet to discuss spending impediments. The meetings and reports will keep executives abreast of issues within assigned portfolios. The current internal procurement deadline is 45 days prior to end date to allow program staff to submit their purchases and for procurement to process the purchase orders. The Health Department will be hiring a Workforce Development Administrator to assist with Public Health Workforce turnover by serving as the liaison between Human Resources Department, and the Health Department's Program Manager and Administrators to increase our ability to fill positions and retain staff. Focusing on the hiring and retaining of positions should assist in alleviating future salary savings created by vacancies and allow for the necessary additional spend plans changes required to spend all allocated funding by the indicated timeline.

Summary Status of Prior Year Findings State



Summary Status of Prior Year Findings
State Grants
Year-Ended September 30, 2022

None

PASSENGER FACILITY CHARGE REPORT



**Report on Internal Control over
Financial Reporting and on
Compliance and Other Matters
Based on an Audit of Financial
Statements Performed in
Accordance by *Government
Auditing Standards* – Independent
Auditor’s Report**



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**Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in
Accordance with *Government Auditing Standards***

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Antonio, Texas (the City), as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated April 19, 2023.

Our report includes an emphasis of matter paragraph for a change in accounting principles.

Our report also includes a reference to other auditors who audited the financial statements of Municipal Golf Association-San Antonio dba Alamo City Golf Trail, 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 Retiree Health & Wellness San Antonio Fire and Police Fund (fiduciary component units); and CPS Energy, San Antonio Water System, SA Energy Acquisition Public Facility Corporation, and San Antonio Bexar County Soccer Public Facility Corporation (discretely presented component units). This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

The financial statements of CPS Energy, SA Energy Acquisition Public Facility Corporation and San Antonio Bexar County Soccer Public Facility Corporation, component units included in the financial statements of the aggregate discretely presented component units and City of San Antonio Council Aides Corporation, Municipal Golf Association – San Antonio dba Alamo City Golf Trail, San Antonio Economic Development Corporation, and Visit San Antonio, component units included in the financial statements of the aggregate remaining fund information, were not audited in accordance with *Government Auditing Standards*, and accordingly, this report does not include reporting on internal control over financial reporting or compliance and other matters associated with those component units or that are reported on separately by those auditors who audited the financial statements of 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, Retiree Health & Wellness San Antonio Fire and Police Fund, and San Antonio Water System.

Honorable Mayor and Members of City Council
City of San Antonio, Texas
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Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

FORVIS,LLP

Houston, Texas
April 19, 2023



**Report on Compliance for the
Passenger Facility Charge Program
and Report on Internal Control
over Compliance – Independent
Auditor’s Report**

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Report on Compliance for the Passenger Facility Charge Program and Report on Internal Control over Compliance

Independent Auditor's Report

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

Report on Compliance for the Passenger Facility Charge Program

Opinion on the Passenger Facility Charge Program

We have audited the City of San Antonio, Texas' (the City'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, 2022.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the PFC program for the year ended September 30, 2022.

Basis for Opinion on the Passenger Facility Charge Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of the Guide. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the PFC program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, and rules applicable to the City's PFC Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance

Honorable Mayor and Members of City Council
City of San Antonio, Texas
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but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the PFC program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the PFC program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of the PFC program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the PFC program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Honorable Mayor and Members of City Council
City of San Antonio, Texas
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Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

FORVIS,LLP

Houston, Texas
April 19, 2023

Schedule of Revenues and Expenditures of Passenger Facility Charges

CITY OF SAN ANTONIO, TEXAS
SCHEDULE OF REVENUES AND EXPENDITURES OF PASSENGER FACILITY CHARGES
 Year Ended September 30, 2021 and Each Quarter During the year ended September 30, 2022 with Cumulative Totals as of September 30, 2021 and 2022

