

Disclaimer

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FISCAL YEAR-ENDED SEPTEMBER 30, 2025

ANNUAL COMPREHENSIVE FINANCIAL REPORT & OTHER REPORTS



CITY OF SAN ANTONIO, TEXAS

Annual Comprehensive Financial Report & Other Reports

Year-Ended September 30, 2025

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

Prepared by:

DEPARTMENT OF FINANCE

Ben Gorzell, CPA

Chief of Financial & Administrative Services

Troy Elliott, CPA

Chief Financial Officer

Melanie S. Keeton, CPA

Deputy Finance Director

Victoria Roeder

Deputy Finance Director

Elizabeth Drouillard, CPA

Controller

Elizabeth Gerasimenko

Financial Reporting Manager

Ignacio Mariscal

Financial Reporting Manager

Gerry Gavia

General Ledger Manager

Financial Reporting

Cesar Cepeda

Rafael Chapa

Miguel Contreras IV

Jorge Galindo

James Garey Jr

Amanda Hurtado

Joseph Kobilka, CPA

Daniel Martinez

David Rodriguez

Nestor Saucedo

General Ledger

Gissel Barragan

Sarah Arredondo

Clyde Harmon

Karl Willie

With Assistance From:

Financial Services

Margaret U. Villegas, Assistant Director

Alejandro Tijerina, Financial Management Administrator

Angelica Villarreal, Tax Assessor Administrator

Accounting Services

Tamika Miles, Fiscal Operations Administrator

Department Fiscal Administrators

Public Utilities

Russell Huff, CPA, Assistant Director

Jeff Pullin, Public Utilities Administrator



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INTRODUCTORY SECTION

Letter of Transmittal



March 3, 2026

To the Honorable Mayor, City Council, City Manager, and residents of San Antonio:

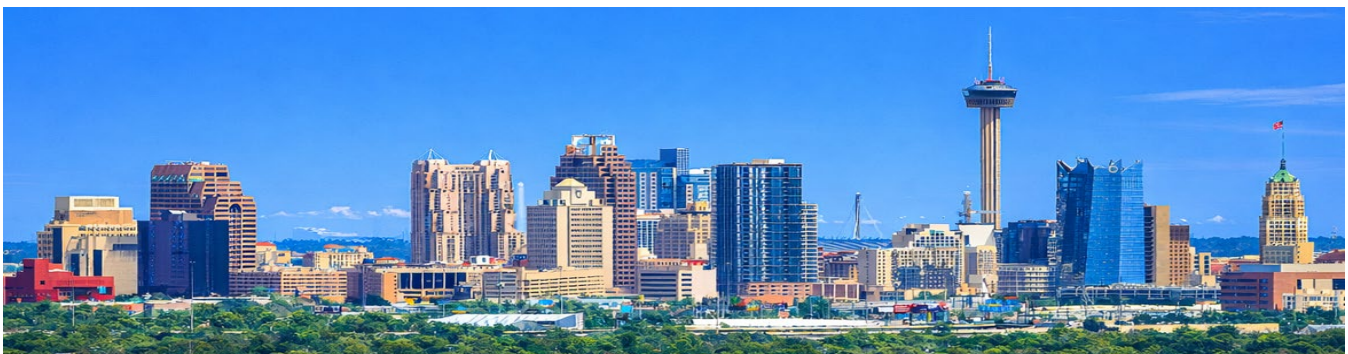
It is my pleasure to present the City of San Antonio's (City) Annual Comprehensive Financial Report (ACFR) and Other Reports for the fiscal year-ended September 30, 2025. These financial statements were prepared by the City's Finance Department and audited by the public accounting firm of Forvis Mazars, 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.

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 elected 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. A November 2024 charter election successfully passed, that changed term limits for the Mayor and Council from four, two-year terms to two four-year terms. In December 2025, City Council voted to move its municipal elections from May to November in odd numbered years. Due to this transition to November elections, the Mayor and Councilmembers' terms includes a one-time, six-month extension of the Mayor and City Council's terms ending in 2029. The Charter was also revised to allow the City Council to set the full terms of the City Manager's contract.



CITY PROFILE (Continued)

The City is in South Central Texas, approximately 80 miles south of the state capital of Austin and serves as the county seat for Bexar County. San Antonians enjoy first-rate medical services, a convenient and efficient airport, an excellent highway system, and superb recreation choices, including championship golf courses, 86 miles of linear greenway trails, theme parks, historical attractions, museums, professional sporting attractions, and a lively performing arts environment. Geographically, the City covers more than 525 square miles. The United States Census Bureau cites the City as the second most populated city in the State of Texas with over 1.5 million citizens and is additionally ranked as the seventh most populated city in the country. Since 2020, the City's metropolitan area grew 6.4% and is projected to grow by an additional 1.0 million people from 2020 through the year 2040. Major employers in and around the San Antonio area include the Department of Defense through Joint Base San Antonio (Lackland, Fort Sam and Randolph), H.E.B. Food Stores, United Services Automobile Association, UT – San Antonio (University of Texas at San Antonio and University of Texas Health Science Center), City of San Antonio, Northside, North East, and San Antonio Independent School Districts, Methodist Healthcare System, and Baptist Health Systems.

San Antonio's Gross Domestic Product continues to show consistent growth, increasing to 8.9% in 2025. San Antonio is one of the fastest growing regions in the state. San Antonio is positioned for success in the local State economy as part of the Texas Triangle (Dallas, Fort Worth, Austin, San Antonio, and Houston metro areas) which contains nearly 70.0% of the total population in Texas.

San Antonio is a great place to live. Its cost of living is below the national average and is consistently ranked among the lowest of major U.S. cities, while home prices are among the most affordable in the country. Public, private, and parochial schools are available as well as several colleges and higher education facilities. The City landscape encourages residents to go outdoors to relax in beautiful municipal parks, play on challenging golf courses, visit theme parks, or take advantage of other popular attractions and cultural events, such as Fiesta San Antonio each April. San Antonio is also home to the five-time NBA Champion San Antonio Spurs, the double-A affiliated baseball team San Antonio Missions, and the minor league soccer team San Antonio FC.

Downtown San Antonio is also home to the River Walk, a 15-mile urban waterway that features a 2.5-mile downtown loop that draws millions annually. Visitors can frequent restaurants, shops, and the boat tours to learn more about San Antonio's rich history. The River Walk features Marriage Island, where approximately 225 wedding ceremonies are held each year.



ECONOMIC CONDITIONS AND OUTLOOK

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

According to the Bureau of Labor Statistics, national unemployment for September 2025 was 4.4%. At a local level, the San Antonio area unemployment rate for September 2025 was 4.2%. The City focused efforts in the job sector through strengthening businesses, economic incentives, regional strategic partnerships, and creating Ready to Work, San Antonio's premier training, education, and employment program. Efforts to expand and bring new industries promises to bring over 2,355 new target industry jobs to San Antonio and over \$800 million in new investments. San Antonio continues to grow job opportunities as the overall employment in the City grew by 1.9%, which equates to over 23,000 jobs in 2025. The City's local economy is diverse and vibrant. San Antonio is anchored by several key industries and is targeting other emerging industries to drive the City's economic future.

The City has several strategic industry clusters: Military, IT Security, Sustainable Energy, and Bioscience and Healthcare Cluster, which have seen growth and expansion over the previous year.

Military Known and trademarked as Military City, USA®, San Antonio has had a significant relationship with the military for more than 200 years and is home to several military commands. With Joint Base San Antonio (JBSA) as a hub for U.S. Military operations, San Antonio companies receive significant contracts for providing research and development services, goods, products, and other support services through federal contracts. In 2024, the State of Texas noted JBSA as the largest military economic contributor in the State, with more than \$55 billion going to the Texas economy. Of the 14 military installations in Texas, JBSA provided more than one-third of economic impact.



IT and Cybersecurity San Antonio is home to numerous IT companies and initiatives across consumer, corporate, and Federal/Department of Defense (DoD) operations. San Antonio possesses the second-largest cluster of cyber and cybersecurity professionals in the nation outside the National Capitol Region. More than 40 entities have headquarters in the cyber and cybersecurity sector in San Antonio. The most prominent organization representing the DoD with cybersecurity missions in San Antonio are the 16th Air Force Information Warfare Numbered Air Force and the National Security Agency – Texas (NSA). The University of Texas at San Antonio (UT San Antonio) houses the National Security Collaboration Center (NSCC) in downtown San Antonio. The NSCC was developed to better align partnerships and collaboration between UT San Antonio professors, students, and leading public and private partners. The NSCC has over 60 national collaboration partners, such as Booz Allen Hamilton, the Southwest Research Institute, the DoD, the NSA, Raytheon, Dell, Cisco, and others that will catalyze further training, collaboration, and IT workforce development in San Antonio.

Effective September 1, 2025, the Texas State legislature approved with Texas House Bill 150 the establishment of the Texas Cyber Command (TXCC) as a new state agency within the University of Texas System. UT San Antonio will serve as the permanent home of this new state agency. Led by the Texas governor and a Texas Cyber Command Chief, the TXCC will establish new intelligence capabilities and digital forensic tools and increase statewide cybersecurity training and operational preparedness.

ECONOMIC CONDITIONS AND OUTLOOK (Continued)

UT San Antonio broke ground in October 2023 on the adjacent \$131 million, 180,000 square foot Innovation, Entrepreneurship and Careers building that will introduce additional interdisciplinary programs in business, engineering, and the sciences. This building, also known as San Pedro II, is tentatively scheduled to open in spring 2026.



Sustainable Energy Sustainable Energy is poised to be a major driver of domestic investment and economic activity over the coming decades with the growing interest in electric vehicles, a national recognition of the need for sustainable energy, and large federal investments through the Creating Helpful Incentives to Produce Semiconductors and Science Act, the Bipartisan Infrastructure Law, and the Inflation Reduction Act. San Antonio is already a leader in the generation of power from renewable energy sources, and San Antonio is positioned well to compete for jobs and investments in this industry sector due to its diversified economy, workforce development programs, established advanced manufacturing industries, and access to transportation infrastructure.

Bioscience and Healthcare Cluster Employing nearly 1 in 5 workers in San Antonio, the bioscience and healthcare industry continues to be a significant driver of economic activity in the region, with over 150,000 employees and an annual gross domestic product impact of over \$23 billion. Over 31,000 jobs have been added in bioscience and healthcare over the last decade, with an average salary of \$98,507. San Antonio has several major employers in this industry cluster such as the Texas Biomedical Research Institute, BioBridge Global, 3M KCI (now Solventum), and four hospital systems. Driving innovation in this segment are over 20 academic, independent, and DoD biomedical research organizations. Additionally, San Antonio is home to the largest military health complex in the United States; the San Antonio Market. The San Antonio Market includes Brook Army Medical Center, Wilford Hall Ambulatory Surgical Center, and 10 stand-alone military treatment facilities. The San Antonio Market operates with a \$1.02 billion budget and 11,000 Army, Navy, Air Force, civilian and contract personnel. These staff members take care of more than 253,000 Tricare beneficiaries who rely on the Defense Department for their health care.



On September 1, 2025, the University of Texas at San Antonio and the UT Health Science Center San Antonio merged and is now ranked as the third-largest public research university in Texas. Now known as UT San Antonio, it employs over 17,000 employees, teaches

approximately 40,000 students in 320 academic programs, and has more than \$486 million in annual research expenditures. UT San Antonio generated \$7.0 billion of economic impact for Texas.

MAJOR INITIATIVES – CAPITAL PROGRAMS

Alamo District The City, the Texas General Land Office, and the nonprofit Alamo Trust, are partners for the construction of a \$550 million preservation of the Alamo District. 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.



MAJOR INITIATIVES – CAPITAL PROGRAMS (Continued)

Construction was completed on the \$15 million, 24,000 square-foot exhibit hall and collections building in late 2022 and opened to the public in March 2023, representing the first new construction on the Alamo grounds since the 1950s. It houses all of the Alamo artifacts, the Alamo Collection, and the Phil Collins Collection under one roof. It also features an exhibit space that will serve as a museum until the \$140 million Alamo Museum and visitor center is built. The 100,000 square-foot museum is scheduled for a grand opening in 2027. In December 2025 the Welcome Center opened, serving as a one-stop shop for purchasing tickets and tours. In Spring 2026, a second Welcome Center is scheduled to open, located between the Riverwalk and the Alamo.

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 the 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), the cornerstone project of ELEVATE/SAT, representing the design and creation of an elevated airport experience. The new Terminal C includes 18 gates and associated enabling projects to be completed by the end of the second quarter of 2028. The new terminal will serve both domestic and international wide-body flights and includes a new modern Federal Inspection Station (FIS, also known as Customs area) to replace the existing FIS, as well as spacious gate holds areas and expansive new airline club and concessions spaces. The program also includes a terminal roadway realignment to provide enhanced traffic flow to all three terminals.

In addition to the TDP, the airport has other ongoing capital projects that were identified as key components to the SDP. An expansion to Terminal A is nearing completion (opening early 2026) and includes three ground load gates, five new airplane overnight parking spaces, and new passenger amenities such as ample seating, a sensory room, outdoor patio, and additional concession space. A much-needed new parking garage adjacent to Terminal C is in design; it will feature up to 2,500 spaces and is slated to open just prior to the new terminal. Other long-term projects in the planning stages for implementation over the next 20 years include runway updates as well as a Terminal A and B reconfiguration and rehabilitations to modernize the aging infrastructure, increase operational efficiency, and significantly improve the passenger experience.



MAJOR INITIATIVES – CAPITAL PROGRAMS (Continued)

San Antonio Public Library In fiscal year 2025, the City invested over \$2.4 million in Library improvement projects at five locations. Projects included improvements to heating, ventilation, and air conditioning at the Igo, Johnston, and Pan American Branches; roofing at the Semmes and Westfall Branches; and additional interior and exterior improvements at the Johnston and Semmes Branches. These projects reflect the San Antonio Public Library’s (SAPL) commitment to providing excellent facilities to residents of San Antonio and Bexar County.

Community and Senior Centers The Barbara ‘Robbie’ Robinette Community and Senior Center opened in November 2024. The Center, located in Council District 4, is 17,000 square feet and provides multi-generational programming, including health and wellness activities, along with educational services to youth and older adults, ages 60 years of age and older. Older adult programming includes a daily noon meal, transportation to and from the center, arts and crafts, exercise classes, recreational activities, and education and technology classes. The site also serves as an important food commodity site that provides monthly food assistance to food insecure older adults.



The City is also renovating, rehabilitating, and constructing additions for the West End Park Senior Center in District 1. This construction will create a multigenerational facility that will support senior and constituent services, meeting space, and other recreational services. Construction is estimated to go through the Summer of 2027.

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 first park, Yanaguana Gardens, that opened in 2015. The second park, Civic Park, is divided into two phases.



Phase I of Civic Park opened on September 29, 2023, and is the grandest of Hemisfair’s park series with a beautiful urban green space in the heart of San Antonio, to include an open lawn, a shaded promenade, water features, and gardens next to the City’s Convention Center. Phase II of Civic Park opened in Spring 2025 and features four main spaces; the Zócalo, an elevated hard-scaped terrace, the Source Plaza, a large plaza with hardscape and landscape producing substantial shade through tree-canopy, the Promenade providing a shaded walkway that seamlessly connects the different areas of Hemisfair, and finally the Stage which provides a space for concerts and larger-scale civic events. Civic Park Phase II is set to include the Monarch Hotel, which is scheduled to open in March 2026. A residential and retail space is currently under design and review.

In September 2025, the first feature of Tower Park, the Red McCombs Community Court, opened to the public (pictured above). It is located on the eastern side of Hemisfair near the Tower of the Americas. All three areas will complement one another and unite to form the reimagined district, that is Hemisfair.

MAJOR INITIATIVES – COMMUNITY FOCUS

SA Tomorrow Given the expected increase in the City’s population by 2040, SA Tomorrow was developed to ensure key aspects of growth and development, such as transportation and connectivity, housing, complete neighborhoods, public facilities, community safety, historic preservation, military affairs, natural resources, energy, water supply, jobs, economic competitiveness, education, and more, are addressed in a strategic manner. SA Tomorrow is an innovative effort to guide the City toward smart, sustainable growth through three different plans: comprehensive; sustainability; and multimodal transportation.



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



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



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.

Resiliency, Energy Efficiency, and Sustainability The City established the Resiliency, Energy Efficiency and Sustainability (REES) Fund to provide resources to support the implementation of the SA Climate Ready Plan. In fiscal year 2025, the Office of Sustainability continued implementation of several initiatives to reduce greenhouse gas emissions and to adapt to climate change. These initiatives included community grants, grassroots engagement, and urban heat island business incentive programs. Altogether, \$2.2 million in funding supported 125 small businesses, non-profits, and faith-based organizations. Additionally, they focused efforts on implementing a multi-year plan to enhance the City’s resiliency.

MAJOR INITIATIVES – COMMUNITY FOCUS (Continued)

Solar Initiative The largest municipal on-site solar program by a local Texas government in San Antonio is currently in its second year of construction. Funding for the \$30 million is from certificates of obligations (C of Os), State Energy Conservation Office (SECO) Loans, and Clean Energy Tax Credits. The C of Os are paid back from energy savings from the project. This initiative involves the installation of rooftop solar photovoltaic and solar canopy shade structures at various City-owned facilities, moving the City closer to its 2040 goal of achieving zero net energy for all municipal buildings. As of February 2026, twenty-three municipal solar projects have been completed and placed into service with a total capacity of 5.4 MW (megawatts). Twenty-four additional sites are scheduled for completion in 2026, and five sites are anticipated to be completed in 2027, with a combined capacity of 7.4 of MW. In total, the estimated system size is 12.83 MW.

Affordable Housing In December 2021, the City adopted the Strategic Housing Implementation Plan (SHIP), aiming to produce or preserve over 28,000 affordable homes in San Antonio over the next ten years. So far, the City is making steady progress toward its 10-year goal, achieving 40% of the overall target in fourth year of implementation. This includes 46% of the rental goal, 28% of the homeownership goal, and 48% of the goal to add 1,000 permanent supportive homes for people exiting chronic homelessness. SHIP's adoption defined affordable housing, set new production and preservation goals, and identified 36 strategies to help the City and its partners meet those goals. To date, production or preservation of over 8,000 homes has been completed and over 3,000 are in progress. The City has also continued efforts to help renters and homeowners stay in the housing they have through information campaigns on renter's rights and responsibilities and property tax help. Over 400 people have attended a session for renters this year, and the City's video series has been viewed over 1,000 times. In fiscal year 2025, an in-person pilot series focused on landlords with small portfolios was launched and welcomed 75 attendees, with attendance increasing each event. In 2026, a video training series for landlords with small portfolios will launch.



Transportation Effective January 1, 2026, the 1/8 cent sales and use tax proceeds associated with the Ready to Work program will 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. These proceeds will fund VIA's Green and Silver Lines, as part of the Advanced Rapid Transit corridors in San Antonio. These lines are high-frequency, light rail-style bus services. They will have dedicated lanes, specialized stations, and signal

priority. The Green Line Project is scheduled to open between 2027 to 2028, and its routes will run north-south along San Pedro Avenue, from the Airport, downtown, and to Brooks Transit Center. In January 2025, the City updated its Transit-Oriented Development zoning code, to allow property owners near VIA's Green Line to build walkable, mixed-use communities. The Silver Line, estimated to start construction in 2027, will provide an east-west rapid transit line. The Silver Line Project is projected to open in late 2029.

MAJOR INITIATIVES – CONVENTION & TOURISM

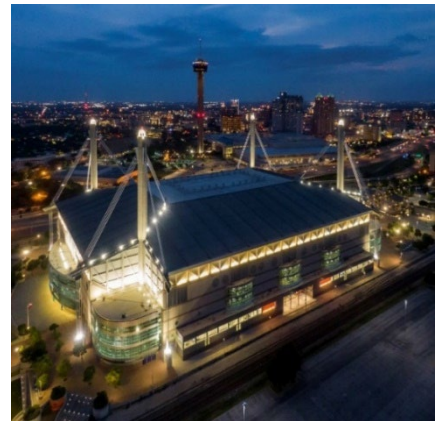
The Convention & Sports Facilities (CSF) Department operates the Henry B. Gonzalez Convention Center and Lila Cockrell Theatre, the Alamodome and the Carver Community Cultural Center (Carver). CSF is also responsible for managing several leases including Nelson Wolff Stadium and Toyota Field. CSF ended fiscal year 2025 with strong attendance and event numbers in its inventory of high-quality facilities to host conventions, meetings and major sporting events and concerts.

MAJOR INITIATIVES – CONVENTION & TOURISM (Continued)

Carver Community Cultural Center The Carver continued to gain notice for its headline performance seasons at both the Jo Long Theatre and Little Carver. In fiscal year 2025, that lineup included artists owning 12 Grammy Awards and more than 45 Grammy nominations. The performers included Patti Austin, Chief Adjah and the Branford Marsalis Quartet. Included in the announced performance lineup for the rest of 2025 are celebrated Stanley Clarke and the legendary Mavis Staples. The Carver’s offerings include the “Creative Cruiser” Mobile Art Lab, a customized 16-foot Sprinter van that enables the historic facility to bring free arts education, performance and engagement into the community, meeting people where they work, learn and play. The mission of the Carver Community Cultural Center remains to celebrate the diverse cultures of our world, nation, and community.

Henry B. Gonzalez Convention Center Working alongside partner Visit San Antonio (VSA), the City’s sales and marketing organization, the Convention Center generated slightly more than \$26.5 million in revenue in fiscal year 2025, 11% more than the previous year. VSA’s strategic plan and proactive efforts continue to impact event numbers for 2025 and beyond, utilizing the hosting obligation funds allocated by the City to attract short-term business to the Convention Center. During fiscal year 2025, the Convention Center hosted 198 events with 565,841 attendees. Notable events included the annual San Japan Anime Conference, Ace Hardware, International Roofing Expo, Ulta, Breast Cancer Symposium, the International Society for Technology in Education and American Society of Anesthesiologists. The Center had a record 73% occupancy, well above the industry standard for capacity (70%). In total, 88 citywide events were held at the facility, resulting in more than 460,000 room nights used. 103 citywide events are confirmed for future years with more than 480,000 room nights projected. The biggest headline for 2025 occurred in April when the Convention Center teamed with the Alamodome to host the NCAA Men’s Final Four, accommodating a Fan Fest event that drew more than 75,000 visitors.

Alamodome The Alamodome turned 32 years old in 2025, hosting a record-setting NCAA Men’s Final Four in March. The City was spotlighted internationally with viewership marks, (engagement of audiences from watching events through television or streaming) and sold-out crowds of 68,252 for both semifinal games. The tournament generated an estimated \$440 million in economic impact, with fans hailing from all 50 states and 26 foreign countries. The basketball tournament was part of a remarkable diversity of events that attracted close to one million fans to San Antonio’s signature downtown venue. This included concerts, sporting events, graduations and shows. Football provided many of the headlines for the year, including more than 65,000 fans on hand in late December 2024 when Brigham Young faced Colorado in the Valero Alamo Bowl. The Alamodome also was home to the final season of the United Football League as well as home to UT – San Antonio, coming off its fifth straight postseason bowl appearance in 2024. The Alamodome also hosted international futbol in November 2025, where the national teams of Mexico and Paraguay, both World Cup qualifiers, faced off in a friendly match.



Concerts continued to dominate the headlines at the Alamodome including the sold-out Paul McCartney show held on October 2025. The Alamodome has hosted eight concerts over the past two years that have drawn 38,000 or more fans. In fiscal year 2025, that lineup included acts such as Shakira, The Weeknd, Chris Brown, and Post Malone and Jelly Roll. The Dome also was the site of popular Disney on Ice, the UIL boys and girls state basketball championships in March and the Navy All-American and San Antonio Sports All-Star football games.

The NCAA announced that San Antonio will host the 2026 D1 Women’s Volleyball Championship and the 2027 NCAA D1 Mens’ Basketball Regionals. Over 1,200 bids across 47 states were received to host these events. San Antonio last hosted the Volleyball Championships in 2005 and 2011. The 2029 NCAA Women’s Final Four will be held in San Antonio. This will mark the fourth time the City is hosting this event. With these events, the City continues to be one of the country’s leading destinations for sports events.

MAJOR INITIATIVES – CONVENTION & TOURISM (Continued)

The facility also introduced several initiatives to better service fans, including a faster security entrance system called Open Gate, and more order-and-pick-up culinary kiosks throughout the facility. At the Final Four, the Alamodome officially unveiled 18 new suites, bringing its overall total to 70, and provided new finishes to the upper-concourse concession and eating areas.

MAJOR INITIATIVES – ECONOMIC DEVELOPMENT

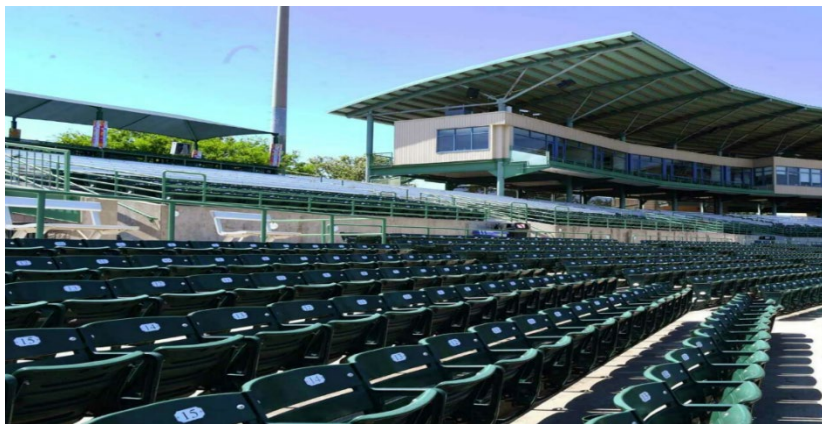
Proposed Minor League Baseball Stadium A multi-purpose ballpark facility with approximately 4,500 fixed seats and total capacity of around 7,500 attendees is proposed to be constructed in the northwest quadrant of downtown San Antonio near the San Pedro Creek Culture Park.

Designated Bidders, LLC are the new owners of the San Antonio Missions, the Double-A affiliate of the San Diego Padres. Since 1994, the team has played home games in Nelson Wolff Stadium. Due to the age of the Stadium, Major League Baseball (MLB) has determined that the facility in its current condition is not suitable for minor league baseball in the future. MLB requested that the new ownership group have a plan for a new ballpark. The new ownership group has expressed the desire to have a new ballpark, meeting MLB’s facility requirements, constructed downtown.

On September 12, 2024, the City approved a non-binding Memorandum of Understanding and Term Sheet between the City, Bexar County, Designated Bidders, LLC, San Antonio Missions Baseball (Team) and Weston Urban LLC (Developer).

In April 2025, the San Pedro Creek Development Authority (the Authority) was created by the City and jointly approved by the City and Bexar County. The Authority will own the new ballpark stadium and the Board of Directors include three representatives each from the City, County, and Developer/Team, respectively.

The preliminary estimated cost of the ballpark project was \$160 million inclusive of land in 2024. Design and updated cost estimates for the ballpark are in progress. The proposed ballpark project site is located within the Houston Street TIRZ. The preliminary financing plan for funding the ballpark is comprised of: Team contribution; rent for the new ballpark, ticket fees, Municipal Management District (MMD) assessments on the new guaranteed development, property tax increment from new guaranteed development in the Houston Street TIRZ; and property tax revenues in the Houston Street TIRZ. The plan includes the construction of four phases of mixed-use private development in areas around the ballpark with a total taxable value of \$1 billion; of these, two phases with a taxable value of \$575 million and their respective property tax revenues are guaranteed.



Proposed Sports & Entertainment District In November 2024, the City unveiled a plan for a Sports and Entertainment District in downtown San Antonio. The proposed district would include an expansion of the Henry B. Gonzalez Convention Center, a new convention center hotel, land bridge over I-37 to connect the east side to downtown, improvements to the Alamodome, renovation of the John Woods Courthouse into a live entertainment venue, mixed-use development, enhanced infrastructure, and a new NBA arena for the San Antonio Spurs.

MAJOR INITIATIVES – ECONOMIC DEVELOPMENT (Continued)



On August 21, 2025, the City approved a Resolution authorizing the City Manager to complete negotiations and execute a non-binding Term Sheet with the San Antonio Spurs Holdings, LLC. (Spurs), relating to a new downtown NBA Arena. The Term Sheet was executed in August 2025 and sets out a nonbinding framework for the negotiation of future documents and definitive agreements. It was also conditioned upon the passage of Bexar County’s Venue Tax ballot measure which occurred on November 4, 2025, which provides a portion of the funding for the new Arena.

The Term Sheet establishes the framework for a new NBA Arena downtown as an anchor in the proposed Sports and Entertainment District. The new Arena would be constructed on roughly the footprint of the former Institute of Texan Cultures property.

The cost of the new arena is estimated at \$1.3 billion. Under the term sheet, the arena would be funded as follows: the Spurs would contribute \$500 million plus cover any costs in excess of \$1.3 billion; the County would contribute \$311 million from the Venue Tax proposition approved by the voters at the November 4, 2025 election; and the City would contribute \$489 million. Based upon the preliminary plan of finance, the City’s contribution would come from the issuance of bonds that would be repaid from the Spurs lease payment for the use of the new arena, revenues from the Hemisfair Tax Increment Reinvestment Zone (TIRZ), and revenues from the Project Finance Zone (PFZ). Revenues from the TIRZ include ground leases and property taxes from new mixed-use development guaranteed by the Spurs and Developer(s) with a taxable value of \$1.4 billion. The PFZ allows the City to capture the State’s incremental growth in its hotel associated revenue within a zone for thirty years for investment into an eligible designated project. The City has designated the Convention Center Complex comprised of the convention center, Alamodome, and arena.

Additionally, the Spurs agreed to a contribution of up to \$30 million plus closing costs to be used by the City to acquire property within the proposed District from the General Services Administration. This property will be the site of a portion of the guaranteed mixed-use development and will be ground leased back to the Spurs and their developer. The Spurs also agreed to providing \$2.5 million annually during the term of the Arena lease to be used for community benefits. The community benefits will be determined by the City Council.

During calendar year 2026, work on the proposed district will continue. This work effort will primarily focus on advancing the convention center expansion project through an updated feasibility study, negotiation of definitive documents related to the arena, acquisition of property, infrastructure planning, District studies, and continued due diligence.

Tax Abatements The City offers tax abatement incentives of up to 100% on real and/or personal property taxes for a maximum term of up to 10 years. The abatement percentages and terms vary, and are based on job creation, wages, benefits offered, targeted industries, and project location. Additionally, per Chapter 380 of the Texas Local Government Code, the City is authorized to grant and loan funds to promote state or local economic development and to stimulate business and commercial activity within the municipality and within tax increment financing zones. For more information on the City’s tax abatements, please refer to Note 3 Tax Abatements.

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.

In October 2025, a new South Education Center had a grand opening, moving from leased space into a newly constructed facility. This new center is located in a historically under-resourced region, South San Antonio, and is expanding opportunities for early childhood education to families. There are four classrooms dedicated for infant and toddler care.

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

RTW runs through six prime partner agencies including Workforce Solutions Alamo, Alamo Colleges District, Project Quest, Restore Education, Goodwill Industries of San Antonio, Hallmark University, and many subcontracted community organizations. Now in its third full year, over 22,000 applicants have completed intake interviews and needs assessments, over 13,000 participants have enrolled in approved training courses, and almost 2,900 participants have been hired by 1,361 employers. To date, participants are achieving a 61.0% training completion rate and a 56.0% job placement rate within 6 months of completing training. Over 670 local employers have pledged to support RTW. RTW has accumulated an abundant fund balance of over \$133 million which is projected to carry the program through 2030.

MAJOR INITIATIVES – PUBLIC HEALTH SERVICES

The SA Forward Plan In fiscal year 2022, Metro Health introduced SA Forward, a five-year community blueprint to address the most pressing health issues in the community, strengthen the local public health ecosystem, and decrease social and racial disparities in health. Fiscal year 2025 was the fourth year of the initiative and placed an emphasis on addressing mental health, domestic violence, and quality of life for residents:

- Mental Health & Resilience:** Mental health continues to be an increasingly large part of the burden of disease in our community. As such, improving the coordination of mental health services by strengthening community assets to ensure emotional, psychological, and social wellbeing for people and communities is essential. In fiscal year 2025, Metro Health continued initiatives that expanded the availability of mental health services to children in areas with higher needs, provided support for City departments to achieve trauma informed certification, and supported the San Antonio Community Outreach and Resiliency Effort (SA-CORE) program which enhances the City's response to mental health related 911 calls by dispatching a multi-disciplinary response team (see SA Core on following page).



MAJOR INITIATIVES – PUBLIC HEALTH SERVICES (Continued)

- **Violence Prevention:** The vision of the Violence Prevention initiative is to stop violence from happening before it starts by building equitable and empowered communities who can heal past harms and grow safer futures and communities. To achieve this vision, Metro Health continues to provide preventative resources associated with family violence, child abuse, parenting skills, and neighborhood or community violence.
- **Quality of Life:** The City supported the continued development of a new UT San Antonio, School of Public Health. This partnership is a \$10 million investment over five years from the City. The goal of the investment is to ensure that the Metro Health Department and community stakeholders improve public health workforce development and collaborations.

SA Core The San Antonio Community Outreach and Resiliency Effort (SA-CORE) is a partnership between Metro Health, the San Antonio Fire Department (SAFD), San Antonio Police Department (SAPD), Southwest Texas Regional Advisory Council (STRAC), and the Center for Health Care Services (CHCS). SA-CORE enhances the City's response to mental health related 911 calls by dispatching a multi-disciplinary response team comprised of a SAFD paramedic, a SAPD police officer, and a CHCS mental health clinician. The SA-CORE initiative is a vital improvement in the first response system for individuals experiencing a mental health emergency so they may gain access to appropriate, tailored clinical care as soon as possible. In fiscal year 2025, three SA-CORE teams responded to more than 5,000 mental health calls with a success rate of less than 1% resulting in an arrest. Fiscal year 2025 was the first year of City-wide 24/7 coverage.

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, City Council is provided information regarding the current year's estimated final amounts and recommendations to again approve desired budget adjustments and carryforwards for the next fiscal year. The City further implemented available budget controls within its system of record for capital projects and grants. The system warns when cumulative expenditures are within 75.0% of total budget and will not allow the processing of non-payroll transactions which exceed the budget.

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 generally begins in April. It is a comprehensive effort that involves input from residents, the Mayor and City Council, outside governmental agencies, private organizations, all City departments and offices, and City employees. There are several major components to the process, including gathering input from the community on priorities, the annual policy and goal setting session with the Mayor and City Council, presentation of the proposed budget, public comment on the proposed budget, City Council budget work sessions, and budget adoption.

Five-year Financial Forecast At the beginning of the budget process, the City prepares a five-year financial forecast (Forecast). The Forecast is a financial and budgetary planning tool that provides a current and long-range assessment of financial conditions and costs for City services. The Forecast includes the identification of service delivery policy issues that will be encountered in the next five years which will have a fiscal impact upon the City’s program of services. The Forecast also examines the local and national economic conditions that have an impact on the City’s economy and, ultimately, its budget. The Forecast serves as a foundation for development of the proposed budget by projecting revenues and anticipated expenditures under a defined set of assumptions. The Five-year Financial Forecast for fiscal year 2025’s budget was presented to City Council on April 17, 2024.

Goal – Setting Session A budget goal-setting session was held on April 18, 2024, with the Mayor and City Council. At this session, the City Council discussed financial policies and City Council Priority Areas. Key priorities identified by the Mayor and City Council included, public safety, infrastructure, homeless support, employees, animal care services, housing, and small business.

Trial Budget 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 developed and presented to the City Council for initial thoughts and consideration on May 8, 2024. The Trial Budget included certain revenue and expenditure assumptions, as well as proposing targeted improvements for the fiscal year 2025 Budget.

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. The City also conducted a citywide statistically valid budget survey for additional feedback. The Community Input Report on the Trial Budget was presented to City Council on June 20, 2024.

Proposed Budget After obtaining the priorities of City Council and the community, the City Manager reviewed department budgets to ensure they were in line with priorities and funding availability. The City Manager then presented the proposed budget to the City Council for review in early August. The proposed budget represented 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 11 sessions to review the proposed service program details and discuss potential City Council budget amendments. The budget work sessions provided a forum for public discourse on significant policy issues as well as an opportunity to review departmental service plans, service enhancement, and revenue changes.

FINANCIAL INFORMATION (Continued)

Adopted Budget On September 19, 2024, City Council adopted the fiscal year 2025 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.

The City implemented a set of 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. These policies are evaluated annually as part of the budget process.

The City's financial policies adopted with the fiscal year 2025 budget include:

- 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 \$3,000 contingency in the Capital Budget;
- Address Internal Fund deficits within 3 to 5 years;
- Annually review the impact of the State imposed 3.5% Property Tax Cap on service delivery and provide a recommendation on whether to adjust the Property Tax Rate;
- Annually review property tax relief with a focus on homeowners;
- Annually review and periodically adjust fees and charges to provide for cost recovery, inflation, consumer relief, and/or alignment with policy goals.
- Annually assess the City's payment from CPS Energy to determine the portion, if any, deemed to be unusual, out of the ordinary, and one-time in nature, and make recommendations for that amount taking into consideration factors such as the City's overall financial position, impact on service delivery, benefit to the community, and responsible ownership.
 - City Payment from Off-System Sales – Revenue from off-system sales is capped at \$10 million annually with any City Payment from off-system sales above \$10 million reserved in a CPS Energy Capital Reserve Fund, with any shortfall in the City payment base budget at year-end deducted from the Fund to determine the amount eligible to be transferred to CPS Energy for resiliency and reliability initiatives;
 - City Payment Base Budget – City Payment in excess of 10% over the City's adopted City Payment base budget (adopted budget plus 10%) allocated to the following authorized purposes based upon percentages to be determined by the City: CPS Energy resiliency and reliability projects; and the City's Resiliency Energy Efficiency and Sustainability Fund (REES).

In accordance with the financial policy, the City assessed its City Payment from CPS Energy as part of the fiscal year 2026 budget process. After consideration of the factors noted above, the City's fiscal year 2026 Adopted Budget and its two-year budget plan include the retention by the City of amounts to be deposited into the Capital Reserve Fund to address City budget challenges through fiscal year 2027. The City will continue to assess and make recommendations related to City Payment from CPS Energy on an annual basis based upon the City's financial policies.

FINANCIAL INFORMATION (Continued)

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

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

GRANT FUNDS

The City 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 2025, the City was awarded \$253 million in Federal assistance and \$15 million in State assistance for a total of \$268 million.

AWARDS

The City's Office of Management and Budget 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 2025 Operating and Capital Budget for the 42nd consecutive year.

The City's Finance Department received the Achievement of Excellence in Procurement (AEP) award for the 28th consecutive year in recognition of organizational excellence in public procurement.

The Office of the City Clerk Vital Records Division earned first place in the inaugural Vital Statistics Spotlight Awards for the *Guiding Statement* category. The submission highlights the City's mission, vision, and strategic goals. The City's mission is to uphold integrity and serve as custodian of essential records and to provide vital records with excellent customer service. Goals and strategies included increased accessibility for customers, improved communication, and education and training for staff.

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, 2024. This was the 50th 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 Mazars, LLP. In addition to meeting the requirements set forth in State statutes and the City's Charter, the audit was also designed to meet the requirements of the Uniform Guidance, the State of Texas Grant Management Standards, and the Federal Aviation Administration *Passenger Facility Charge Audit Guide for Public Agencies*.

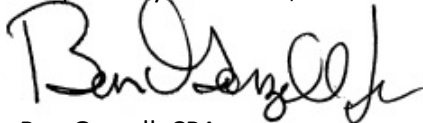
The Independent Auditor's Report on the basic financial statements, Management's Discussion and Analysis, required supplementary information, and required disclosures and schedules are included in the Financial Section of this Annual Report. The Federal Single Audit Report has been prepared in accordance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

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

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Controller's Office in the Finance Department. Much time and effort in preparation of this report lies in the Controller's Office, with support from OMB, Department Fiscal Administrators, other Finance Department personnel, and fiscal staff throughout the City. I would like to express my appreciation to all who assisted in this effort. In closing, please accept my sincere gratitude to the Mayor and City Council, City Manager, Deputy City Manager, Assistant City Managers, and their staff for their continued support.

Respectfully submitted,



Ben Gorzell, CPA

Chief of Financial & Administrative Services



Government Finance Officers Association

Certificate of
Achievement
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Reporting

Presented to

**City of San Antonio
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2024

Christopher P. Morill

Executive Director/CEO

City of San Antonio Mayor and City Council



Gina Ortiz Jones
Mayor



Ivalis Meza Gonzalez
District 8



Misty Spears
District 9



Marc Whyte
District 10



Marina Alderete Gavito
District 7



Ric Galvan
District 6



Dr. Sukh Kaur
District 1



Teri Castillo
District 5



Edward Mungia
District 4



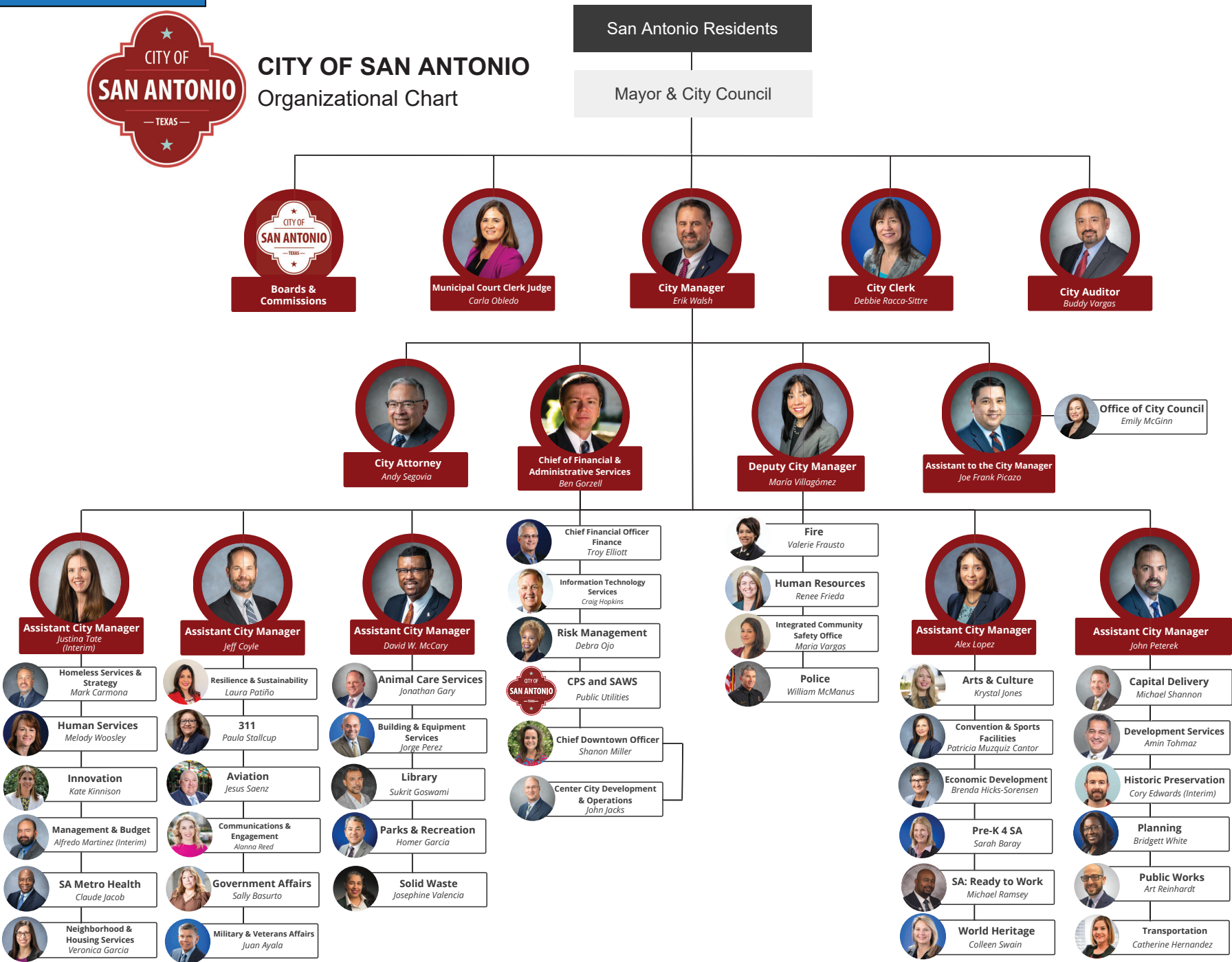
Phyllis Viagran
District 3



Jalen McKee-Rodriguez
District 2



CITY OF SAN ANTONIO
Organizational Chart





FINANCIAL SECTION



Independent Auditor's Report

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 (City), as of and for the year ended September 30, 2025, 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, 2025, 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 (blended component unit) and San Antonio Fire and Police Pension Fund and Retiree Health & Wellness San Antonio Fire and Police Fund (fiduciary component units), which represent 74%, 83%, and 34%, 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, 2025. 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. We also did not audit the financial statements of Brooks, CPS Energy, and San Antonio Water System, discretely presented component units, which represent the aggregate discretely presented component units as of and for the year ended September 30, 2025. 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*). 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, a component unit included in the financial

statements of the aggregate discretely presented component units and Municipal Golf Association – San Antonio dba Alamo City Golf Trail, a blended component unit included in the financial statements of the aggregate remaining fund information, were not audited in accordance with *Government Auditing Standards*.