	SEPTEMBER 30, 2021 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, 2022 TOTAL	SEPTEMBER 30, 2022 PROGRAM TOTAL
Revenue:							
Collections	\$ 276,221,945	\$ 4,220,137	\$ 4,038,575	\$ 5,033,037	\$ 5,025,386	\$ 18,317,135	\$ 294,539,080
Interest	8,854,112	11,869	16,534	48,905	104,101	181,409	9,035,521
Total Revenue	\$ 285,076,057	\$ 4,232,006	\$ 4,055,109	\$ 5,081,942	\$ 5,129,487	\$ 18,498,544	\$ 303,574,601
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	21,592,473	1,062,696	139,901		1,022,311	2,224,908	23,817,381
Project ID 1.11-Reconstruct Per. Rd.	464,840						464,840
Application 03-02-U-00-SAT							
Project ID 1.10 Concourse B	124,433,807	(2,001,434)	1,513,658		6,137,005	5,649,229	130,083,036
Application 04-03-U-00-SAT							
Project ID 1.1 Residential Noise Attenuation	17,076,257	2,027,649	246,672		914,307	3,188,628	20,264,885
Application 05-04-C-00-SAT							
Project ID 4.1 Terminal Elevated Roadway	31,665,795	(1,581,441)	357,571		1,699,775	475,905	32,141,700
Project ID 4.2 Central Plant Upgrade	7,739,262	762,009	114,801		452,821	1,329,631	9,068,893
Project ID 4.3 Apron Replacement	2,821,423	31,354	17,552		92,862	141,768	2,963,191
Project ID 4.4 New Utilities -Terminal Expansion	9,495,027	(1,257,628)	117,563		480,273	(659,792)	8,835,235
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	30,305,284	(7,754,436)	390,945		1,403,709	(5,959,782)	24,345,502
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	552,681				552,681	1,183,940
Total Disbursements	\$ 257,590,188	\$ (8,158,550)	\$ 2,898,663	\$ -	\$ 12,203,063	\$ 6,943,176	\$ 264,533,364
Net PFC Revenue	\$ 27,485,869	\$ 12,390,556	\$ 1,156,446	\$ 5,081,942	\$ (7,073,576)	\$ 11,555,368	\$ 39,041,237
PFC Account Balance	\$ 27,485,869	\$ 39,876,425	\$ 41,032,871	\$ 46,114,813	\$ 39,041,237	\$ 39,041,237	\$ 39,041,237

Notes to Schedule of Revenues and Expenditures of Passenger Facility Charges

Notes to Schedule of Revenues and Expenditures of Passenger Facility Charges Year-Ended September 30, 2022

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, 2022****General (Continued)**

- On February 24, 2021, the FAA approved an amendment to PFC Applications 01-01-C-04-SAT, 05-04-C-03-SAT, and 07-05-C-02-SAT. The approved impose authority decreased in Application 01-01-C-05-SAT by \$24,556,313 from \$314,079,345 to \$289,523,032. This amendment is referenced as 03-02-U-05-SAT. The approved imposed and use authority decreased in Application 01-01-C-05-SAT by \$3,991,429 from \$34,443,758 to \$30,452,329. Also, as a result of this amendment, the approved impose and use authority decreased in 05-04-C-04-SAT by \$1,031,573 from \$92,075,656 to \$91,044,083 and increased in 07-05-C-03-SAT by \$41,786 from \$39,865,919 to \$39,907,705.

The February 24, 2021 FAA approval of amendment to PFC Application 01-01-C-04-SAT, 05-04-C-03-SAT, and 07-05-C-02-SAT included the decrease in PFC authority due to the application of \$8,162,469 of CARES Act funding toward eligible PFC debt. The decrease in PFC authority resulted in a change to project disbursement balances and required credit adjustments to the Schedule of Revenues and Expenditures of Passenger Facility Charges reporting to align project balances to the approved change in PFC authority amounts.

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, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

- | | | |
|--|-----------------------|--------------------------|
| 1. Type of report issued on PFC financial statements. | <u> X </u> Unmodified | <u> </u> Qualified |
| 2. Type of report on PFC compliance. | <u> X </u> Unmodified | <u> </u> Qualified |
| 3. Quarterly revenue and expenditures reconcile with submitted quarterly reports and reported un-liquidated revenue matches actual amounts. | <u> X </u> Yes | <u> </u> No |
| 4. PFC revenue and interest is accurately reported on FAA Form 5100-127. | <u> X </u> Yes | <u> </u> No |
| 5. The Public Agency maintains a separate financial accounting record for each application. | <u> X </u> Yes | <u> </u> 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. | <u> X </u> Yes | <u> </u> No |
| 7. Monthly carrier receipts were reconciled with quarterly carrier reports. | <u> X </u> Yes | <u> </u> No |
| 8. PFC revenues were maintained in a separate interest-bearing capital account or commingled only with other interest-bearing airport capital funds. | <u> X </u> Yes | <u> </u> No |
| 9. Serving carriers were notified of PFC program actions/changes approved by the FAA. | <u> X </u> Yes | <u> </u> No |
| 10. Quarterly reports were transmitted (or available via website) to remitting carriers. | <u> X </u> Yes | <u> </u> No |
| 11. The Public Agency is in compliance with Assurances 5, 6, 7, and 8. | <u> X </u> Yes | <u> </u> No |
| 12. Project design and implementation is carried out in accordance with Assurance 9. | <u> X </u> Yes | <u> </u> No |
| 13. Program administration is carried out in accordance with Assurance 10. | <u> X </u> Yes | <u> </u> 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. | <u> X </u> Yes | <u> </u> No <u> </u> N/A |

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO PASSENGER FACILITY CHARGE PROGRAM

No matters are reportable.

Summary Status of Prior Year Findings Passenger Facility Charges

Summary Status of Prior Year Findings
Passenger Facility Charge Program
Year-Ended September 30, 2022

None



CITY OF SAN ANTONIO, TEXAS