Emphasis of Matters

As discussed in Note 21 to the financial statements, beginning net position of the governmental activities, business-type activities, airport system fund, solid waste management fund, and the other aggregate remaining fund information has been restated for a change in accounting principle. Our opinions are not modified with respect to this matter.

As discussed in Note 21 to the financial statements, beginning net position of the governmental activities and the other aggregate remaining fund information has been adjusted for a change to the financial reporting entity. Our opinions are not modified with respect to this matter.

As discussed in Note 21 to the financial statements, beginning net position of the aggregate discretely presented component units has been adjusted and restated, respectively, for a change to the financial reporting entity and a change in accounting principle. 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.
- 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 – 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.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section, statistical section, summary schedule of federal awards by type, and summary schedule of state awards by type 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

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

on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2026 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Forvis Mazars, LLP

**Houston, Texas
March 3, 2026**



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, 2025. 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 2025 by \$3,271,396 (net position), which is a decrease of \$178,570 from prior year's net position. A deficit ending balance of \$847,880 in unrestricted net position is primarily due to the City's pension and other postemployment benefits liabilities.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$1,764,023, a decrease of \$325,163 compared to the fiscal year 2024 fund balance. Of this amount, \$26,639 is nonspendable, \$1,033,186 is restricted in use, \$437,401 is committed, \$792 is assigned, and \$266,005 is unassigned. The unassigned fund balance includes the General Fund's of \$381,082 less \$115,077 in deficits reported in other governmental funds.
- The establishment and maintenance of appropriate reserves within the General Fund is critical to prudent financial management. City Council approved financial policies requiring the City to maintain a minimum General Fund ending balance of 15.0% of revenues. The General Fund's unassigned fund balance includes \$381,082 in financial reserves of which \$208,401 or 12.7% of budgeted revenues, was reserved for a two-year balanced budget and \$161,745 or 9.8% of the adopted General Fund revenues is the budgeted financial reserve. The General Fund available ending balance is \$8,931 better than anticipated when compared to re-estimated fiscal year 2025 budget.

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. As discussed in Note 21 Adjustments and Restatements to the financial statements, certain adjustments and restatements were made to the beginning net position and fund balances. In accordance with GASB 100, *Accounting Changes and Error Corrections*, prior year amounts contained in the MD&A have not been adjusted or restated.

Government-Wide Financial Statements

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

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

The *statement of activities* presents information showing how the government's net position changed during the fiscal year. Changes in net position are recorded when the underlying event giving rise to the change occurs regardless of the timing of the cash flows. Therefore, revenues and expenses reported in this statement for some items will not result in

cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused annual leave). The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees or charges (business-type activities). Governmental activities include general government, public safety, public works, sanitation, health services, culture and recreation, convention and tourism, urban redevelopment and housing, welfare, education, economic development and opportunity, and environmental. The business-type activities of the City include the Airport System, Development Services, Market Square, Parking System, and Solid Waste Management.

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

Fund Financial Statements

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

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

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

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

The City maintains five individual governmental fund types for financial reporting purposes. The governmental fund types are General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds, and Permanent Funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, COVID-19, Categorical Grant-in Aid, and 2022 General Obligation Bonds Funds, all of which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation labeled as Nonmajor Governmental Funds. Individual fund data for each nonmajor governmental fund is provided in the form of combining statements elsewhere in this report.

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

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

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

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

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

Required Supplementary Information and Supplementary 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.

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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, 2025.

Net Position As of September 30, 2025 (With Comparative Totals as of September 30, 2024)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 2,667,267	\$ 2,946,813	\$ 801,402	\$ 668,071	\$ 3,468,669	\$ 3,614,884
Capital Assets	6,215,321	6,070,417	1,013,297	817,283	7,228,618	6,887,700
Total Assets	8,882,588	9,017,230	1,814,699	1,485,354	10,697,287	10,502,584
Total Deferred Outflows of Resources	720,840	854,347	38,700	49,256	759,540	903,603
Current and Other Liabilities	721,922	741,648	426,679	98,562	1,148,601	840,210
Long-term Liabilities	5,734,047	5,688,015	661,534	765,272	6,395,581	6,453,287
Total Liabilities	6,455,969	6,429,663	1,088,213	863,834	7,544,182	7,293,497
Total Deferred Inflows of Resources	508,821	527,827	132,428	134,897	641,249	662,724
Net Position:						
Net Investment in Capital Assets	3,318,484	3,241,934	381,702	322,560	3,700,186	3,564,494
Restricted	123,190	208,537	295,900	306,519	419,090	515,056
Unrestricted (Deficit)	(803,036)	(536,384)	(44,844)	(93,200)	(847,880)	(629,584)
Total Net Position	\$ 2,638,638	\$ 2,914,087	\$ 632,758	\$ 535,879	\$ 3,271,396	\$ 3,449,966

As of September 30, 2025, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,271,396. Investment in capital assets which represents the largest portion of the City's net position, \$3,700,186, 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 \$419,090 represents resources that are subject to external restrictions on how they may be used.

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

Changes in Net Position Year-Ended September 30, 2025 (With Comparative Totals for the Year-Ended September 30, 2024)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 296,755	\$ 251,312	\$ 365,060	\$ 358,574	\$ 661,815	\$ 609,886
Operating Grants and Contributions	329,673	472,237		36	329,673	472,273
Capital Grants and Contributions	116,897	54,585	115,524	53,849	232,421	108,434
General Revenues:						
Property Taxes	837,808	809,895			837,808	809,895
Other Taxes	697,544	678,310			697,544	678,310
Revenues from Utilities	527,712	500,488			527,712	500,488
Investment Earnings	90,066	137,959	25,617	35,322	115,683	173,281
Miscellaneous	87,826	101,639	1,896	1,639	89,722	103,278
Special Items		(31,135)		31,135		
Total Revenues	2,984,281	2,975,290	508,097	480,555	3,492,378	3,455,845
Expenses:						
Primary Government:						
Governmental Activities:						
General Government	193,442	195,810			193,442	195,810
Public Safety	1,155,042	1,027,190			1,155,042	1,027,190
Public Works	488,865	438,995			488,865	438,995
Sanitation	12,885	13,297			12,885	13,297
Health Services	130,049	124,759			130,049	124,759
Culture and Recreation	285,723	258,340			285,723	258,340
Convention and Tourism	92,280	92,716			92,280	92,716
Urban Redevelopment and Housing	87,867	100,428			87,867	100,428
Welfare	291,084	270,173			291,084	270,173
Education	155,146	129,276			155,146	129,276
Economic Development and Opportunity	60,343	55,479			60,343	55,479
Environmental	10,702	3,619			10,702	3,619
Bond Issuance debt		2,731				2,731
Interest on Long-Term Debt	99,670	94,944			99,670	94,944
Business-Type Activities:						
Airport System			184,554	171,412	184,554	171,412
Development Services			54,006	50,322	54,006	50,322
Market Square			3,118	2,901	3,118	2,901
Parking System			10,919	9,889	10,919	9,889
Solid Waste Management			155,126	144,185	155,126	144,185
Total Expenses	3,063,098	2,807,757	407,723	378,709	3,470,821	3,186,466
Before Transfers	(78,817)	167,533	100,374	101,846	21,557	269,379
Transfers, Net	1,062	4,293	(1,062)	(5,400)		(1,107)
Net Change in Net Position	(77,755)	171,826	99,312	96,446	21,557	268,272
Beginning Net Position (Previously Reported)	2,914,087	2,742,261	535,879	439,433	3,449,966	3,181,694
Change in Accounting Principle	(35,201)		(2,433)		(37,634)	
Change Within Financial Reporting Unit (Removal of Blended Component Unit)	(162,493)				(162,493)	
Net Position, as adjusted or restated	2,716,393	2,742,261	533,446	439,433	3,249,839	3,181,694
Ending Net Position	\$ 2,638,638	\$ 2,914,087	\$ 632,758	\$ 535,879	\$ 3,271,396	\$ 3,449,966

The City's total revenues were \$3,492,378 for fiscal year-ended September 30, 2025. Revenues from Governmental Activities totaled \$2,984,281 (85.5%) and revenues from Business-Type Activities totaled \$508,097 (14.5%). Expenses for the City totaled \$3,470,821; Governmental Activities expenses totaled \$3,063,098 (88.3%) and Business-Type Activities expenses totaled \$407,723 (11.7%).

Governmental Activities

Overall governmental activities decreased the City's net position by \$275,449. Revenues for Governmental Activities were \$2,984,281 compared to prior year's revenues of \$2,975,290. The increase of \$8,991 is due to the following:

- Charges for Services for Governmental Activities increased by \$45,443;
 - Public Safety revenue increased by \$35,800 in fiscal year 2025 primarily due to a 53.9% increase in gross EMS Transport billing compared to fiscal year 2024, along with an adjustment to the City's EMS Transport fee from \$1,000 to \$1,500 (not in thousands) beginning in September 2024 .
 - Culture and Recreation revenue experienced an increase of \$11,869, primarily attributed to Alamodome event revenue, which was driven by higher event commissions from box office, concessions, and catering, compared to fiscal year 2024. The Alamodome hosted more major revenue-generating events such as sporting competitions and concerts (NCAA Final Four, Shakira, Post Malone, The Weeknd, and Chris Brown) in fiscal year 2025.
- Operating Grants and Contributions revenue decreased by \$142,564, primarily driven by the wind-down of COVID-19 and ARPA-related grant funding across multiple functions;
 - General Government decreased by \$7,375 due to the spending down of remaining COVID-19 awards for internet fiber communications (\$6,551).
 - Public Safety decreased by \$88,963 due to full expenditure of COVID-19 funding for first responder payroll in fiscal year 2024 (\$92,055).
 - Public Works decreased by \$10,916 due to the spending down of COVID-19 funds for infrastructure projects that included city-wide bridge improvements and street maintenance.
 - Health Services decreased by \$22,417 due to reduced COVID-19 grant expenditures supporting Mental Health, Public Health Infrastructure, Health Disparities, and Community Health Worker projects (\$27,329).
 - Economic Development decreased by \$4,154 due to expiration of ARPA funding for the Lift Fund Program.
- Capital Grant and Contributions revenue increased by \$62,312 primarily due to an increase in funding for Airport Improvement Program (AIP) grants. The increased revenue relates to the following projects funded by AIP grants: Terminal A Ground Loading, Terminal Development Program, TaxiWay Reconstruction, and Airfield Safety Enhancement and Improvements Program capital projects at San Antonio International Airport.
- Property Tax Revenues increased by \$27,913 due to an increase in new construction and increase in taxable property valuation on existing properties when compared to fiscal year 2024. The City's property tax rate is at 54.159 cents per \$100 of valuation; of this rate, 33.009 cents per \$100 is deposited in the General Fund for Maintenance and Operations, with the remaining 21.150 cents per \$100 being deposited in the Debt Service Fund to pay principal and interest on outstanding debt.
- Other Taxes Revenues increased by \$19,234. The General Sales and Use Taxes increase of \$10,226 is primarily due to inflationary price increases and sales within the wholesale trade sector. Additionally, Occupancy Tax revenues increased \$6,042 versus fiscal year 2024 which included a \$4,010 increase in occupancy tax revenues collected from short term rental (STR) properties. This increase is due to a change in the STR ordinance requiring STR platforms to pay occupancy tax revenues directly to the City, effective on February 1, 2025. Furthermore, there was an increase in 12-month Average Daily Rate of \$1.89 (not in thousands).
- Revenue from Utilities increased by \$27,224 primarily attributed to CPS Revenue related to increased customer usage as well as higher than projected fuel costs.
- Investment earnings decreased by \$47,893 in fiscal year 2025, primarily due to a lower average interest rate of 4.4% compared with 4.5% in fiscal year 2024, and due to rising interest rates reducing the market value of the City's securities.
- Miscellaneous Revenues decreased by \$13,813 in fiscal year 2025, primarily due to the assessment of note and loan receivable balances to be forgivable, thus increasing the related allowance.

- Special Items increased by \$31,135 as a result of the reclassification of Solid Waste Management debt from business-type debt to governmental long-term debt in fiscal year 2024 due to the pledged ad valorem debt no longer being paid from Solid Waste Management revenues as self-supporting debt. The debt is now paid by ad valorem taxes.

Expenses for Governmental Activities were \$3,063,098 compared to prior year's expenses of \$2,807,757. The increase of \$255,341 is due primarily to the following:

- The increase of \$127,852 in Public Safety expenses is driven by a \$47,697 increase in Fire and Police compensation costs. \$28,491 is from the approval of the new Collective Bargaining Agreement (CBA) with the San Antonio Professional Fire Fighters Association which included a 7% wage increase for Uniform Personnel effective October 1, 2024. \$19,206 is from the CBA between the City and the San Antonio Police Officers' Association which included a 4% wage increase in fiscal year 2025. Compensated absences increased \$41,598, mostly due to the City reporting more leave hours as required by the implementation of GASB 101 *Compensated Absences*. Medical costs paid by the City's self-insurance fund increased by \$10,681, driven by a 15% growth in claims for fiscal year 2025 over fiscal year 2024. Finally, Community Services Fund expenses increased \$10,721 due to expenses related to the Body Worn Camera project in fiscal year 2025.
- The increase of \$49,870 in Public Works is primarily due to increase of \$62,430 in Airport Improvement Program grants for construction and inspection projects at San Antonio International Airport. These increases are primarily for the Terminal A Ground Loading, Terminal Development Program, TaxiWay Reconstruction, and Airfield Safety Enhancement and Improvements Program (runway upgrades) projects.
- The increase of \$27,383 in Culture and Recreation is due to the reporting of expenses to Visit San Antonio (VSA), a blended component unit of the City. The City did not include the financials for VSA, as it was deemed to be financially immaterial to the City's financial reporting for fiscal year 2025; therefore, these expenses are reported in the Culture and Recreation function rather than in Transfers, net, as it was reported in fiscal year 2024.
- The \$12,561 decrease in Urban Redevelopment and Housing is primarily attributable to the completion of COVID-related funding in fiscal year 2024 for Housing Stability Services and Other Financial Assistance, as well as the conclusion of the Emergency Rental Assistance Program in fiscal year 2025.
- The increase of \$20,911 in Welfare is due to increases in Child Care Management Services (CCS) program. The City received a larger grant award in fiscal year 2025 which enabled more spending to occur, based on the grantor's assessment of needs in the community.
- The increase of \$25,870 in Education is attributed to the reporting of expenses to San Antonio Early Childhood Education Municipal Development Corporation (ECEMDC), a blended component unit of the City. The City did not receive ECEMDC's fiscal year 2025 audited financial statements; therefore, these expenses are reported in the Education function rather than in Transfers, net, as it was reported in fiscal year 2024.

Business-Type Activities

Business-Type Activities increased the City's net position by \$96,879.

Revenues for Business-Type Activities totaled \$508,097 compared to prior year's revenues of \$480,555. The increase of \$27,542 is due to the following:

- Charges for Services for business-type activities increased \$6,486;
 - The San Antonio International Airport revenues increased by \$4,282 driven in part by Southwest Airlines billed at higher rate for lease space as they were considered nonsignatory in fiscal year 2025.
 - Solid Waste Management revenues increased by \$7,506 of which \$3,444 is related to recycling revenue and \$3,452 is from waste processing fees. The City processed 3,736 less recycling tons in fiscal year 2025 as compared to fiscal year 2024, however, average revenue per ton was \$54.25 higher due to a new vendor agreement. Waste processing fee revenue increased due to an additional 3,388 tons of waste collected compared to fiscal year 2024 (tonnage not in thousands).

- Development Services decreased by \$5,089 due to decrease in building permits. New residential permits decreased by 904 and new commercial permits decreased by 224 from fiscal year 2024 (permit count not in thousands).
- Capital Grants and Contributions increase of \$61,675 is primarily due to an increase in funding for Airport Improvement Program (AIP) grants. The increased revenue relates to the following projects funded by AIP grants: Terminal A Ground Loading, Terminal Development Program, TaxiWay Reconstruction, and Airfield Safety Enhancement and Improvements Program capital projects at San Antonio International Airport.
- Investment Earnings reflected a decrease of \$9,705 primarily due to a decline in the average interest rate to 4.4% from 4.5% in fiscal year 2024.
- Special Items decrease of \$31,135 is due to reclassification of Solid Waste Management debt from business-type debt to governmental long-term debt in fiscal year 2024 due to the ad valorem debt no longer being paid from Solid Waste Management revenues as self-supporting debt. The debt is now paid by ad valorem taxes.

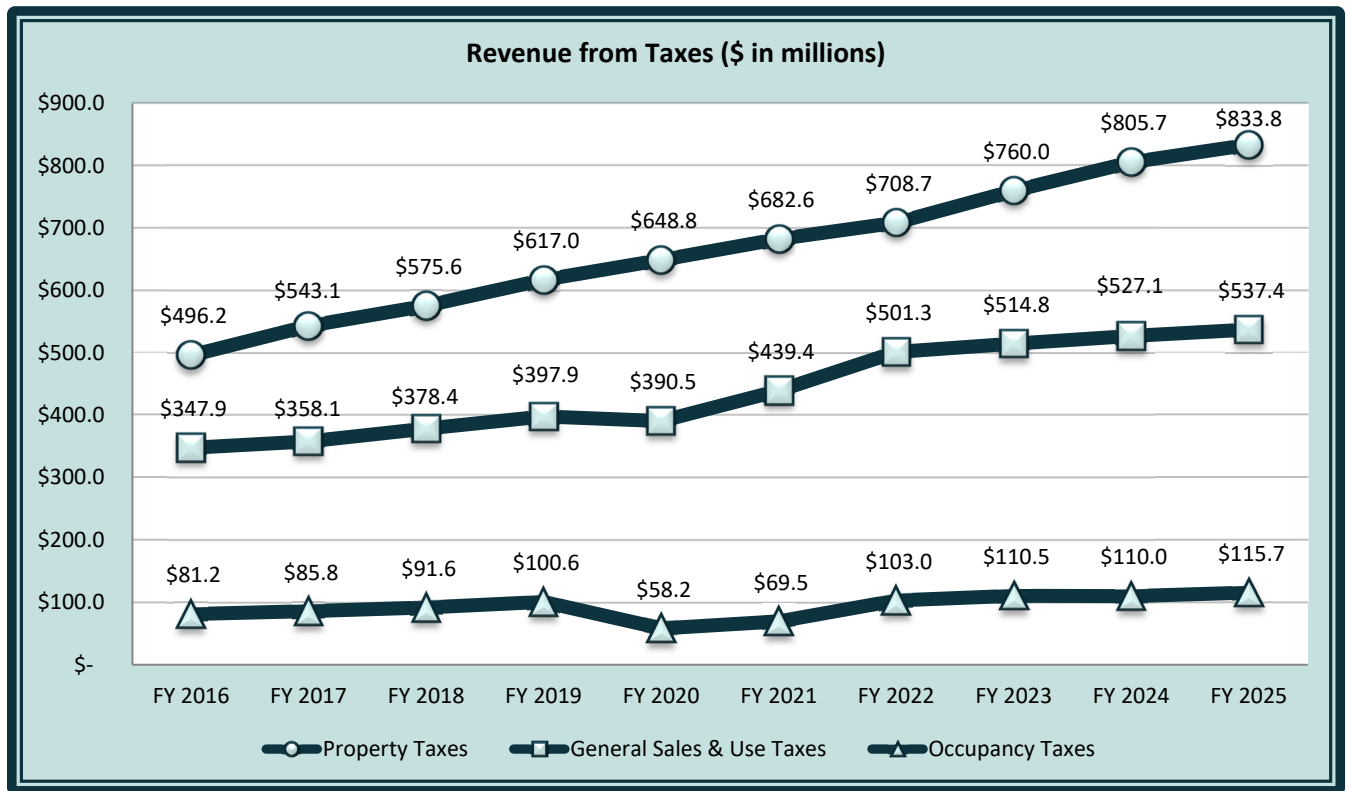
Expenses for Business-Type Activities were \$407,523 compared to prior year's expenses of \$378,709. The increase of \$29,014 is due primarily to the following:

- Airport System increase of \$13,142 in expenses is driven by \$6,609 contractual services from the Metropolis Technologies Airport Parking System agreement, whose contract began in late fiscal year 2024. Additionally, personnel services increased \$3,973 due to an increase in pension expenses, overtime salaries, and 3.0% cost of living adjustment for all civilian City employees in fiscal year 2025.
- Solid Waste Management increase of \$10,941 is driven by personnel costs, primarily a \$6,195 increase to pension expense, other postemployment benefits expense, and 3.0% cost of living adjustment for all civilian City employees in fiscal year 2025.
- Development Services increase of \$3,684 is due to increase in personnel services from other postemployment benefits expense and a 3.0% cost of living adjustment for all civilian City employees in fiscal year 2025.

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 \$43,328, which is primarily attributable to: (1) a \$28,056 increase in property tax revenues (2) a \$10,226 increase in general sales and use tax, and (3) a \$5,669 increase in occupancy tax revenues. The increase in property taxes is due to an 2.7% 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 lodging and food services increasing over last year. The increase in occupancy tax revenues is due to a \$4,010 increase in occupancy tax revenues collected from STR properties due to an ordinance requiring STR platforms to pay occupancy tax revenues directly to the City, effective on February 1, 2025. Furthermore, there was an increase in 12-month Average Daily Rate of \$1.89 (not in thousands) while the Occupancy Rate was 2.0% lower in fiscal year 2025.



The total fund balance of the General Fund at year-end was \$569,634, a decrease of \$13,766 from the total fund balance of \$583,400 in fiscal year 2024. The fund balance is categorized as follows: \$12,631 in nonspendable, \$175,919 in committed, \$2 in assigned, and \$381,082 in unassigned fund balances. The unassigned fund balance includes \$161,745 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 \$208,401 reserve for Two-Year Budget Plan.

The total fund balance of the Debt Service Fund at year-end was \$37,827, a decrease of \$6,105 from the total fund balance of \$43,932 in fiscal year 2024 as a result of the reclassification of Alamodome debt no longer being paid from the Convention and Visitors Facilities fund as self-supporting debt. The entire fund balance is restricted for payment of debt service.

The COVID-19 Funds have a total fund balance of \$39,065 at year-end, a decrease of \$54,308 from the total fund balance of \$93,373 in fiscal year 2024. The fund balance is due to operating funds transferred into the COVID-19 Funds to complete programs approved by City Council. The COVID-19 Funds are restricted or committed, depending upon funding source, for disbursements related to the City's response to the COVID-19 pandemic.

The total deficit fund balance of the Categorical Grant In-Aid Funds year-end was a \$77,889, an increase of \$44,388 from the total deficit fund balance of \$33,501 in fiscal year 2024. These deficits are primarily due to deferred inflow accruals to be recognized in future periods.

The total fund balance of the 2022 General Obligation Bonds at year-end was \$390,537, an increase of \$14,646 from the total fund balance of \$375,891 in fiscal year 2024. The increase is from the third year of sales of obligation bonds issued to support capital expenditures associated with the \$1,200,000 bond program approved by voters in fiscal year 2022.

General Fund Budgetary Highlights

Variances in Budget Appropriations Year-Ended September 30, 2025 (Budgetary Basis) General Fund					
	Original Budget	Final Budget	Actual Results	Variances	
				Budget	Final to Actual
Resources (Inflows):					
Taxes	\$ 931,223	\$ 915,631	\$ 915,302	\$ (15,592)	\$ (329)
Licenses and Permits	13,065	11,527	11,549	(1,538)	22
Intergovernmental	15,838	14,208	14,906	(1,630)	698
Revenues from Utilities	489,575	526,636	527,712	37,061	1,076
Charges for Services	76,796	79,102	80,093	2,306	991
Fines and Forfeits	10,072	10,517	10,272	445	(245)
Miscellaneous	15,572	17,271	18,981	1,699	1,710
Investment Earnings	21,826	24,128	24,734	2,302	606
Transfers from Other Funds	16,819	19,598	20,544	2,779	946
Total	\$ 1,590,786	\$ 1,618,618	\$ 1,624,093	\$ 27,832	\$ 5,475
Charges to Appropriations (Outflows):					
General Government	\$ 121,119	\$ 132,115	\$ 130,744	\$ 10,996	\$ 1,371
Public Safety	988,787	1,001,153	999,573	12,366	1,580
Public Works	81,401	114,060	112,868	32,659	1,192
Health Services	81,087	84,978	84,276	3,891	702
Culture and Recreation	165,574	164,166	163,705	(1,408)	461
Urban Redevelopment and Housing	40,449	48,106	44,990	7,657	3,116
Welfare	58,196	63,549	62,133	5,353	1,416
Economic Development and Opportunity	16,124	19,837	19,346	3,713	491
Environmental	11,635	17,059	14,832	5,424	2,227
Transfers to Other Funds	87,264	177,923	155,334	90,659	22,589
Total	\$ 1,651,636	\$ 1,822,946	\$ 1,787,801	\$ 171,310	\$ 35,145

Changes from the adopted budget revenues to the final amended budget resulted in a net increase of \$27,832. This increase can be summarized by the following:

- Revenues from Utilities budget was increased by \$37,061 due primarily to increased off-system sales and higher than anticipated customer usage and fuel costs.
- Current Property Tax budget was decreased by \$9,791 because of more than anticipated protests and appeals, as well as more individuals receiving Homestead, Over-65, or Disabled Persons exemptions.
- City Sales Tax budget decreased by \$4,143 due to slower-than-anticipated growth in consumer spending, which is attributed to broader economic uncertainty, inflation, and shifts in consumer behavior towards essential goods.
- Investment Earnings budget increased by \$2,302 due to rates being originally budgeted at an average rate of 4.0% compared to final budget of average 4.2%.

Final budgeted revenue for the General Fund were \$1,618,618 while actual revenues on a budgetary basis were \$1,624,093, creating a favorable variance of \$5,475. Variance explanations are listed below:

- Revenues from Utilities were \$1,076 higher than planned due to CPS having higher than anticipated off-system sales and other nonoperating revenues.
- Charges for Services revenues were \$991 higher than planned driven by EMS Transports as the City has been able to capture more per transport because of Senate Bill 2476 which requires commercial health plans to cover non-network municipal ground ambulance services. Additionally, there was a \$500 rate increase per ride that went into effect October 1, 2024 (rate increase not in thousands).

- Miscellaneous revenues were \$1,710 higher than planned driven by cost recoveries for uniform personnel expenses in the Fire Department Deployment Fund.
- Transfer revenues are \$946 higher primarily due to \$857 from CPS Energy Sustainable Tomorrow Energy Plan (STEP) energy conservation program in which revenues were driven by higher than projected electric sales and increased recovery factor over budget.

Changes in original expenditure budget appropriations to the final amended budget appropriations resulted in a net \$171,310 increase in appropriations. This increase can be summarized by the following:

- General Government increased by \$10,996 to capture prior year carryforwards related to City-wide planning and capital outlay of computer replacements, generators, and other essential equipment.
- Public Safety increased by \$12,366 to capture prior year carryforwards related to capital outlay for replacement duty weapons, computer replacements, computer equipment, and other essential equipment.
- Public Works increased by \$32,659 to capture prior year carryforwards related to VIA Contributions, as well as Neighborhood Access and Mobility Program (NAMP) projects such as street, sidewalk rehabilitation and preservation projects.
- Urban Redevelopment and Housing increased by \$7,657 to capture prior year carryforwards related to Housing Assistance Programs, Development Tax Rebates as well as the CPS Energy Casa Verde Weatherization Program.
- Welfare increased by \$5,353 to capture prior year carryforwards related to Low Barrier Housing rent and tax funding as well as AlamoPROMISE Scholarship program funding.
- Economic Development budget increased by \$3,713 to capture prior year carryforwards related to Economic Development Incentive Fund grants and loans to attract businesses, create high-wage jobs, and spur investment in targeted industries like tech, bioscience, and advanced manufacturing.
- Environmental increased by \$5,424 to capture prior year carryforwards related to two initiatives. The first program is the Business Urban Heat Island & Sustainability Incentive Program which covers cool pavement, cool roofs, green infrastructure, shade structures, and other cooling solutions. The second program is the Community Grants Program which offer grants to local business and nonprofits for sustainability projects like community gardens, e-bikes, energy efficiency, and climate education.
- Transfers to Other Funds increased by \$90,659 to capture prior year carryforwards related to Public Works' street maintenance programs, sidewalks, and the public safety warehouse.

Final budgeted expenditure appropriations for the General Fund were \$1,822,946 while actual expenditures on a budgetary basis were \$1,787,801, creating a favorable variance of \$35,145. Variance explanations are listed below:

- General Government savings of \$1,371 was driven by savings in the City of San Antonio Council Aides Corporation attributable to vacancy savings.
- Public Safety savings of \$1,580 is driven by savings in Fire personnel costs due to vacancies and fewer retirements than projected.
- Public Works savings of \$1,192 driven by savings in personnel of \$282 due to vacancies, and in gas and electricity savings of \$447.
- Urban Redevelopment and Housing savings of \$3,116 is primarily driven by Neighborhood and Housing Department release of prior year carryforwards related to the Minor Repair program.
- Environmental savings of \$2,227 driven by \$1,060 savings in Community Grant Programs as well as \$1,124 savings related to less than anticipated miles completed relating to cool pavement construction.
- Transfer savings of \$22,589 due to savings on closed projects, releases available from active projects, and reallocation of debt to fund projects.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2025, amounts to \$7,228,618 (net of accumulated depreciation and amortization). 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 \$340,918, which is comprised of an increase of \$144,904 in governmental activities and an increase of \$196,014 in business-type activities.

Capital Assets as of September 30, 2025 (With Comparative Totals as of September 30, 2024)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Land	\$ 1,456,093	\$ 1,452,090	\$ 15,796	\$ 15,796	\$ 1,471,889	\$ 1,467,886
Construction in Progress	616,879	583,775	291,512	105,336	908,391	689,111
Non-Depreciable Intangible	278,969	270,747			278,969	270,747
Depreciable Intangible Assets	35	123	634	3,515	669	3,638
Buildings	1,039,907	997,211	313,204	319,273	1,353,111	1,316,484
Improvements	609,192	607,078	362,446	341,119	971,638	948,197
Infrastructure	1,749,974	1,689,821			1,749,974	1,689,821
Machinery & Equipment	313,952	283,781	14,788	13,822	328,740	297,603
Leases	63,728	94,890	10,341	11,137	74,069	106,027
Subscriptions	86,592	90,901	4,576	7,285	91,168	98,186
Total Capital Assets	<u>\$ 6,215,321</u>	<u>\$ 6,070,417</u>	<u>\$ 1,013,297</u>	<u>\$ 817,283</u>	<u>\$ 7,228,618</u>	<u>\$ 6,887,700</u>

During fiscal year 2025, the City transferred \$219,280 of construction in progress for completed capital projects, mainly comprised of city-wide streets and drainage projects, parks improvements, and building improvements.

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

Change in Capital Assets Year-Ended September 30, 2025			
	Governmental Activities	Business-Type Activities	Total
Beginning Balance	\$ 6,040,996	\$ 817,283	\$ 6,858,279
Additions	521,985	251,601	773,586
Deletions	(28,902)	(16,101)	(45,003)
Accumulated Depreciation/Amortization	(318,758)	(39,486)	(358,244)
Ending Balance	<u>\$ 6,215,321</u>	<u>\$ 1,013,297</u>	<u>\$ 7,228,618</u>

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 2025 were as follows:

Bond Ratings Year-Ended September 30, 2025			
	Standard & Poor's	Moody's	Fitch
Ad Valorem - Property Tax Debt	AAA	Aaa	AA+
PFC Lease Revenue Bonds - Convention Center Exp	AA+	Aa2	AA
Airport - General Airport Revenue Bonds	A+	A1	A+
Airport - Passenger Facility Charge Revenue Bonds	A	A2	A
Airport - Customer Facility Charge Revenue Bonds	A	A3	BBB+
Stormwater Revenue Bonds	AA+	Aa2	AA+
Contract Revenue Bonds - Starbright (Toyota)	AA+	Aa1	AA
MFC Lease Revenue Bonds - City Tower	AA+	Aa1	AA

Long-Term Obligations

At the end of the current fiscal year, the City had a total of \$4,039,870 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 as of September 30, 2025 (With Comparative Totals as of September 30, 2024)						
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2025	2024	2025	2024	2025	2024
Bonds Payable:						
Tax-Exempt General Obligation Bonds	\$ 1,317,690	\$ 1,287,030	\$ -	\$ -	\$ 1,317,690	\$ 1,287,030
Taxable General Obligation Bonds	378,760	410,060			378,760	410,060
Tax-Exempt Certificates of Obligation	615,020	558,300	4,900	5,140	619,920	563,440
Taxable Certificates of Obligation	166,365	160,790			166,365	160,790
Tax Notes	91,845	70,645			91,845	70,645
Taxable Tax Notes			469,635	269,635	469,635	269,635
Revenue Bonds	660,170	693,485	287,465	309,970	947,635	1,003,455
Notes from Direct Placements	30,000	30,000			30,000	30,000
Bonds from Direct Placements	18,020	21,680			18,020	21,680
Total	\$ 3,277,870	\$ 3,231,990	\$ 762,000	\$ 584,745	\$ 4,039,870	\$ 3,816,735

Governmental Activities

On May 7, 2022, voters approved a \$1,200,000 bond program (2022 Bond Program), the largest bond program in the City's history. On August 14, 2025, the City issued \$221,650 in General Improvement and Refunding Bonds, Series 2025 to provide funding for projects in the 2022 Bond Program and to refinance debt for interest cost savings. The refunding portion of \$81,015 included a premium of \$5,093. The debt refunded included Tax-Exempt General Improvement and Refunding Bonds, Series 2014 and Series 2015, in addition to, Tax-Exempt Certificates of Obligation, Series 2015. As a result of the refunding, the City will realize a total decrease of \$3,323 in debt service payments and total deferred charges of \$4,252. Through this refunding, the City obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$3,818. The remaining \$140,635 included a premium of \$10,324, 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 2026 to 2045, with interest rates at 5.0%.

On August 14, 2025, the City issued \$112,770 in Combination Tax and Revenue Certificates of Obligation, Series 2025; \$13,575 in Combination Tax and Revenue Certificates of Obligation, Taxable Series 2025, and \$54,440 in Tax Notes, Series 2025 to provide funding for projects in the City's Capital Budget. The Tax-Exempt Certificates of Obligation included a premium of \$9,927, and were issued to finance improvements to drainage, public safety, streets, information technology, municipal facilities, parks and recreation and land acquisition related to the Edwards Aquifer program. The Tax-Exempt Certificates have maturities ranging from 2026 to 2045, with an interest rate of 5.0%. The Taxable Certificates of Obligation proceeds were issued to finance capital improvement elements of solar program. The Taxable Certificates have maturities ranging from 2026 to 2045, with interest rates ranging from 4.0% to 5.6%. The Tax Notes proceeds included a premium of \$1,801, and were issued to finance improvements for information technology, municipal facilities, parks and recreation, street maintenance projects, police, and other improvements. The Tax Notes have maturities ranging from 2026 to 2028, with an interest rate of 5.0%.

Business-Type Activities

On May 22, 2025, the City sold \$200,000 in Tax Notes, Taxable Series 2025 through a private placement with Frost Bank. The 2025 Taxable Notes were sold to provide interim financing for airport capital improvements to fund the Terminal Development Program. The 2025 Taxable Notes mature in 2032, with an interest rate of 5.3%.

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 and the City's long-term obligations 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, 2025**

(In Thousands)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
Assets:				
Current Assets:				
Cash and Cash Equivalents	\$ 261,028	\$ 16,718	\$ 277,746	\$ 698,381
Investments	527,548	86,217	613,765	415,476
Receivables, Net	212,824	38,282	251,106	591,077
Materials and Supplies, at Cost	14,035	1,385	15,420	224,570
Internal Balances	20,568	(20,568)		
Due From Other Governmental Agencies, Net	6,048	306	6,354	
Deposits	301		301	
Prepaid Expenses	12,604		12,604	180,024
Lease Receivables	5,582	10,835	16,417	
Restricted Assets:				
Cash and Cash Equivalents	451,533	283,987	735,520	81,130
Investments	745,848	311,501	1,057,349	200,492
Receivables, Net	178,492	4,534	183,026	
Materials and Supplies, at Cost	1,665		1,665	
Deposits	1		1	
Prepaid Expenses	5,119	250	5,369	
Lease Receivables	2,407		2,407	3,170
Due From Other Governmental Agencies, Net	115,234	49	115,283	
Total Current Assets	<u>2,560,837</u>	<u>733,496</u>	<u>3,294,333</u>	<u>2,394,320</u>
Noncurrent Assets:				
Capital Assets:				
Non-Depreciable	2,351,941	307,308	2,659,249	2,639,760
Depreciable, Net	3,713,060	691,072	4,404,132	16,929,628
Lease Assets, Net	63,728	10,341	74,069	5,017
Subscription Assets, Net	86,592	4,576	91,168	30,616
Cash and Cash Equivalents				706,077
Investments				1,754,238
Receivables, Net	62,081		62,081	11,687
Pension Regulatory Asset				275,333
Lease Receivables	44,349	67,906	112,255	61,611
Other Noncurrent Assets				1,037,434
Total Noncurrent Assets	<u>6,321,751</u>	<u>1,081,203</u>	<u>7,402,954</u>	<u>23,451,401</u>
Total Assets	<u>8,882,588</u>	<u>1,814,699</u>	<u>10,697,287</u>	<u>25,845,721</u>
Total Deferred Outflows of Resources	<u>720,840</u>	<u>38,700</u>	<u>759,540</u>	<u>1,030,307</u>
Liabilities:				
Current Liabilities:				
Accounts Payable and Other Current Liabilities	98,006	24,355	122,361	865,046
Accrued Interest	32	78	110	
Unearned Revenue	2,358	1,029	3,387	102
Current Portion of Long-Term Obligations	193,772	13,149	206,921	98,822
Liabilities Payable From Restricted Assets:				
Accounts Payable and Current Liabilities	100,227	84,577	184,804	115,654
Accrued Interest on Bonds and Certificates	19,341	7,894	27,235	18,863
Unearned Revenue	9,111	61	9,172	
Due To Other Governmental Agencies	23,434		23,434	
Current Portion of Long-Term Obligations	275,641	295,536	571,177	263,951
Total Current Liabilities	<u>721,922</u>	<u>426,679</u>	<u>1,148,601</u>	<u>1,362,438</u>
Noncurrent Liabilities:				
Noncurrent Portion of Long-Term Obligations	5,734,047	661,534	6,395,581	15,227,494
Total Noncurrent Liabilities	<u>5,734,047</u>	<u>661,534</u>	<u>6,395,581</u>	<u>15,227,494</u>
Total Liabilities	<u>6,455,969</u>	<u>1,088,213</u>	<u>7,544,182</u>	<u>16,589,932</u>
Total Deferred Inflows of Resources	<u>508,821</u>	<u>132,428</u>	<u>641,249</u>	<u>321,746</u>
Net Position:				
Net Investment in Capital Assets	3,318,484	381,702	3,700,186	7,007,391
Restricted for:				
Debt Service	37,055	39,978	77,033	257,907
Capital Projects	62,914	255,922	318,836	981,196
Operating and Other Reserves	2,517		2,517	130,805
Perpetual Care:				
Expendable	13,481		13,481	
Nonexpendable	7,223		7,223	
Unrestricted (Deficit)	(803,036)	(44,844)	(847,880)	1,587,051
Total Net Position	<u>\$ 2,638,638</u>	<u>\$ 632,758</u>	<u>\$ 3,271,396</u>	<u>\$ 9,964,350</u>

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

Statement of Activities

Year-Ended September 30, 2025

(In Thousands)

(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	\$ 193,442	\$ 19,264	\$ 7,945	\$ -	\$ (166,233)	\$ -	\$ (166,233)	
Public Safety	1,155,042	77,429	23,305		(1,054,308)		(1,054,308)	
Public Works	488,865	68,592	3,040	97,260	(319,973)		(319,973)	
Sanitation	12,885	11,611	64		(1,210)		(1,210)	
Health Services	130,049	13,264	32,263		(84,522)		(84,522)	
Culture and Recreation	285,723	102,613	833		(182,277)		(182,277)	
Convention and Tourism	92,280		14,069		(78,211)		(78,211)	
Urban Redevelopment and Housing	87,867	961	42,389	19,637	(24,880)		(24,880)	
Welfare	291,084		200,523		(90,561)		(90,561)	
Education	155,146		1,164		(153,982)		(153,982)	
Economic Development and Opportunity	60,343	2,408	4,078		(53,857)		(53,857)	
Environmental	10,702	613			(10,089)		(10,089)	
Interest on Long-Term Debt	99,670				(99,670)		(99,670)	
Total Governmental Activities	3,063,098	296,755	329,673	116,897	(2,319,773)		(2,319,773)	
Business-Type Activities:								
Airport System	184,554	154,574		115,524		85,544	85,544	
Development Services	54,006	40,822				(13,184)	(13,184)	
Market Square	3,118	1,945				(1,173)	(1,173)	
Parking System	10,919	7,686				(3,233)	(3,233)	
Solid Waste Management	155,126	160,033				4,907	4,907	
Total Business-Type Activities	407,723	365,060		115,524		72,861	72,861	
Total Primary Government	\$ 3,470,821	\$ 661,815	\$ 329,673	\$ 232,421	(2,319,773)	72,861	(2,246,912)	
Discretely Presented Component Units:								
CPS Energy	\$ 3,545,729	\$ 3,575,883	\$ -	\$ 162,829				\$ 192,983
SAWS	863,974	866,953		255,383				258,362
Brooks	26,970	20,368		10,508				3,906
Total Discretely Presented Component Units	\$ 4,436,673	\$ 4,463,204	\$ -	\$ 428,720				455,251
General Revenues:								
Taxes:								
Property					837,808		837,808	
General Sales and Use					537,355		537,355	
Selective Sales and Use					12,674		12,674	
Gross Receipts Business					16,279		16,279	
Occupancy					119,986		119,986	
Penalties and Interest on Delinquent Taxes					11,250		11,250	
Revenues from Utilities					527,712		527,712	
Investment Earnings					90,066	25,617	115,683	188,398
Miscellaneous					87,826	1,896	89,722	47,239
Transfers, net					1,062	(1,062)		
Total General Revenues, Special Items and Transfers					2,242,018	26,451	2,268,469	235,637
Change in Net Position					(77,755)	99,312	21,557	690,888
Net Position - Beginning of Fiscal Year, as previously reported					2,914,087	535,879	3,449,966	9,484,311
Change in Accounting Principle					(35,201)	(2,433)	(37,634)	(9,893)
Change To Financial Reporting Entity (Removal of Blended Component Units)					(162,493)		(162,493)	
(Removal of Discretely Presented Component Units)								(200,956)
Aggregate adjustments and restatements					(197,694)	(2,433)	(200,127)	(210,849)
Net Position, Beginning of Fiscal Year, as adjusted or restated					2,716,393	533,446	3,249,839	9,273,462
Net Position - End of Fiscal Year					\$ 2,638,638	\$ 632,758	\$ 3,271,396	\$ 9,964,350

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

Balance Sheet

Governmental Funds

As of September 30, 2025

(In Thousands)

	MAJOR FUNDS					NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE	COVID-19 FUNDS	CATEGORICAL GRANT IN-AID	2022 GENERAL OBLIGATION BONDS		
Assets:							
Cash and Cash Equivalents	\$ 120,928	\$ -	\$ -	\$ -	\$ -	\$ 58,154	\$ 179,082
Investments	262,634					96,662	359,296
Receivables, Net	195,499					14,437	209,936
Materials and Supplies, at Cost	10,875						10,875
Prepaid Expenditures	1,756						1,756
Lease Receivables	8,131					6,514	14,645
Due From Other Funds	104,590					8,907	113,497
Due From Other Governmental Agencies, Net	2,526					3,426	5,952
Restricted Assets:							
Cash and Cash Equivalents		36,841	15,942	5	116,161	282,483	451,432
Investments			32,463	656	272,638	440,048	745,805
Receivables, Net	33,898	17,534	209	674	24,400	163,858	240,573
Materials and Supplies, at Cost			5	786		874	1,665
Deposits						1	1
Prepaid Expenditures			2,269			2,850	5,119
Lease Receivables						36,114	36,114
Due From Other Funds		225	3,475				3,700
Due From Other Governmental Agencies, Net	506		11,491	93,045		10,192	115,234
Total Assets	<u>\$ 741,343</u>	<u>\$ 54,600</u>	<u>\$ 65,854</u>	<u>\$ 95,166</u>	<u>\$ 413,199</u>	<u>\$ 1,124,520</u>	<u>\$ 2,494,682</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Vouchers Payable	\$ 18,495	\$ -	\$ -	\$ -	\$ -	\$ 1,473	\$ 19,968
Accounts Payable - Other	26,074					8,907	34,981
Accrued Payroll	16,031					172	16,203
Compensated Absences	8,384						8,384
Unearned Revenue	1,441						1,441
Due To Other Funds	3,700						3,700
Liabilities Payable From Restricted Assets:							
Vouchers Payable	22		2,930	3,257		50,126	56,335
Accounts Payable - Other	81		3,206	3,476		38,203	44,966
Accrued Payroll	25		100	919		2,849	3,893
Compensated Absences						105	105
Unearned Revenue			1,007	1,203		6,901	9,111
Due To Other Funds		92	8,981	86,239		18,185	113,497
Due To Other Governmental Agencies				72		23,362	23,434
Total Liabilities	<u>74,253</u>	<u>92</u>	<u>16,224</u>	<u>95,166</u>		<u>150,283</u>	<u>336,018</u>
Deferred Inflows of Resources	<u>97,456</u>	<u>16,681</u>	<u>10,565</u>	<u>77,889</u>	<u>22,662</u>	<u>169,388</u>	<u>394,641</u>
Fund Balances (Deficits):							
Nonspendable	12,631		2,274	786		10,948	26,639
Restricted		37,827			390,537	604,822	1,033,186
Committed	175,919		50,504			210,978	437,401
Assigned	2					790	792
Unassigned	381,082		(13,713)	(78,675)		(22,689)	266,005
Total Fund Balances (Deficits)	<u>569,634</u>	<u>37,827</u>	<u>39,065</u>	<u>(77,889)</u>	<u>390,537</u>	<u>804,849</u>	<u>1,764,023</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 741,343</u>	<u>\$ 54,600</u>	<u>\$ 65,854</u>	<u>\$ 95,166</u>	<u>\$ 413,199</u>	<u>\$ 1,124,520</u>	<u>\$ 2,494,682</u>

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

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position**As of September 30, 2025**

(In Thousands)

Fund Balances - Total Governmental Funds \$ 1,764,023

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:

Depreciable and Non-Depreciable Assets

Land	1,456,093
Construction In Progress	616,879
Non-Depreciable Intangible Assets	278,969
Depreciable Intangible Assets	4,091
Buildings	1,771,639
Improvements	1,342,984
Infrastructure	4,579,461
Machinery and Equipment	549,519
Less: Accumulated Depreciation	<u>(4,697,101)</u>
Total Depreciable and Non-Depreciable Assets	5,902,534

Governmental Lease Assets

Less: Accumulated Amortization (Lease Assets)	<u>(21,460)</u>
Total Governmental Lease Assets	37,752

Governmental Subscription Assets

Less: Accumulated Amortization (Subscription Assets)	<u>(22,127)</u>
Total Governmental Subscription Assets	63,111

Governmental Capital Assets

6,003,397

Deferred inflows of resources-unavailable revenue not reported in the Statement of Net Position

Revenues recorded as unavailable revenue in the fund financial statements	299,579

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.

186,352

Deferred outflows of resources related to pensions, OPEB, loss on bond refunding, and asset retirement obligations not reported in the Governmental Funds

696,793

Deferred inflows of resources related to pensions and OPEB not reported in the Governmental Funds

(376,992)

Long-term liabilities are not due and payable in the current year, therefore are not reported in the governmental funds.

Governmental Bonds Payable	(3,273,905)
Unamortized Discount/(Premium) on Bonds, Net	(177,831)
Lease Liability	(38,547)
Subscription Liability	(64,518)
Financed Purchases	(11,118)
Net OPEB and Pension Liability	(2,036,618)
Accrued Interest Payable	(19,341)
Arbitrage Rebate Payable	(17,836)
Pollution Remediation Payable	(1,774)
Compensated Absences	(292,997)
Other Payable	<u>(29)</u>
	<u>(5,934,514)</u>

Net Position of Governmental Activities\$ 2,638,638

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, 2025

(In Thousands)

	MAJOR FUNDS					NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE	COVID-19 FUNDS	CATEGORICAL GRANT IN-AID	2022 GENERAL OBLIGATION BONDS		
Revenues:							
Taxes:							
Property	\$ 474,560	\$ 304,552	\$ -	\$ -	\$ -	\$ 54,670	\$ 833,782
General Sales and Use	409,571					127,784	537,355
Selective Sales and Use	12,674						12,674
Gross Receipts Business	14,697					1,582	16,279
Occupancy						115,717	115,717
Penalties and Interest on Delinquent Taxes	3,800	2,435				782	7,017
Licenses and Permits	11,549						11,549
Intergovernmental	14,906		12,597	280,978		53,622	362,103
Revenues from Utilities	527,712						527,712
Charges for Services	79,242					168,605	247,847
Fines and Forfeits	10,272					370	10,642
Miscellaneous	19,483	21	16	186	15	52,711	72,432
Investment Earnings	23,006	4,099	3,334	54	14,346	34,765	79,604
Contributions				21,081		10,739	31,820
Total Revenues	1,601,472	311,107	15,947	302,299	14,361	621,347	2,866,533
Expenditures:							
Current:							
General Government	117,567	915	4,919	2,285		7,180	132,866
Public Safety	987,538		2,814	29,211		27,665	1,047,228
Public Works	72,227		8,610	77,627		75,657	234,121
Health Services	80,857		13,592	22,847		8,976	126,272
Sanitation				64		11,278	11,342
Welfare	57,989		19,515	210,217		464	288,185
Culture and Recreation	158,084			133		87,112	245,329
Convention and Tourism						78,393	78,393
Urban Redevelopment and Housing	38,543		4,243	660		28,754	72,200
Education			6,493	280		144,593	151,366
Economic Development and Opportunity	12,080		10,067			39,939	62,086
Environmental	9,865			561		276	10,702
Capital Outlay						515,003	515,003
Debt Service:							
Principal Retirement		242,585				29,726	272,311
Interest		95,219				30,651	125,870
Arbitrage						4,967	4,967
Issuance Costs					959	1,145	2,104
Leases:							
Principal Retirement	3,139		2	2,395		660	6,196
Interest	484			335		299	1,118
Subscription:							
Principal Retirement	7,459			2		544	8,005
Interest	2,531					21	2,552
Total Expenditures	1,548,363	338,719	70,255	346,617	959	1,093,303	3,398,216
Excess (Deficiency) of Revenues Over (Under) Expenditures	53,109	(27,612)	(54,308)	(44,318)	13,402	(471,956)	(531,683)
Other Financing Sources (Uses):							
Issuance of Long-Term Debt					140,635	189,205	329,840
Refunding Debt Issued		81,015					81,015
Payments to Refunded Bond Escrow Agent		(85,670)					(85,670)
Issuance of Lease Liabilities	1,611			222		81	1,914
Issuance of Subscription Liabilities	2,178					231	2,409
Premium on Long-Term Debt		5,093			10,324	11,728	27,145
Transfers In	20,544	21,069		5,569		630,975	678,157
Transfers Out	(91,208)			(5,861)	(149,715)	(436,381)	(683,165)
Total Other Financing Sources (Uses), Net	(66,875)	21,507		(70)	1,244	395,839	351,645
Net Change in Fund Balances (Deficits)	(13,766)	(6,105)	(54,308)	(44,388)	14,646	(76,117)	(180,038)
Fund Balances (Deficits) October 1, as previously reported	583,400	43,932	93,373	(33,501)	375,891	1,026,091	2,089,186
Change to Financial Reporting Entity (Removal of Blended Component Unit)						(145,125)	(145,125)
Fund Balances (Deficits) October 1, as adjusted	583,400	43,932	93,373	(33,501)	375,891	880,966	1,944,061
Fund Balances (Deficits) September 30	\$ 569,634	\$ 37,827	\$ 39,065	\$ (77,889)	\$ 390,537	\$ 804,849	\$ 1,764,023

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, 2025

(In Thousands)

Net change in Fund Balances (Deficits) - Total Governmental Funds \$ (180,038)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current year.

Expenditures for Capital Assets	436,684	
Pollution Remediation Capitalization	230	
Donated Capital Assets	1,918	
Less: Current Year Depreciation	(267,599)	
Less: Current Year Deletions	<u>(7,781)</u>	
		163,452

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements. 80,098

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	(410,855)	
(Premium)/Discount on Long-term Debt	(27,145)	
Payments to Escrow Agent	85,670	
Amortization of Bond Premiums/Discounts and Deferred Charges, Net	30,459	
Principal Payments	<u>272,311</u>	
		(49,560)

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	(1,809)	
Compensated Absences	(10,993)	
Net OPEB and Pension Expenses	(77,669)	
Pollution Remediation	278	
Principal Amounts on Financed Purchases and Notes	872	
Arbitrage	(5,224)	
Net Effect of Lease Activity	1,082	
Net Effect of Subscription Activity	<u>(47)</u>	
		(93,510)

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.

1,803

Change in Net Position of Governmental Activities \$ (77,755)



Statement of Net Position

Proprietary Funds

As of September 30, 2025

(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	\$ 1,298	\$ 6,083	\$ 9,337	\$ 16,718	\$ 81,946
Investments	55,769	12,393	18,055	86,217	168,252
Receivables, Net	24,446	12,718	1,118	38,282	2,888
Materials and Supplies, at Cost	1,031	40	314	1,385	3,160
Deposits					301
Prepaid Expenses					10,848
Lease Receivables	9,496		1,339	10,835	179
Due From Other Governmental Agencies, Net	306			306	96
Total Unrestricted Assets	92,346	31,234	30,163	153,743	267,670
Restricted Assets:					
Debt Service Accounts:					
Cash and Cash Equivalents	45,154		237	45,391	80
Investments			293	293	
Receivables, Net			2	2	
Construction Accounts:					
Cash and Cash Equivalents	116,808	4,320	58	121,186	21
Investments	127,164		1	127,165	43
Receivables, Net	216			216	
Prepaid Expenses	250			250	
Improvement and Contingency Accounts:					
Cash and Cash Equivalents	117,092		232	117,324	
Investments	183,572		471	184,043	
Receivables, Net	3,074		3	3,077	
Other Restricted Assets:					
Cash and Cash Equivalents	86			86	
Receivables, Net	1,239			1,239	
Due From Other Governmental Agencies, Net	49			49	
Total Restricted Assets	594,704	4,320	1,297	600,321	144
Total Current Assets	687,050	35,554	31,460	754,064	267,814
Noncurrent Assets:					
Capital Assets:					
Depreciable and Non-Depreciable:					
Land	5,323	1,107	9,366	15,796	
Buildings	551,643	11,147	27,128	589,918	179
Improvements	739,410	15,223	15,582	770,215	715
Machinery and Equipment	46,042	29,302	15,066	90,410	448,624
Depreciable Intangible	353		14,404	14,757	250
Construction in Progress	287,709		3,803	291,512	
Less: Accumulated Depreciation	676,604	38,936	58,688	774,228	287,301
Depreciable and Non-Depreciable, Net	953,876	17,843	26,661	998,380	162,467
Lease Assets	11,904	140	92	12,136	31,780
Less: Accumulated Amortization	1,685	85	25	1,795	5,804
Lease Assets, Net	10,219	55	67	10,341	25,976
Subscription Assets	2,410	2,390	2,110	6,910	44,402
Less: Accumulated Amortization	841	226	1,267	2,334	20,921
Subscription Assets, Net	1,569	2,164	843	4,576	23,481
Net Capital Assets	965,664	20,062	27,571	1,013,297	211,924
Lease Receivables	62,332		5,574	67,906	1,400
Total Noncurrent Assets	1,027,996	20,062	33,145	1,081,203	213,324
Total Assets	1,715,046	55,616	64,605	1,835,267	481,138
Total Deferred Outflows of Resources	16,605	13,639	8,456	38,700	24,047

(Continued)

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

Statement of Net Position
Proprietary Funds (Continued)
As of September 30, 2025
(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	\$ 2,771	\$ 1,624	\$ 252	\$ 4,647	\$ 21,583
Accounts Payable - Other	7,324	3,798	5,239	16,361	2,662
Claims Payable					33,783
Accrued Payroll	1,096	1,385	866	3,347	2,609
Accrued Interest	2	76		78	32
Current Portion of Compensated Absences	3,787	3,170	2,032	8,989	7,196
Unearned Revenue	712		317	1,029	917
Current Portion of Lease Liability	621	19	15	655	981
Current Portion of Subscription Liability	510	191	448	1,149	11,521
Current Portion of Financed Purchases	233	2,004		2,237	
Current Portion of Landfill Postclosure Costs		119		119	
Total Payable from Current Unrestricted Assets	17,056	12,386	9,169	38,611	81,284
Payable from Current Restricted Assets:					
Vouchers Payable	15,809		58	15,867	
Accrued Payroll	25			25	
Accrued Interest	7,857		37	7,894	
Current Portion of Compensated Absences	42			42	
Unearned Revenue	61			61	
Current Portion of Bonds and Certificates (net of premium/discount)	295,163		331	295,494	232
Other Payables	68,685			68,685	
Total Payable from Current Restricted Assets	387,642		426	388,068	232
Total Current Liabilities	404,698	12,386	9,595	426,679	81,516
Noncurrent Liabilities:					
Bonds and Certificates (net of current portion & discount/premium)	468,323		5,107	473,430	3,777
Claims Payable (net of current portion)					61,730
Compensated Absences (net of current portion)	1,551	367		1,918	1,319
Lease Liability (net of current portion)	10,425	39	53	10,517	27,120
Subscription Liability (net of current portion)	1,154	2,110	478	3,742	9,609
Financed Purchases (net of current portion)	57	9,649		9,706	
Net OPEB and Pension Liabilities	55,333	63,764	41,010	160,107	115,475
Pollution Remediation (net of current portion)	1,274			1,274	
Asset Retirement Obligations (net of current portion)	840			840	2,088
Total Noncurrent Liabilities	538,957	75,929	46,648	661,534	221,118
Total Liabilities	943,655	88,315	56,243	1,088,213	302,634
Total Deferred Inflows of Resources	88,586	23,064	20,778	132,428	36,767
Net Position (Deficit):					
Net Investment in Capital Assets	350,192	10,370	21,140	381,702	158,748
Restricted:					
Debt Service	39,482		496	39,978	48
Capital Projects	255,214		708	255,922	65
Unrestricted (Deficit)	54,522	(52,494)	(26,304)	(24,276)	6,923
Total Net Position (Deficit)	\$ 699,410	\$ (42,124)	\$ (3,960)	\$ 653,326	\$ 165,784
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(20,568)	
			Net position of business-type activities	\$ 632,758	

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

Statement of Revenues, Expenses, and Changes in Fund Net Position

Proprietary Funds

Year-Ended September 30, 2025

(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	\$ 154,574	\$ 160,033	\$ 50,453	\$ 365,060	\$ 498,578
Total Operating Revenues	<u>154,574</u>	<u>160,033</u>	<u>50,453</u>	<u>365,060</u>	<u>498,578</u>
Operating Expenses:					
Personal Services	48,738	62,409	40,821	151,968	127,406
Contractual Services	39,155	42,453	8,175	89,783	56,057
Commodities	2,961	12,346	1,078	16,385	3,326
Materials and Supplies					33,923
Claims					217,472
Other	14,752	33,238	11,844	59,834	67,486
Depreciation	42,049	2,157	4,569	48,775	39,844
Total Operating Expenses	<u>147,655</u>	<u>152,603</u>	<u>66,487</u>	<u>366,745</u>	<u>545,514</u>
Operating Income (Loss)	<u>6,919</u>	<u>7,430</u>	<u>(16,034)</u>	<u>(1,685)</u>	<u>(46,936)</u>
Nonoperating Revenues (Expenses):					
Investment Earnings	23,634	662	1,321	25,617	10,462
Other Nonoperating Revenue	1,041	603	31	1,675	24,058
Gain on Sale of Capital Assets	221	40		261	3,130
Interest and Debt Expense	(32,994)	(416)	(146)	(33,556)	(202)
Other Nonoperating Expense	(2,241)			(2,241)	
Total Nonoperating Revenues (Expenses), Net	<u>(10,339)</u>	<u>889</u>	<u>1,206</u>	<u>(8,244)</u>	<u>37,448</u>
Change in Net Position Before Capital Contributions and Transfers	<u>(3,420)</u>	<u>8,319</u>	<u>(14,828)</u>	<u>(9,929)</u>	<u>(9,488)</u>
Capital Contributions	115,524			115,524	
Transfers In (Out):					
Transfers In		99	5,200	5,299	15,465
Transfers Out	(1,018)	(2,038)	(3,305)	(6,361)	(9,395)
Total Transfers In (Out), Net	<u>(1,018)</u>	<u>(1,939)</u>	<u>1,895</u>	<u>(1,062)</u>	<u>6,070</u>
Change in Net Position	<u>111,086</u>	<u>6,380</u>	<u>(12,933)</u>	<u>104,533</u>	<u>(3,418)</u>
Net Position (Deficit) - October 1, as previously reported	589,547	(47,872)	9,406	551,081	170,556
Change in Accounting Principle	(1,223)	(632)	(433)	(2,288)	(1,354)
Net Position (Deficit) - October 1, as restated	588,324	(48,504)	8,973	548,793	169,202
Net Position (Deficit) - September 30	<u>\$ 699,410</u>	<u>\$ (42,124)</u>	<u>\$ (3,960)</u>	<u>\$ 653,326</u>	<u>\$ 165,784</u>
Adjustment to reflect the consolidation of Internal Service Fund activities related to enterprise funds.				(5,221)	
Change in Net Position of Business-Type Activities				<u>\$ 99,312</u>	

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

Statement of Cash Flows

Proprietary Funds

Year-Ended September 30, 2025

(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	\$ 134,359	\$ 159,901	\$ 50,422	\$ 344,682	\$ 498,376
Cash Payments to Suppliers for Goods and Services	(31,532)	(88,024)	(20,413)	(139,969)	(369,311)
Cash Payments to Employees for Service	(47,789)	(60,208)	(39,526)	(147,523)	(122,447)
Cash Received from Other Cash Receipts	1,041	603	31	1,675	24,057
Net Cash Provided by (Used for) Operating Activities	56,079	12,272	(9,486)	58,865	30,675
Cash Flows from Noncapital Financing Activities:					
Transfers In from Other Funds		99	5,200	5,299	15,465
Transfers Out to Other Funds	(1,018)	(2,038)	(3,305)	(6,361)	(9,395)
Net Cash Provided By (Used for) Noncapital Financing Activities	(1,018)	(1,939)	1,895	(1,062)	6,070
Cash Flows from Capital and Related Financing Activities:					
Acquisitions and Construction of Capital Assets	(219,985)	22	(2,783)	(222,746)	(59,643)
Contributed Capital	115,524			115,524	
Interest and Fees Paid on Long-Term Debt	(31,459)	(391)	(146)	(31,996)	(204)
Interest Paid on Notes and Leases	(1)			(1)	
Principal Payments on Long-Term Debt	(22,730)		(324)	(23,054)	(221)
Principal Payments on Notes and Leases		(722)		(722)	
Proceeds from Issuance of Long-Term Debt	200,000			200,000	
Proceeds from Issuance of Notes and Leases		4,263		4,263	
Proceeds from Sale of Assets	4	40		44	4,327
Net Cash Provided by (Used for) Capital and Related Financing Activities	41,353	3,212	(3,253)	41,312	(55,741)
Cash Flows from Investing Activities:					
Purchases of Investment Securities	(124,943)	(5,085)	(7,704)	(137,732)	(68,887)
Maturity of Investment Securities	118,403	(2,586)	18,571	134,388	100,338
Investments Earnings	24,107	662	1,379	26,148	10,624
Net Cash Provided by (Used for) Investing Activities	17,567	(7,009)	12,246	22,804	42,075
Net Increase in Cash and Cash Equivalents	113,981	6,536	1,402	121,919	23,079
Cash and Cash Equivalents, October 1	166,457	3,867	8,462	178,786	58,968
Cash and Cash Equivalents, September 30	\$ 280,438	\$ 10,403	\$ 9,864	\$ 300,705	\$ 82,047
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	\$ 6,919	\$ 7,430	\$ (16,034)	\$ (1,685)	\$ (46,936)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	42,049	2,157	4,569	48,775	39,844
Other Nonoperating Revenues	1,041	603	31	1,675	24,058
Changes in Assets, Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:					
(Increase) in Accounts Receivable	(17,394)	(137)	(330)	(17,861)	(1,389)
Decrease in Lease Receivables	904	127	1,340	2,371	259
(Increase) Decrease in Due from Other Governmental Agencies	(229)		42	(187)	188
(Increase) Decrease in Materials and Supplies	(30)	3	4	(23)	392
(Increase) Decrease in Prepaid Expenses			101	101	(341)
Decrease in Deposits					3
Increase (Decrease) in Vouchers Payable	(6,948)	(389)	(409)	(7,746)	3,562
Increase in Claims Payable					5,732
Increase (Decrease) in Accounts Payable - Other	32,260	439	988	33,687	(390)
Increase in Accrued Payroll	177	267	106	550	459
Increase (Decrease) in Compensated Absences	367	97	(91)	373	463
(Decrease) in Landfill Postclosure Liability		(40)		(40)	
(Decrease) in Net OPEB Liability and Pension Liability	(3,106)	(3,237)	(1,897)	(8,240)	(4,708)
Increase in Asset Retirement Obligations	54			54	
Decrease in Deferred Outflows of Resources Related to OPEB and Pension	3,511		2,506	6,017	6,727
Increase (Decrease) in Deferred Inflows of Resources	(2,505)	4,952	(697)	1,750	1,869
Increase (Decrease) in Unearned Revenue	(991)		285	(706)	883
Net Cash Provided by (Used for) Operating Activities	\$ 56,079	\$ 12,272	\$ (9,486)	\$ 58,865	\$ 30,675
Noncash Investing, Capital and Financing Activities:					
Acquisitions of Leased Capital Assets	\$ -	\$ -	\$ 68	\$ 68	\$ 16
Acquisitions of Subscription Capital Assets	1,637	2,382		4,019	10,640
Accounts and Retainage Payable related to Capital Assets	57,413			57,413	

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

Statement of Fiduciary Net Position

Fiduciary Funds

As of September 30, 2025

(In Thousands)

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS	CUSTODIAL FUNDS
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$ 71,925	\$ 5,227
Security Lending Collateral	102,670	
Investments:		
Common Stock	1,853,921	
U.S. Government Securities	350,382	2,151
Corporate Bonds	520,321	
Mutual Funds	104,736	
Hedge Funds	24,196	
Real Estate	385,174	
Alternative	1,414,829	
Receivables:		
Accounts	7,515	1,029
Accrued Interest	8,445	14
Accrued Revenue	5,918	
Prepaid Expenses	51	
Total Current Assets	4,850,083	8,421
Noncurrent Assets:		
Capital Assets:		
Depreciable and Non-Depreciable		
Land	10,315	
Machinery and Equipment	3,100	
Buildings	21,499	
Less: Accumulated Depreciation	2,897	
Depreciable and Non-Depreciable, Net	32,017	
Assets Held for Resale	11,694	
Lease Assets	1,153	
Less: Accumulated Amortization	496	
Lease Assets, Net	657	
Net Capital Assets	44,368	
Total Noncurrent Assets	44,368	
Total Assets	\$ 4,894,451	\$ 8,421
Liabilities:		
Vouchers Payable	\$ 4,558	\$ -
Accounts Payable - Other	11,220	
Claims Payable	6,278	
Accrued Payroll	501	
Securities Lending Obligation	102,670	
Total Liabilities	125,227	-
Net Position:		
Restricted for Pensions	4,124,762	
Restricted for Other Postemployment Benefits	644,462	
Restricted for individuals, organizations, and other governments		8,421
Total Net Position	\$ 4,769,224	\$ 8,421

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, 2025

(In Thousands)

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS	CUSTODIAL FUNDS
Additions:		
Contributions:		
Employer	\$ 154,358	\$ -
Employee	74,303	
Other Contributions	3,833	
Total Contributions	232,494	
Investment Earnings:		
Net Increase (Decrease) in Fair Value of Investments	298,056	(4)
Real Estate Income, Net	3,933	
Interest and Dividends	80,777	111
Securities Lending	8,059	
Other Income	358	
Total Investment Earnings	391,183	107
Less: Investment Expenses		
Investment Management Fees and Custodian Fees	(11,648)	
Less: Securities Lending Expenses		
Borrower Rebates and Lending Fees	(7,543)	
Net Investment Earnings	371,992	107
Collections:		
Tax Collections for Other Governments		50,002
Fee and Fine Collections for Other Governments		8,732
Payments Collected on Behalf of Others		267
Total Collections	-	59,001
Total Additions	604,486	59,108
Deductions:		
Benefits	331,745	
Refunds of Contributions	2,344	
Administrative Expenses	9,926	933
Fees and Fines Disbursed to Other Governments		7,946
Payments Disbursed on Behalf of Others		329
Tax Collections Disbursed to Other Governments		45,165
Other Disbursements		2,743
Total Deductions	344,015	57,116
Change in Net Position	260,471	1,992
Net Position - Beginning of Fiscal Year	4,508,753	6,429
Net Position - End of Fiscal Year	\$ 4,769,224	\$ 8,421

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

Statement of Net Position
Discretely Presented Component Units
As of September 30, 2025

(In Thousands)

	CPS ENERGY	SAN ANTONIO WATER SYSTEM	NONMAJOR COMPONENT UNIT	TOTAL
Assets:				
Current Assets:				
Unrestricted Assets:				
Cash and Cash Equivalents	\$ 407,259	\$ 271,297	\$ 19,825	\$ 698,381
Investments		415,476		415,476
Receivables, Net	492,783	97,893	401	591,077
Materials and Supplies, at Cost	215,550	8,979	41	224,570
Prepaid Expenses	170,196	9,643	185	180,024
Total Unrestricted Assets	1,285,788	803,288	20,452	2,109,528
Restricted Assets:				
Debt Service Accounts:				
Cash and Cash Equivalents		72,715		72,715
Capital Projects Accounts:				
Cash and Cash Equivalents		2,871		2,871
Other Restricted Accounts:				
Cash and Cash Equivalents			5,544	5,544
Investments		200,492		200,492
Receivables, Net				
Lease Receivables			3,170	3,170
Total Restricted Assets		276,078	8,714	284,792
Total Current Assets	1,285,788	1,079,366	29,166	2,394,320
Noncurrent Assets:				
Capital Assets:				
Depreciable and Non-Depreciable				
Land	115,465	183,170	11,397	310,032
Land Easements and Water Rights	107,846	248,686		356,532
Depreciable Intangible Assets	280,687	1,354		282,041
Infrastructure			54,312	54,312
Buildings			130,607	130,607
Utility Plant in Service	17,107,748	9,539,604		26,647,352
Machinery and Equipment		656,399	11,878	668,277
Construction in Progress	1,073,018	897,650	2,528	1,973,196
Nuclear Fuel	1,332,053			1,332,053
Less: Accumulated Depreciation	9,042,657	3,046,539	95,818	12,185,014
Depreciable and Non-Depreciable, Net	10,974,160	8,480,324	114,904	19,569,388
Lease Assets	6,128		2,353	8,481
Less: Accumulated Amortization	3,178		286	3,464
Lease Assets, Net	2,950		2,067	5,017
Subscription Assets	54,466	6,892	323	61,681
Less: Accumulated Amortization	27,190	3,627	248	31,065
Subscription Assets, Net	27,276	3,265	75	30,616
Net Capital Assets	11,004,386	8,483,589	117,046	19,605,021
Other Noncurrent Assets:				
Cash and Cash Equivalents	634,446	71,631		706,077
Investments	1,332,269	421,969		1,754,238
Receivables, Net	8,395	3,292		11,687
Pension Regulatory Asset	275,333			275,333
Lease Receivables			61,611	61,611
Other Noncurrent Assets	994,339	43,095		1,037,434
Total Other Noncurrent Assets	3,244,782	539,987	61,611	3,846,380
Total Noncurrent Assets	14,249,168	9,023,576	178,657	23,451,401
Total Assets	15,534,956	10,102,942	207,823	25,845,721
Deferred Outflows of Resources	917,441	112,839	27	1,030,307

(Continued)

Statement of Net Position
Discretely Presented Component Units (Continued)
As of September 30, 2025

(In Thousands)

	CPS ENERGY	SAN ANTONIO WATER SYSTEM	NONMAJOR COMPONENT UNIT	TOTAL
Liabilities:				
Current Liabilities:				
Payable from Current Unrestricted Assets:				
Accounts Payable and Other Current Liabilities	\$ 765,115	\$ 57,707	\$ 2,765	\$ 825,587
Unearned Revenues			102	102
Current Portion of Compensated Absences	27,156	12,107	18	39,281
Current Portion of Long-Term Lease/Notes Payable		18,381	3,105	21,486
Current Portion of Lease Liability			154	154
Current Portion of Subscription Liability			24	24
Current Portion of Other Payables	69,175	8,022	139	77,336
Total Payable from Current Unrestricted Assets	861,446	96,217	6,307	963,970
Payable from Restricted Assets:				
Accounts Payable and Other Current Liabilities		115,654		115,654
Accrued Interest on Bonds and Certificates		18,863		18,863
Current Portion of Bonds and Certificates (net of premium/discount)	183,600	74,770	511	258,881
Current Portion of Commercial Paper		5,070		5,070
Total Payable from Restricted Assets	183,600	214,357	511	398,468
Total Current Liabilities	1,045,046	310,574	6,818	1,362,438
Noncurrent Liabilities:				
Bonds and Certificates (net of current portion & premium/discount)	8,222,456	3,496,579	73,554	11,792,589
Commercial Paper (net of current portion)		166,305		166,305
Asset Retirement Obligations	1,082,718	50,969		1,133,687
Long-Term Lease/Notes Payable (net of current portion)		833,217	6,907	840,124
Compensated Absences (net of current portion)		16,598	68	16,666
Lease Liability (net of current portion)	2,666		1,894	4,560
Subscription Liability (net of current portion)	11,164	2,942	19	14,125
Net OPEB and Pension Liabilities	472,091	49,585		521,676
Other Payables (net of current portion)	713,677	18,908	5,177	737,762
Total Noncurrent Liabilities	10,504,772	4,635,103	87,619	15,227,494
Total Liabilities	11,549,818	4,945,677	94,437	16,589,932
Deferred Inflows of Resources	176,369	28,844	116,533	321,746
Net Position:				
Net Investment in Capital Assets	2,775,776	4,199,734	31,881	7,007,391
Restricted for:				
Debt Service	187,321	66,521	4,065	257,907
Capital Projects	793,573	187,623		981,196
Operating and Other Reserves		130,805		130,805
Unrestricted	969,540	656,577	(39,066)	1,587,051
Total Net Position	\$ 4,726,210	\$ 5,241,260	\$ (3,120)	\$ 9,964,350

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

Statement of Activities
Discretely Presented Component Units
Year-Ended September 30, 2025
(In Thousands)

	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			TOTALS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	CPS ENERGY	SAN ANTONIO WATER SYSTEM	NONMAJOR COMPONENT UNIT	
CPS Energy	\$ 3,545,729	\$ 3,575,883	\$ -	\$ 162,829	\$ 192,983	\$ -	\$ -	\$ 192,983
San Antonio Water System	863,974	866,953		255,383		258,362		258,362
Nonmajor Component Unit	26,970	20,368		10,508			3,906	3,906
Total	\$ 4,436,673	\$ 4,463,204	\$ -	\$ 428,720	192,983	258,362	3,906	455,251
General Revenues:								
Investment Earnings					122,310	64,434	1,654	188,398
Miscellaneous					46,862	53	324	47,239
Total General Revenues					169,172	64,487	1,978	235,637
Change in Net Position					362,155	322,849	5,884	690,888
Net Position - Beginning of Fiscal Year, as previously reported					4,364,055	4,928,304	191,952	9,484,311
Change in Accounting Principle						(9,893)		(9,893)
Change to Financial Reporting Entity							(200,956)	(200,956)
Aggregate adjustments and restatements						(9,893)	(200,956)	(210,849)
Net Position, Beginning of Fiscal Year, as adjusted or restated					4,364,055	4,918,411	(9,004)	9,273,462
Net Position - End of Fiscal Year					\$ 4,726,210	\$ 5,241,260	\$ (3,120)	\$ 9,964,350

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

Annual Comprehensive Financial Report

Notes to Financial Statements

Year-Ended September 30, 2025

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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 and outlined below, potential component units were evaluated for inclusion in or exclusion from the reporting entity, whether the organizations were financially accountable or not, and were further evaluated for financial statement presentation. Based on their individual relationships with the City, some component unit financial statements were blended as though they are part of the City and others were discretely presented.

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

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

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

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

The criteria outlined on the previous page were excerpted from GASB Statement No. 14, as amended. For a more detailed explanation of the criteria established by the Statements, refer to the *Codification of Governmental Accounting and Financial Reporting Standards*, as of June 30, 2025, 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 may be blended with those of the City. See Note 21 Adjustments and Restatements for more information.

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

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

City of San Antonio 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. Council Aides is considered immaterial to the opinion unit, as such its financial statements are not included in this document.

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

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

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

Municipal Golf Association – San Antonio DBA Alamo City Golf Trail 2315 Avenue B San Antonio, TX 78215 Contact: Joe Nunez Telephone No. (210) 908-5921	Municipal Golf Association – San Antonio DBA Alamo City Golf Trail (MGA-SA) was established in fiscal year 2007 in accordance with state laws for the purposes of, and to act on behalf of the City in, operating and promoting the City's municipal golf facilities. MGA-SA is governed by a 15-member board of directors, which is comprised of seven members selected by MGA-SA according to the approved process contained in its by-laws; two ex-officio member positions from City staff who are appointed by the City Manager; and six members appointed by the City Council. MGA-SA provides services entirely to the City through managing the City's eight golf courses.
Prosper West San Antonio 630 S.W. 41st Street San Antonio, TX 78237 Contact: Ryan Kuhl 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. PWSA is considered immaterial to the opinion unit, as such its financial statements are not included in this document.
San Antonio Early Childhood Education Municipal Development Corporation 7031 S. New Braunfels Ave. San Antonio, TX 78223 Contact: Dr. Sarah Baray & Mike Ramsey Telephone No. (210) 206-2755	The San Antonio Early Childhood Education Municipal Development Corporation (ECEMDC) was established in fiscal year 2012 in accordance with state laws for the purpose of, and to act on behalf of the City, to develop and implement programs for early childhood development, job training, and any other undertaking that the board determines will directly facilitate the development of a skilled workforce and foster economic opportunity. As such in 2012, Pre-K 4 SA was established to develop and implement authorized programs for early childhood education services. Additionally, in 2020, SA: Ready to Work was established to ensure that unemployed, underemployed, or underserved residents can access and successfully complete training and education that lead to current and anticipated high-demand, well-paid careers. ECEMDC is governed by a board of trustees appointed by the City Council. ECEMDC's debt, including leases, is expected to be repaid almost entirely with the resources of the City comprised of a 1/8 cent sales tax increase approved by San Antonio residents for each program. The City has the ability to impose its will and has met the fiscal dependency and financial benefit/burden criteria. The City did not receive ECEMDC's fiscal year 2025 audited financial statements; therefore, its financial data is not disclosed in the City's financial statements. ECEMDC is considered immaterial to the opinion unit.

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

San Antonio Economic Development Corporation 100 W. Houston St. San Antonio, TX 78205 Contact: Brenda Hicks-Sorenson Telephone No. (210) 207-3970	The San Antonio Economic Development Corporation (EDC) was established in fiscal year 2010 as a nonprofit corporation to promote, assist, and enhance economic development activities for the City. EDC was organized for the purposes of undertaking any statute-authorized projects to benefit and accomplish the public purpose of promoting economic development in the City. The affairs of EDC are managed by a board of directors appointed by the City Council. The City Council may remove a director at any time without cause. EDC's budget is not effective until approved by the City Council. EDC provides services entirely to the City, as contracts or agreements cannot be executed without City Council approval. The City has the ability to impose its will. EDC is considered immaterial to the opinion unit, as such its financial statements are not included in this document.
San Antonio Education Facilities Corporation 100 W. Houston St. San Antonio, TX 78205 Contact: Brenda Hicks-Sorenson Telephone No. (210) 207-3970	The San Antonio Education Facilities Corporation (EFC), formerly the City of San Antonio Higher Education Authority, was established in 1984 in accordance with state laws for the purpose of aiding nonprofit institutions of higher education in providing educational, housing, and other related facilities in accordance with, and subject to, the provisions of Section 53.35 (b) Texas Education Code (the Code), all to be done on behalf of the City and its duly constituted authority and instrumentality. The Code authorizes EFC to issue revenue bonds, for which the City is not obligated in any manner, to finance qualified projects that meet the purpose of the Code. The EFC is governed by a board of directors, which is comprised of the City Council. EFC met the financial benefit/burden and operational responsibility criteria, and the City has the ability to impose its will. EFC is considered immaterial to the opinion unit, as such its financial statements are not included in this document.
San Antonio Health Facilities Development Corporation 100 W. Houston St. San Antonio, TX 78205 Contact: Brenda Hicks-Sorenson Telephone No. (210) 207-3970	The San Antonio Health Facilities Development Corporation (HFDC) was established by Ordinance No. 55400, dated June 3, 1982, in accordance with state laws for the purposes of, and to act on behalf of the City as, a corporation under the Texas Health Facilities Development Act of 1981. The HFDC is authorized to issue tax-exempt health facility revenue bonds, for which the City is not obligated in any manner, to finance health related projects in support of the promotion, expansion, and improvement of health facilities. The HFDC is governed by a board of directors, which is comprised of the City Council. HFDC met the financial benefit/burden and operational responsibility criteria, and the City has the ability to impose its will. HFDC is considered immaterial to the opinion unit, as such its financial statements are not included in this document.

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

San Antonio Industrial Development Authority 100 W. Houston St. San Antonio, TX 78205 Contact: Brenda Hicks-Sorenson Telephone No. (210) 207-3970	The San Antonio Industrial Development Authority (IDA) was established by Resolution No. 79-48-100, dated October 11, 1979, in accordance with state laws for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of the City as, a corporation under the Development Corporation Act of 1979. The IDA is authorized to issue tax-exempt industrial revenue bonds, for which the City is not obligated in any manner, to finance qualified projects, which may further the promotion and development of commercial, industrial, and manufacturing enterprises to advance and encourage employment and public welfare. The IDA is governed by a board of directors, which is comprised of the City Council. IDA met the financial benefit/burden and operational responsibility criteria, and the City has the ability to impose its will. IDA is considered immaterial to the opinion unit, as such its financial statements are not included in this document.
San Antonio Texas Municipal Facilities Corporation 100 W. Houston St. San Antonio, TX 78205 Contact: Margaret U. Villegas Telephone No. (210) 207-8632	The San Antonio Texas Municipal Facilities Corporation (TMFC) was established in fiscal year 2001 in accordance with state laws for the purposes of, and to act on behalf of the City in, acquiring, constructing, equipping, financing, operating, and maintaining land and other municipal facilities for the City. The TMFC is governed by a board of directors, which is comprised of the City Council. The City can impose its will, and TMFC also meets the operational responsibility criteria.
San Pedro Creek Development Authority 100 W. Houston St. San Antonio, TX 78205 Contact: Troy Elliott Telephone No. (210) 207- 5734	The San Pedro Creek Development Authority (SPCDA) was established in fiscal year 2025 in accordance with state laws for the purposes of, and to promote economic development in the San Pedro Creek Park District located in the northwestern portion of the City of San Antonio's downtown, including the development of facilities located within and related to the San Pedro Creek Park District. The Authority is responsible for owning a multi-purpose facility, with construction funded by bonds backed by incremental revenue from the Houston Street TIRZ. SPCDA has a nine-member board of trustees, including the City Manager and Mayor. SPCDA has met the financial benefit/burden criteria. SPCDA did not have any financial activity in fiscal year 2025 and had no beginning fund balance at October 1, 2024.
Starbright Industrial Development Corporation 100 W. Houston St. San Antonio, TX 78205 Contact: Margaret U. Villegas Telephone No. (210) 207-8632	The Starbright Industrial Development Corporation (SIDC) was established in fiscal year 2003 in accordance with state laws for the purposes of, and to act on behalf of the City in, the promotion and development of commercial, industrial, and manufacturing enterprises, to advance and encourage employment and public welfare, including but not limited to the acquisition of land. The SIDC is governed by a board of directors, which is comprised of the City Council. SIDC met the financial benefit/burden and the operational responsibility criteria. The City has the ability to impose its will.

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

Texas Public Facilities Corporation 100 W. Houston St. San Antonio, TX 78205 Contact: Margaret U. Villegas Telephone No. (210) 207-8632	Texas Public Facilities Corporation (TPFC) was established in fiscal year 2012 in accordance with state laws for the purpose of, and to act on behalf of the City in, effectuating the buyout of the City's existing Hotel Revenue Bonds and funding for the expansion of the City's Convention Center through issuance of 2012 Lease Revenue Bonds. The TPFC is governed by a board of directors, which is comprised of the City Council. TPFC's governing board is substantially the same as the City's governing board, and TPFC meets the operational responsibility criteria. The City has the ability to impose its will.
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) 207-6459	The Urban Renewal Agency of the City of San Antonio DBA Office of Urban Redevelopment of San Antonio (OUR SA) was created under the provisions of the Urban Renewal Law of the State of Texas. OUR SA is responsible for implementing the City's Urban Renewal Program and may designate for urban renewal in such areas as it deems advisable, subject to approval by the City Council. OUR SA receives a majority of its operating funds from the City. OUR SA is governed by a six-member board of commissioners appointed by the City Council. The City's management has operational responsibility for Our SA. The City has the ability to impose its will. OUR SA is considered immaterial to the opinion unit, as such its financial statements are not included in this document.
Visit San Antonio 317 Alamo Plaza San Antonio, TX 78205 Contact: Natalie Balderrama Telephone No. (210) 244-2026	Visit San Antonio (VSA) was established in fiscal year 2016 in accordance with state laws for the purposes of providing destination and marketing services, attracting leisure visitors, events and conventions to the City's Henry B. Gonzalez Convention Center and other owned facilities. VSA will also serve as a liaison to local businesses, including hoteliers, sports foundations, and other similar entities to attract visitors and events to the City. VSA has a 21-member board, of which the City Manager and two Council members are appointed by the Mayor. VSA provides services almost entirely to the City, and met the financial benefit/burden criteria. VSA is considered immaterial to the opinion unit, as such its financial statements are not included in this document.

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 J. 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 her appointee, two active police officers, two active firefighters, and two uniformed retirees. The City and its active uniformed personnel are obligated to make all contributions to the Pension Fund in accordance with rates established by state laws. Benefit levels are also set by state laws. Services rendered by the Pension Fund are exclusively for the benefit of eligible firefighters and police officers, upon retirement. The Pension Fund provides services entirely to the City's uniformed personnel.

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

11603 W. Coker Loop, Ste. 210
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 her appointee, two active police officers, two active firefighters, and two uniformed retirees. The City, active uniform employees, and retirees on behalf of their dependents are obligated to make all contributions to the Health Fund in accordance with rates established by state laws. Benefits are established pursuant to legislation enacted by the State with the Health Fund Board's ability to modify those benefits within certain parameters. The Health Fund provides services entirely to the City's active and retired uniformed personnel.

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

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

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

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

The Pension Fund and Health Fund's fiscal year-end are December 31st; financial information disclosed in the City's Annual Comprehensive Financial Report for both entities is as of December 31, 2024.

Discretely Presented Component Units

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

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

Brooks is a special district and political subdivision of the State of Texas. It was established on September 27, 2001, as a defense base development authority in accordance with state laws for the purposes of, and to act on behalf of the City in, improving mission effectiveness, reducing the cost of providing quality installation support through improved capital asset management, and promoting economic development for Brooks Air Force Base and in the surrounding community. An 11-member board of directors appointed by the City Council governs Brooks for two-year terms and oversees the Brooks Technology and Business Park in support of the Brooks City-Base Project. The City's ability to impose its will on Brooks is through City Council having the power to remove board members.

CPS Energy
P.O. Box 1771
San Antonio, TX 78296
Contact: Lizeth Oliver
Telephone No. (210) 353-5835

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

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

Port Authority of San Antonio DBA Port San Antonio 907 Billy Mitchell Blvd. San Antonio, TX 78226 Contact: Patrick Cruzen Telephone No. (210) 362-7834	The Port Authority of San Antonio DBA Port San Antonio (the Port) is a special district and political subdivision of the State of Texas that was originally established in 1996 as a local development authority under the Development Corp Act of 1979 for the purpose of monitoring the proposed closing of Kelly Air Force Base (Kelly). The Port was to conduct comprehensive studies of all issues related to the closure, conversion, redevelopment, and future use of Kelly, and submit and implement the plan to the appropriate agency or agencies of the federal government. The Port is authorized to issue bonds, for which the City is not obligated in any manner, to finance projects as permitted by state laws. The Port is governed by an 11-member board of directors, appointed at will by City Council, providing the City the ability to impose its will. The Port is considered immaterial to the opinion unit, as such its financial statements are not included in this document.
SA Energy Acquisition Public Facility Corporation P.O. Box 1771 San Antonio, TX 78296 Contact: Lizeth Oliver Telephone No. (210) 353-5835	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. SAEAPFC is considered immaterial to the opinion unit, as such its financial statements are not included in this document.
San Antonio Bexar County Soccer Public Facility Corporation 100 Military Plaza San Antonio, TX 78205 Contact: Alejandra Lopez Telephone No. (210) 207-3975	San Antonio Bexar County Soccer Public Facility Corporation (SABC PFC) is a nonprofit corporation established in fiscal year 2016 in accordance with state laws for the purposes of, and to act on behalf of the City in, the renovation and operation of a facility and related property and infrastructure to be used for and to support professional soccer within the City. SABC PFC is governed by a four-member board of directors comprised of two appointees from the City and two from the County, all who must be approved by City Council, providing the City the ability to impose its will. The issuance of bonds is approved by City Council, meeting fiscal dependency criteria. SABC PFC is considered immaterial to the opinion unit, as such its financial statements are not included in this document.
San Antonio Housing Trust Finance Corporation 8200 IH-10 West, Suite 501 San Antonio, TX 78230 Contact: Pedro Alanis Telephone No. (210) 735-2772	The San Antonio Housing Trust Finance Corporation (HTFC) was established in 1997 under the Texas Housing Finance Corporations Act (the Act), in accordance with state laws for the purposes of, and to act on behalf of the City in, carrying out the purposes of the Act, including the issuance of single family and multi-family revenue bonds. HTFC's board of directors is appointed by City Council, consisting of five City Council members. The City can remove board members at will, providing the City the ability to impose its will. HTFC is considered immaterial to the opinion unit, as such its financial statements are not included in this document.

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

San Antonio Housing Trust Foundation, Inc. 8200 IH-10 West, Suite 501 San Antonio, TX 78230 Contact: Pedro Alanis Telephone No. (210) 735-2772	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. HTF is considered immaterial to the opinion unit, as such its financial statements are not included in this document.
San Antonio Housing Trust Public Facility Corporation 8200 IH-10 West, Suite 501 San Antonio, TX 78230 Contact: Pedro Alanis Telephone No. (210) 735-2772	San Antonio Housing Trust Public Facility Corporation (HTPFC) was established in fiscal year 2010 as a nonprofit corporation organized for the purpose of assisting the City in financing, refinancing, or providing public facilities. HTPFC enables housing resources to be better coordinated and directed to accomplish the City's revitalization goals and gives the City another tool to establish housing in downtown and other areas targeted for development. HTPFC's board of directors is appointed by City Council and consists of five City Council members. The City can remove board members at will, providing the City the ability to impose its will. HTPFC is considered immaterial to the opinion unit, as such its financial statements are not included in this document.
San Antonio Housing Trust Reinvestment Corporation 8200 IH-10 West, Suite 501 San Antonio, TX 78230 Contact: Pedro Alanis Telephone No. (210) 735-2772	San Antonio Housing Trust Reinvestment Corporation (HTRC) was created to act as a duly constituted authority of the City and is authorized by the City Council to aid, assist, and act on behalf of the City to promote for the common good and general welfare of reinvestment zones. The City must approve the issuance of bonds, providing fiscal dependency. HTRC is considered immaterial to the opinion unit, as such its financial statements are not included in this document.
San Antonio Water System P.O. Box 2449 San Antonio, TX 78298 Contact: Anthony Turrietta Telephone No. (210) 233-3803	On May 19, 1992, the consolidation of water systems, agencies, and activities into one institution through a refunding of the then outstanding water and sewer bonds of the former City Water Board, Alamo Water Conservation and Re-Use District, and the City's Sewer and Stormwater System, resulted in the creation of the San Antonio Water System (SAWS). The City Council determined that the interests of the citizens and the customers would best be served by placing authority for management and control of SAWS, as consolidated, with a board of trustees. This board of trustees includes the City's Mayor as an ex-officio member, along with six members appointed by City Council for four-year staggered terms. The City has the ability to impose its will on SAWS through the setting of user rates for services and charges and the issuance of bonds approved by the City Council.

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

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

SAWS' s fiscal year-end is December 31st while CPS Energy's is January 31st; financial information disclosed in the City's Annual Comprehensive Financial Report is as of December 31, 2024 for SAWS and January 31, 2025 for CPS Energy.

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

Related Organizations

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

Basic Financial Statements - GASB Statement No. 34

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

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

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

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

Fund Accounting

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

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

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

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

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

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

- The General Fund is always presented as a major fund.
- The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs, except those that are accounted for in enterprise funds.
- The COVID-19 Funds accounts for the receipt and disbursements of federal, state, local, and private money designated to be spent towards the City's response to the COVID-19 pandemic and better prepare the City after the pandemic through infusion of cash aid and services to the community.
- The Categorical Grant-In-Aid Fund, a special revenue fund, accounts for the receipt and disbursement of all federal and state grants (with non-cash in-kind contributions from external agencies for federal and state grants), except for Community Development Block Grants, HOME Investment Partnership Grants, and Confiscated Property.
- The 2022 General Obligation Bonds Fund, a capital projects fund, accounts for the receipt and disbursement of bond proceeds for physical infrastructure development and improvement projects approved in an \$1,200,000 bond election held on May 7, 2022.

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

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

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

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

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

The governmental funds that have legally adopted budgets are the General Fund, Debt Service Fund, Special Revenue Funds (excluding HOME Program, Categorical Grant-In-Aid, COVID-19 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, compensated absences, 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 compensated absences, are recognized when they are incurred. These funds are accounted for on a cost of services or economic resources measurement focus. Consequently, all assets and all liabilities (whether current or noncurrent), as well as deferred inflows and outflows of resources associated with its activity, are included in their Statement of Net Position. The reported proprietary fund net position is segregated into three components: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

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

CPS Energy

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

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

Revenues are recorded when earned. Customers' meters are read, or periodically estimated, and bills are prepared monthly based on billing cycles. Rate tariffs include adjustment clauses that permit recovery of electric and gas fuel costs. CPS Energy uses historical information from prior fiscal years as partial bases to estimate and record earned revenue not yet billed (unbilled revenue). This process involves an extrapolation of customer usage over the days since the last meter read through the last day of the monthly period. Also included in unbilled revenue are the over/under-recoveries of electric and gas fuel costs and regulatory assessments. Unbilled revenue receivable recorded on January 31, 2025, including estimates for electric fuel and gas costs, was \$32,170.

CPS Energy's rate tariffs contain a fuel cost adjustment clause which also permits recovery of regulatory assessments. CPS Energy recovers assessments from the Public Utility Commission of Texas (PUCT) for transmission access charges and from the Texas independent system operator, also known as the Electric Reliability Council of Texas (ERCOT), for its operating costs and other charges applicable to CPS Energy as a wholesale provider of power to other utilities. Regulatory assessments for fiscal year 2025 was \$112,708.

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 \$92,667 fiscal year-ended January 31, 2025.

In fiscal year 2025, CPS Energy paused residential customer disconnects during the extreme summer weather conditions, but they were resumed as conditions improved and continued through the end of the fiscal year.

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 \$1,028 for the fiscal year-ended January 31, 2025. On January 31, 2025, customer accounts receivables, net were \$354,282.

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 include in the regulatory asset must be approved by CPS Energy's Board of Trustees and City Council. On January 31, 2025, fuel costs to be recovered in future years totaled \$763,305.

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

CPS Energy accounts for its legal obligation to decommission STP Units 1 and 2 in accordance with GASB Statement No. 83, *Certain Asset Retirement Obligations (ARO)*. CPS Energy has recognized its pro rata share of an ARO based on the best estimate of the current values of outlays expected to be incurred to decommission the units, determined by the most recent cost study performed in May 2023. A new cost study is performed every five years; in years after the latest study, GASB Statement No. 83 requires the current value of the CPS Energy's ARO be adjusted for the effects of inflation or deflation, at least annually. In addition to the ARO, CPS Energy has recorded deferred outflows of resources that are being amortized over the remaining useful life of the plant.

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

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 nonoperating revenues and expenses.

Note 1 Summary of Significant Accounting Policies (Continued)**Current Year GASB Statement Implementations*****Primary Government (City)***

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 implemented this Statement in fiscal year 2025. See Note 8 Long-Term Obligations and Note 21 Adjustments and Restatements for additional information.

GASB Statement No. 102, *Certain Risk Disclosures*, the primary objective of this Statement is to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. This is achieved by requiring governments to disclose information about a concentration or constraint if all of the following criteria are met (a) the concentration or constraint is known to the government prior to issuing the financial statements, (b) the concentration or constraint makes the government vulnerable to the risk of a substantial impact, (c) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date financial statement are issued.

The disclosures should include descriptions of the following (1) the concentration or constraint, (2) each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred or has begun to occur prior to the issuance of the financial statements, (3) actions taken by the government to mitigate the risk prior to the issuance of the financial statements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. The City evaluated this Statement in fiscal year 2025 and did not have any disclosures to report.

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

GASB Statement No. 103, *Financial Reporting Model Improvements*, the objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The City will assess and implement this Statement where applicable in fiscal year 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, establishes requirement for certain types of capital assets to be disclosed separately for purposes of note disclosures. It also establishes requirements for capital assets held for sale and requires additional disclosures for those capital assets. Statement No. 104 requires separate disclosure for four types of capital assets: lease assets reported under Statement No. 87, by major class of underlying asset; intangible right-to-use assets recognized by an operator under Statement No. 94, by major class of underlying asset; subscription assets reported under Statement No. 96; and intangible assets other than listed above, by major class of asset. Statement No. 104 establishes requirements for capital assets held for sale. A capital asset is a capital asset held for sale if the government has decided to pursue the sale of the asset, and it is probable the sale will be finalized within a year of the financial statement date. A government should disclose the historical cost and accumulated depreciation of capital assets held for sale, by major class of asset. The requirements of Statement No. 104 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The City will assess and implement this Statement where applicable in fiscal year 2026.

GASB Statement No. 105, *Subsequent Events*, which is designed to improve the financial reporting requirements for subsequent events. GASB's pre-agenda research on subsequent events showed diversity in practice in the application of the previously existing guidance on subsequent events, which was contained in GASB Statement No. 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards*. This Statement, therefore, is intended to enhance consistency in the application of requirements for subsequent events. The Statement defines subsequent events as transactions or other events that occur after the date of the financial reporting statements but before the date the financial statements are available to be issued. The definition of subsequent events in this Statement modifies the subsequent events time frame throughout the GASB literature. Statement No. 105 also clarifies the different types of subsequent events, when note disclosures are required, and the information that should be included in those note disclosures. The requirements of Statement No. 105 are effective for fiscal year beginning after June 15, 2026, and all reporting periods thereafter. The City will assess and implement this Statement where applicable in fiscal year 2027.

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

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

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, 2025, 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 were 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 financial statements, the City considers all highly liquid investments with an original maturity of approximately 90 days or less to be cash equivalents.

Materials and Supplies and Prepaid Items

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

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

Capital Assets and Depreciation***Primary Government (City)***

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, works of art, historical treasures, or capital assets received in a service concession agreement are valued at acquisition value. Capital assets recorded under 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.

Note 1 Summary of Significant Accounting Policies (Continued)**Capital Assets and Depreciation (Continued)*****Primary Government (City) (Continued)***

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

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

Assets	Useful Life (Years)	Capitalization Threshold
Automotive Equipment	5-10	\$ 5
Computer Software	5-10	5
Computer Equipment	5-10	5
Machinery and Equipment	5-25	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

The right-to-use lease and subscription asset threshold is \$5 and are amortized over the lesser of the life of the associated contract or useful life of the asset.

CPS Energy

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

CPS Energy's utility plant is stated at the cost of construction, including expenses for contracted services; direct equipment, material and labor; indirect costs, including general engineering, labor, equipment and material overheads.

Proceeds from customers to partially fund construction expenses are reported as capital grants and contributions in the Statement of Activities as increases in net position in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. The amount reported for capital grants and contributions was \$162,829 for the period ending January 31, 2025, including donated assets of \$6,117. The remaining portion of this balance, \$156,712 for fiscal year 2025, represents contributions received from customers as payments for utility extensions and services, as well as funding for community initiatives and other local partnership projects.

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

Except for nuclear fuel, which is amortized over units of production, CPS Energy computes depreciation using the straight-line method over the estimated service lives of the depreciable property according to asset type. Total depreciation as a percent of total depreciable assets, excluding nuclear fuel, was 2.9% for fiscal year 2025.

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

Depreciable Capital Assets	Useful Life (Years)
Buildings and Structures	45-50
Utility Plant in Service:	
Generation	35-59
Transmission and Distribution	6-63
Gas	30-65
Machinery and Equipment	4-20
Intangibles:	
Software	8
Other	20-30
Mineral Rights and Other	20-40
Nuclear fuel	Units of Production

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

In fiscal year 2025, CPS Energy engaged an independent third-party consulting firm to conduct a depreciation study. To align with changes in the industry, CPS Energy plans to have studies conducted on a three-year cycle moving forward. The new depreciation rates resulting from the study were retroactively applied to the beginning of fiscal year 2025. As a result of the study, based on the plant in service as of January 31, 2024, total annual depreciation decreased by approximately 9.3% based on the updated estimated useful lives and increases in Plant-In-Service balances.

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

Thresholds contained in CPS Energy's capitalization policy for fiscal year 2025 are as follows:

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

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 and subscription assets. Assets acquired through financed purchase agreements are recorded as assets in Utility plant in service and the financed purchase agreements recorded as liabilities in contract payable in SAWS' financial statements using the present value of the contract payments and any other non-executory costs. Assets acquired through contributions, such as those from developers, are recorded at estimated acquisition value at date of donation. Maintenance, repairs, and minor renewals are charged to operating expense, while major plant replacements are capitalized.

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)*****SAWS (Continued)***

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

Assets	Useful Life (Years)
Structures and Improvements	25-50
Pumping and Purification Equipment	10-50
Distribution and Transmission System	17.5-50
Collection System	50
Treatment Facilities	25
Machinery and Equipment	5-20
Furniture and Fixtures	3-10
Computer Equipment	5
Software	3-10
Intangible Assets (Definite Useful Life)	2-20

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 \$13,157 in 2024. These abatements are conditional based on the type of development and in certain instances, time requirements and geographic restrictions.

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

The City implemented GASB Statement No. 101, *Compensated Absences* in fiscal year 2025, which established a unified model for accruing compensated absences based on updated recognition and measurement guidance. The City accrues annual leave, sick leave, and other leave types and associated employee related costs for leave that has not been used and leave that has been used but not yet paid or settled for both civilian and uniformed employees. The City grants leave 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 accrues available sick leave at year-end for these employees. The City accrues the matured portion of its uniformed employees' accrued sick leave, holiday, and bonus pay in accordance with their respective collective bargaining agreements.

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

CPS Energy

In fiscal year 2025, CPS Energy adopted a paid-time off (PTO) benefits policy, which consolidated vacation, sick leave, and personal days. The policy allows employees to earn PTO benefits each pay cycle based on their years of service. As of January 31, 2025, the accrued liabilities for those vested benefits were \$27,156, which are included in accounts payable and accrued liabilities on the Statement of Net Position. In addition, the adoption of the new policy did not result in a material financial statement impact.

San Antonio Water System (SAWS)

As a part of the implementation of GASB Statement No. 101, SAWS is required to accrue earned but unused employee vacation and a portion of personal leave pay as well as the employer portion of Social Security taxes and required employer pension contributions related to the accrued vacation and personal leave pay. Per SAWS' policy, unused vacation hours are payable upon termination; therefore, employees are expected to either use or receive a payout for all of their vacation accrued as of the measurement date. Personal leave is not paid out upon termination, but employees have the option of receiving a payout annually for up to 40 hours accrued. Employees can carry up to a maximum of 880 hours of personal leave. At the end of each year, SAWS pays one hour's pay for every two hours to employees with an excess of 880 hours. Personal leave liability is measured related to these payouts as well as leave expected to be used during active employment.

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.

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

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

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. On January 1, 2024, the City purchased medical claims stop-loss insurance from BCBS and continued that coverage for all of fiscal year 2025. 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 and reviewed annually. Current year unpaid benefit liabilities for retirees are netted against the postemployment liability as additional contributions.

The City is a member of the Texas Municipal League Workers' Compensation Joint Insurance Fund and uses this fund as a mechanism for administering workers' compensation claims that occurred prior to September 30, 1986. Workers' compensation claims that occurred after October 1, 1986 are administered by third-party administrators. The City records all workers' compensation loss contingencies, including claims incurred but not reported. The City determines and accrues workers' compensation liabilities based on an actuarial assessment of historical claim data and industry trends performed annually. The City has been completely self-insured for workers' compensation claims since May 1, 2013. In fiscal year 2020, the City purchased worker's compensation stop loss insurance for claims that exceed \$3,000. Additionally, in fiscal year 2023, the City purchased workers' compensation stop loss insurance for claims that exceed \$2,000 for civilian employees and \$5,000 for uniformed employees. This policy remains in place for fiscal year 2025.

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.

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

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

Fund Balances

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

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

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

- Assigned – Amounts in the assigned fund balance are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. 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***Primary Government (City)***

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 2025, general government expenditures in the General Fund were reduced by \$27,222, resulting in increased expenditures/expenses in other governmental functions and in business-type activities in the amounts of \$18,428 and \$8,794 respectively.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are amortized over the life of the debt. For current refundings and advance refundings of debt resulting in defeasance of debt, the difference between the reacquisition price and the carrying amount of the old debt are deferred as a deferred outflow of resources or deferred inflow of resources and amortized over the shorter of the life of the old debt or the life of the new debt. The reacquisition price differentiates between current and advance refunding. Per GASB Statement No. 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.

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

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 and Garage Fund was created to account for revenues from leases, City transfers from departmental rental, facility, and efficiency savings and parking revenues. The Purchasing Fund generates its revenue through fixed assessments charged to various funds each year for procurement services, as well as charge-backs for postage and printing. The Equipment Renewal and Replacement Fund charges fixed assessments associated with the replacement of vehicles and heavy equipment. Building Maintenance Fund charges user fees based on the space occupied by departments. Fleet Services Fund charges a monthly amount based on vehicle repair and maintenance and fuel purchases by each department.

Information Services charge a monthly amount based on the usage of data processing, telephone, and radio services by each department. The Self-Insurance Funds generate their revenues through fixed assessments charged to the various funds each year. The Employee Health 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.

Note 1 Summary of Significant Accounting Policies (Continued)**Elimination of Internal Activity (Continued)*****Primary Government (City) (Continued)*****Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the City, 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, 2025, was \$0.54159 per \$100 taxable valuation, which means that the City has a tax margin of \$1.95841 per \$100 taxable valuation (tax rate amounts are not reflected in thousands). This could raise an additional \$3,084,842 per year based on the net taxable valuation of \$157,517,702 before the limit is reached. In fiscal year 2025, the City has forgone property tax revenues as a result of abatement agreements entered into. For more information see Note 3 Tax Abatements.

The City has adopted a Tax Increment Financing (TIF) Program Policy and Implementation Manual for the utilization of tax increment as a financing mechanism and the creation of Tax Increment Reinvestment Zones (TIRZ) pursuant to Chapter 311 of the Texas Tax Code. The City has utilized TIF to fund in whole or in part eligible capital costs for public infrastructure related to economic development, commercial, and residential projects. As of September 30, 2025, there were 21 existing TIRZ with a total taxable captured value of \$8,354,579. For fiscal year 2025, this total taxable captured value produced \$42,425 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, affordable housing, and operating and administrative expenses in the TIRZ. The existing TIRZ have initial terms ranging from 19 years to 61 years which are anticipated to expire by fiscal year 2060. It is estimated that the City will contribute approximately \$1,158,135 in tax increment revenues in aggregate over the life of all TIRZ projects.

TIRZ	Start Date	End Date	Taxable Captured Value
Mission Del Lago	8/19/1999	9/30/2032	\$ 475,245
Houston Street	12/9/1999	9/30/2060	1,188,347
Stablewood Farms	12/14/2000	9/30/2025	81,554
Inner City	12/14/2000	9/30/2035	1,872,250
Lackland Hills	12/13/2001	9/30/2026	30,676
Northeast Crossing	6/13/2002	9/30/2028	326,347
Brooks City Base	12/9/2004	9/30/2039	651,275
Mission Creek	12/9/2004	9/30/2029	74,543
Hunters Pond	6/1/2006	9/30/2031	73,851
Verano	12/6/2007	9/30/2045	73,767
Westside	12/11/2008	9/30/2060	619,970
Midtown	12/11/2008	9/30/2041	2,057,949
Mission Drive In	12/11/2008	9/30/2027	257,711
North East Corridor	12/4/2014	9/30/2034	291,830
Hemisfair	2/2/2017	9/30/2037	121,640
Thea Meadows	12/5/2019	9/30/2054	66,671
Nabors	5/13/2021	9/30/2046	54,658
Somerset Grove	6/17/2025	9/30/2046	24,843
Valley Sol	6/17/2021	9/30/2046	11,374
Lone Oak	1/12/2023	9/30/2048	78
Rosillo ¹	2/20/2025	9/30/2050	
			<u>\$ 8,354,579</u>

¹ Fiscal year 2026 is anticipated to 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 or existing local company must meet or exceed all of the criteria: 1) minimum amounts of new real and/or personal property capital investment; 2) minimum levels of full-time job creation, excluding data center projects and solar farms; 3) employee and dependent access to health care benefits; 4) minimum living and all-industry wage requirements for new and existing employees at project site; and 5) applicant must be in a targeted industry, a qualifying project or business activity.
- ***Mechanism used to abate taxes*** – The City assesses the agreed upon reduction of the property's assessed value or the credit to the amount of taxes owed. Bexar County Appraisal District processes the reduction of the property's assessed value.
- ***How the dollar amount of the abatement was determined*** – The amount and term of the tax abatement offered is dependent upon the location and industry of the project, other public incentives offered for the same project and the overall benefit to the City and community.
- ***Recapture Provisions*** – Violations for employment of undocumented workers, failure to meet investment requirements, failure to meet and maintain the minimum number of employees, failure to pay property taxes if owed or for refunding agreements, failure to complete project by the agreed upon deadline, events of relocation or cessation of business activities within the term of the agreement, or failure to meet other specified terms of the agreement.
- ***Types of commitments made by recipients*** – Varies by agreement, including investment in real and personal property, creating a minimum number of full-time jobs, and commitment to maintain business activities for a set amount of time.
- ***Other commitments to the recipient*** – No other commitments are made with this program.

Note 3 Tax Abatements (Continued)**Economic Development Incentive Fund (EDIF) Program**

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

Tax Increment Financing Program – Center City Housing Incentive Policy

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

Note 3 Tax Abatements (Continued)**Tax Increment Financing Program – Center City Housing Incentive Policy (Continued)**

- ***How the dollar amount of the reimbursement was determined*** – The amount of the tax reimbursement offered is dependent on the location of the property and increase of the property value over the term of the agreement from the base year's value.
- ***Recapture Provisions*** – Violations for employment of undocumented workers, failure to meet investment requirements, failure to meet and maintain the minimum number of employees, failure to pay property taxes if owed or for refunding agreements, failure to complete project by the agreed upon deadline, events of relocation or cessation of business activities within the term of the agreement, or failure to meet other specified terms of the agreement.
- ***Types of commitments made by recipients*** – Varies by agreement, including investment in real and personal property (generally rental housing units).
- ***Other commitments to the recipient*** – Varies by agreement, may include SAWS fee waivers, City fee waivers, low interest loans, low interest forgivable loans, and mixed-use forgivable loans. The program ended in December 2020 and had not entered into new agreements. The program does have rebate obligations through existing agreements.

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

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

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

A summary of these taxes forgone on the City's abatement programs for the year-ended September 30, 2025 follows:

Tax Abatement Program	Number of Agreements (not in thousands)	Amount of Taxes Abated during the fiscal year
City Tax Abatement Program	7	\$ 5,206
Economic Development Incentive Fund Program	2	341
Center City Housing Incentive Policy	16	1,769
Non-Center City Housing Incentive Policy	1	78
	<u>26</u>	<u>\$ 7,394</u>

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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	\$ 277,746	\$ -	\$ -	\$ 407,259	\$ 271,297
Investments	613,765				415,476
Total Unrestricted	<u>\$ 891,511</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 407,259</u>	<u>\$ 686,773</u>
Restricted:					
Cash and Cash Equivalents	743,784	61,741	7,147	634,446	147,217
Security Lending Collateral		102,670		-	
Investments	1,065,683	4,058,766	588,610	1,332,269	622,461
Total Restricted	<u>\$ 1,809,467</u>	<u>\$ 4,223,177</u>	<u>\$ 595,757</u>	<u>\$ 1,966,715</u>	<u>\$ 769,678</u>
Total Cash and Cash Equivalents, Securities Lending Collateral and Investments	<u>\$ 2,700,978</u>	<u>\$ 4,223,177</u>	<u>\$ 595,757</u>	<u>\$ 2,373,974</u>	<u>\$ 1,456,451</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 \$5,227 and Investments of \$2,151. The City Retiree Health Care Fund assets are presented above as Restricted Cash and Cash Equivalents of \$3,037 and Investments of \$6,183.

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, 2025.

⁴ For the fiscal year-ended December 31, 2024.

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	\$ 96,459	\$ 310	\$ 78	\$ 383,911	\$ 7,894
Investments with Original Maturities of Less than Ninety Days	870,022	61,431	7,069	657,754	410,602
Cash with Other Financial Agents	54,826				
Petty Cash Funds	121			40	
Cash on Hand	102				18
Total Cash and Cash Equivalents	<u>\$ 1,021,530</u>	<u>\$ 61,741</u>	<u>\$ 7,147</u>	<u>\$ 1,041,705</u>	<u>\$ 418,514</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	\$ 2,547,670	\$ 405,630	\$ 7,069	\$ 1,566,882	\$ 1,448,539
Repurchase Agreements	1,800				
Convertible Bonds		353			
Corporate Bonds		505,437	14,531	105,402	
Foreign Bonds				11,160	
Common Stock		1,232,582		270,832	
Mutual Funds			104,736		
Real Estate		349,630	35,544	34,934	
Preferred Stock				813	
Hedge Funds		24,196			
International Equities - Common Stock		621,339			
Alternative Investment		981,030	433,799		
Total Investments	<u>\$ 2,549,470</u>	<u>\$ 4,120,197</u>	<u>\$ 595,679</u>	<u>\$ 1,990,023</u>	<u>\$ 1,448,539</u>
Less: Investments with Original Maturities of Less than Ninety Days included in Cash and Cash Equivalents	<u>(870,022)</u>	<u>(61,431)</u>	<u>(7,069)</u>	<u>(657,754)</u>	<u>(410,602)</u>
Total	<u>\$ 1,679,448</u>	<u>\$ 4,058,766</u>	<u>\$ 588,610</u>	<u>\$ 1,332,269</u>	<u>\$ 1,037,937</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, 2025.

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 increase in fair value for investments of the City with a remaining maturity of greater than one year at the time of purchase was \$6,994 for the year-ended September 30, 2025.

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, collectively, TexPool. 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 1) two Nationally Recognized Statistical Rating Organizations (NRSROs) or 2) one NRSRO and fully secured by an irrevocable letter of credit by a national or state bank, and securities lending programs. The Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company (the Trust Company), which is authorized to operate TexPool. Federated Investors, Inc. manages the assets under an agreement with the Comptroller, acting on behalf of the Trust Company. Additional information regarding TexPool and TexPool Prime may be found at <http://www.texpool.com/TexPool/home.do>.

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

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

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

City Investments					
	Carrying ¹ Amount	Fair ¹ Value	Allocation ²	Rating ³	WAM
U.S. Government Agency Securities	\$ 1,630,381	\$ 1,636,847	64.2%	AA+/A-1+	1.61 Years
U.S. Treasuries	42,073	42,601	1.6%	N/A	.09 Years
Money Market Mutual Funds	80,398	80,398	3.2%	AAAm	1 day
Government Investment Pool	787,824	787,824	30.9%	AAAm	1 day
Repurchase Agreement	1,800	1,800	0.1%	N/A	1 day
Total City Investments	<u>\$ 2,542,476</u>	<u>\$ 2,549,470</u>	<u>100.0%</u>		

¹ The Carrying Amount and Fair Value include blended component units for SIDC, TMFC, and TPFC, which total \$21,730.

² The allocation is based on fair value.

³ Standard & Poor's Rating

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

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

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

Interest Rate Risk – The City manages exposure to value losses resulting from rising interest rates by limiting the investment portfolio's weighted-average maturity to five years. Per the City's Investment Policy, investments are diversified across issuers and maturity dates so that fewer funds will be subject to interest rate risk occurrence at any given time. In addition, the City generally follows a 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. 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, 2025, 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, 2025, the U.S. government agency’s 64.2% securities allocation was as follows: Federal National Mortgage Association 4.4%, Federal Home Loan Mortgage Corporation 16.7%, Federal Home Loan Bank 25.7%, Farm Federal Credit Bank 13.9%, and Federal Agricultural Mortgage Corporation 3.5%.

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. U.S. Government Treasury securities and 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 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)**

	9/30/2025	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt Securities				
Government Agency Securities	\$ 1,636,847	\$ -	\$ 1,636,847	\$ -
Treasuries	42,601	42,601		
Total Debt Securities	\$ 1,679,448	\$ 42,601	\$ 1,636,847	\$ -
Total Investments by Fair Value Level	\$ 1,679,448	\$ 42,601	\$ 1,636,847	\$ -

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 \$4,223,177.

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 on April 30, 2024, and compared to actual allocations at December 31, 2024.

Investment Type	Target Allocation	2024 Actual Allocation
Large Cap U.S. Equities	22.0%	22.9%
Small Cap U.S. Equities	7.0%	7.0%
Developed International Equities	11.0%	10.6%
Emerging International Equities	5.0%	4.5%
Private Equity	9.0%	9.6%
Subtotal Equity	54.0%	54.6%
Core Fixed Income	7.0%	8.8%
Treasury Inflation-Protected Securities (TIPS)	3.0%	1.2%
High Yield	5.0%	3.7%
Bank Loans	5.0%	4.1%
Unconstrained Fixed Income	3.0%	3.0%
Private Debt	9.0%	9.2%
Real Estate	9.0%	8.5%
Hedge Funds	0.0%	0.6%
Real Assets	5.0%	4.8%
Cash	0.0%	1.5%
Subtotal Fixed Income	46.0%	45.4%
Total Investments	100.0%	100.0%

Rate of Return – The money weighted rate of return for the year-ended December 31, 2024 was 8.5%. 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, 2024, the Pension Fund had cash deposits in the amount of \$26 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, 2024, 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, 2024, 2.0% of the Pension Fund's bonds were rated 'AAA', 1.0% were rated 'AA', 5.0% were rated 'A', 6.0% were rated 'BBB', 13.0% were rated 'BB', 23.0% were rated 'B', 3.0% were rated 'CCC', and 6.0% were unrated or not rated. 41.0% 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, 2024 are shown in the table below.

Investment Type	Fair Value	Weighted-Average Maturity (WAM) (Years)
Corporate Bonds	\$ 88,132	4.97
Corporate Convertible Bonds	353	1.96
Government Agencies	291	5.33
Government Bonds	187,914	4.99
Government Mortgage Backed Securities	84,508	25.52
Bank loans	170,453	4.59
Short Term Bills and Notes	71,486	0.64
Treasury Inflation-Protected Securities (TIPS)	46,720	7.08
Payden and Rygel ¹	123,569	3.60
GoldenTree ²	76,563	
Total Interest Rate Sensitive Securities	<u>\$ 849,989</u>	
Portfolio WAM		6.64

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

² GoldenTree is a commingled fund invested in high-yield corporate bonds. They report their portfolio duration as 3.3 as of December 31, 2024.

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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, 2024 is shown in the table below.

Country	Equities	Real Estate	Private Equity	Cash	Total
Australian Dollar	\$ 17,577	\$ -	\$ -	\$ -	\$ 17,577
Bangladesh Taka	3,530				3,530
Brazilian Real	8,974				8,974
British Pound	72,892		30,982	3	103,877
Cayman Islands	3,782				3,782
Canadian Dollar	44,742				44,742
Chilean Peso	608				608
Chinese Yuan	17,769				17,769
Colombian Peso	868				868
Danish Krone	6,400				6,400
European Union Euro	142,623	1,311		14	143,948
Hong Kong Dollar	14,159				14,159
Indian Rupee	18,974				18,974
Indonesian Rupiah	289				289
Iranian Rial	2,143				2,143
Israeli New Shekel	6,220				6,220
Japanese Yen	76,515				76,515
Malaysian Ringgit	385				385
Mexican Peso	1,424				1,424
New Taiwan Dollar	25,974				25,974
New Zealand Dollar	496				496
Norwegian Krone	5,956				5,956
Philippine Peso	59				59
Polish Zloty	44				44
Qatari Rial	7				7
Saudi Riyal	133				133
Singapore Dollar	9,292				9,292
South African Rand	2,086				2,086
South Korean Won	10,801				10,801
Swedish Krona	15,714			9	15,723
Swiss Franc	24,978				24,978
Thailand Baht	1,104				1,104
Turkish New Lira	126				126
United Arab Emirates Dir	37				37
Uruguayan Peso	2,521				2,521
West African Franc	3,278				3,278
	<u>\$ 542,480</u>	<u>\$ 1,311</u>	<u>\$ 30,982</u>	<u>\$ 26</u>	<u>\$ 574,799</u>

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

Securities Lending – State statutes and Pension Fund policies allow for securities lending transactions. The Pension Fund has entered into an agreement with its custodian bank to lend the Pension Fund's securities to one or more borrowers for a fee. It is the policy of the Pension Fund and the custodian bank to require that collateral equal to 102.0% and 105.0% for domestic and international securities, respectively, of the loaned securities be maintained by the custodian bank. Collateral may be in the form of cash, U.S. government securities, and irrevocable letters of credit. Until such time as the loan is terminated, the borrower retains all incidents of ownership with respect to the collateral. In the event that the borrower fails to repay the borrowed securities when due and the value of the collateral is insufficient to replace the borrowed securities, the Pension Fund may suffer a loss. Management of the Pension Fund considers the possibility of such a loss to be remote. Cash open collateral is invested in a short-term investment pool with an average weighted maturity to the interest rate reset date of 21 days at December 31, 2024. The maturities of the investments in the short-term investment pool do not match the maturities of the securities lent. Non-cash securities are required to be kept separately and they are not available for sale or for pledging if the borrow is not in default.

As of December 31, 2024, the Pension Fund had lending arrangements outstanding with a total fair value of \$232,273 which were fully collateralized with cash and securities. Cash collateral of \$102,670 is recorded in the accompanying Statement of Fiduciary Net Position. Net income for the year-ended December 31, 2024, under the securities lending arrangement was \$516.

Cash Collateral Pool	
Repo Agreements	\$ 52,793
Variable Rate Certificates of Deposit	14,692
Commercial Paper	6,725
Certificates of Deposit	8,255
Time Deposit	4,938
ABS Commercial Paper	12,926
Sweep Vehicle	914
Agency Discount Note	1,427
Total	<u>\$ 102,670</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 \$84,508 as of December 31, 2024. These are included with investments in the Statement of Fiduciary Net Position. The Pension Fund made \$2,876 in interest on these securities and gained \$239 in capital transactions related to these securities in the year ended December 31, 2024. As of December 31, 2024, the Pension Fund retained an investment in one hedge fund on the amount of \$21,241 which may employ the use of derivative instruments.

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

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

		Fair Value Measurement Using		
	12/31/2024	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt Securities				
Government Bonds	\$ 187,914	\$ -	\$ 187,914	\$ -
Government Mortgage-backed Securities	84,508		84,508	
Government Agencies	291		291	
Short-term Bills and Notes	71,486		71,486	
Convertible Bonds	353		353	
Corporate Bonds	88,132		88,132	
Bank Loans	170,453		170,453	
Total Debt Securities	\$ 603,137	\$ -	\$ 603,137	\$ -
Equity Securities				
Equity Securities	\$ 742,303	\$ 741,232	\$ 847	\$ 224
Total Equity Securities	\$ 742,303	\$ 741,232	\$ 847	\$ 224
Private Equity				
Venture	\$ 84,344	\$ -	\$ -	\$ 84,344
Buyout	236,932			236,932
Fund-of-funds - Diversified	74,435			74,435
Real Assets	196,311			196,311
Total Private Equity	\$ 592,022	\$ -	\$ -	\$ 592,022
Private Debt				
Mezzanine	\$ 34,834	\$ -	\$ -	\$ 34,834
Distressed	92,279			92,279
Asset-Based	48,457			48,457
Opportunistic	40,574			40,574
Senior Debt	172,864			172,864
Total Private Debt	\$ 389,008	\$ -	\$ -	\$ 389,008
Total Investments by Fair Value Level	\$ 2,326,470	\$ 741,232	\$ 603,984	\$ 981,254
Investments Measured at the Net Asset Value (NAV)				
Structured Credit Hedge Fund	\$ 21,241			
Held in reserve from closed funds	2,955			
Commingled Funds:				
Domestic Debt	246,852			
Domestic Equity	490,279			
Global Equity	621,339			
Real Estate	349,630			
Total Investments Measured at the NAV	1,732,296			
Total Investments	\$ 4,058,766			

Debt and Equity Securities – Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Equity securities classified in Level 2 of the fair value hierarchy are thinly traded securities such as preferred stock held by fixed income managers and are valued similarly to debt securities. Equity Securities in Level 3 are held at cost or some other valuation that doesn't have a close comparison with other assets.

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 63 private equity funds that are diversified across four main types of strategies, which include 10 venture capital funds, 22 buyout funds, 17 real assets funds, and 14 diversified fund of funds. These investee funds are considered Level 3 in the fair value hierarchy. These investee funds are limited partnerships, and the managing general partner is responsible for determining the fair value of the underlying investments. The methods used to determine fair value include discounted cash flow, small public company comparison and appraisal. The partnerships have a ten-year life with options to extend beyond the original term by as much as two years in most cases. Original capital commitments to these funds range from \$10,000 to \$30,000. It is expected that the investee funds will call between 80.0% and 90.0% of the committed capital. In most cases the final commitment is never called because the investee funds start to receive returned capital either from sales of or operations from the underlying investments. As of December 31, 2024, it is estimated that the unfunded commitments were approximately \$294,577 of which \$212,192 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 37 private debt funds, which include six funds focused on mezzanine lending to companies that have operations that have good growth potential, but limited access to bank loans or public debt or equity markets, 17 funds focused on loans that are senior in the borrowers' capital structure, eight funds that concentrate on distressed debt where debt is purchased at a cost that is less than the value of the collateral, three opportunistic funds which makes investments in companies based on the managers evaluation of the company and the market environment, and three asset based lenders that make loans for asset purchases using the assets as collateral. These investee funds are considered Level 3 in the fair value hierarchy. These investee funds are limited partnerships, and the managing general partner is responsible for determining the fair value of the underlying investments. The methods used to determine fair value include discounted cash flows plus the value of any equity that investee funds receive as part of the lending arrangements. The partnerships have a ten-year life with options to extend beyond the original term by as much as two years in most cases. Original capital commitments to these funds range from \$10,000 to \$40,000. It is expected that the investee funds will call between 70.0% and 80.0% of the committed capital. In most cases the final commitment is never called because the investee funds start to receive repayment from the debt service of the underlying investments and in some cases extra capital from the sale of the equity received when underlying companies are sold or refinanced through public offerings.

As of December 31, 2024, it is estimated that unfunded commitments were approximately \$242,876 of which \$129,786 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, 2024, 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, 2024, the Pension Fund had \$2,955 held by four hedge fund managers that represented amounts held in reserve for charges related to the redemption of the assets. The carrying value of these investments is based on the hedge fund of funds’ estimate of value and would be similar to Level 3 type investments.

Commingled Fund – The Pension Fund’s investments in commingled funds consist of bond investors and stock investors. The bond funds invest in domestic high yield bonds, Treasury inflation-protect securities, and low duration and enhanced cash securities. Redemptions from this fund require 90-day notice and are made only at the end of calendar quarters. The stock funds are invested in domestic large and small cap stocks and global and emerging market stocks. Redemptions from domestic stock funds can be made between 1 and 10 days. 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 \$90,581 were open-ended funds that allow redemptions. 28 of the investee managers were limited partnerships with durations of ten to 15 years. These limited partnerships do not allow redemptions. They do distribute cash after the investment period, usually two to four years, from operations or sales of underlying properties. These investments are similar to the private equity partnerships and private debt partnerships; in that, funds are committed at the beginning of the investment and called by the partnerships as purchase opportunities present themselves. Commitments in this category are more likely to be called up. It is likely that 80.0% to 90.0% of the committed capital will ultimately be called. Unfunded commitments in this category were approximately \$115,061 of which approximately \$90,945 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 fair 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 established by the Board. The Health Fund utilizes an investment consultant who provides recommendations to the Health Fund on 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, in accordance with the guidelines defined in the Health Fund's Investment Policy. All of the Health Fund's cash and investments, with the exception of alternative investments, are held by Frost National Bank, the Health Fund's custodian bank located in San Antonio, Texas.

Investments authorized by the Health Fund's Investment Policy include U.S. equities (such as common stocks, securities convertible into common stock, and open or closed-end mutual funds), international equity; certain fixed income assets (including corporate bonds and certificates of deposit); commercial paper; private equity and alternative investments (such as 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, 2024 is \$588,610.

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 – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. To limit 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, 2024, the weighted average maturity of money market funds was 31 days. The Health Fund places no limit on maturities of Mutual Funds – Fixed Income. The Health Fund also invests in fixed-income corporate debt securities including, but not limited to, corporate notes and bonds and foreign private placement bonds. These securities are subject to interest rate risk due to the possibility that prevailing interest rates could change before the securities reach maturity.

The Health Fund’s investments in Mutual Funds – Fixed Income had the following weighted average maturities as of December 31, 2024:

Investment	December 31, 2024	
	Fair Value	WAM (Years)
Baird	\$ 28,806	7.8
Payden	11,859	10.7
Vanguard	15,095	2.5
Barrow Hanley	4,162	5.2
	<u>\$ 59,922</u>	

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligation, resulting in a financial loss. 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, 2024, 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) – Custodial credit risk for investments is the risk that, in the event of a counterparty’s failure in an investment transaction, a government may not be able to recover the value of its investment or collateral securities held by an outside party. The Health Fund’s common stock investments were held at Frost National Bank’s third-party custodian, Bank of New York. Since the investments are maintained separately from the bank’s assets, they would not be affected in the event of the bank’s failure.

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. A government should disclose investments that represent 5.0% or more of its total investments in a single issuer. Concentration risk does not arise 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, 2024, the Health Fund held the following investments that exceeded 5.0% of total investments:

<u>Investment</u>	<u>Balance at</u>	
	<u>December 31, 2024</u>	<u>% of Total</u>
SSgA Russell 1000 Index Fund	\$ 88,413	15.0%
Portfolio Advisers Secondary Fund IV	38,770	6.6%
Portfolio Advisers Credit Strategies Fund	41,352	7.0%

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, 2024, one of the Health Fund's investments totaling \$1,291 or 0.2% of total investments, is exposed to foreign currency risk. The primary currency for these investments 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, 2024, the Health Fund's fair value measurements for its investments were as follows:

	Fair Value Measurement Using			
	12/31/2024	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Equity Securities				
U.S. Equity - Common Stock	\$ 14,531	\$ 14,531	\$ -	\$ -
Mutual Fund - Fixed Income	59,922	59,922		
Mutual Fund - International Equity	11,579	11,579		
Mutual Fund - Common Stock	33,235	33,235		
Total Investments by Fair Value Level	\$ 119,267	\$ 119,267	\$ -	\$ -
Investments Measured at the Net Asset Value (NAV)				
Real Estate Funds	\$ 35,544			
Natural Resource Funds	23,620			
Private Equity Funds	147,895			
Private Debt Funds	97,103			
Global & Domestic Equity Funds	44,017			
Index Funds	121,164			
Total Investments Measured at the NAV	\$ 469,343			
Total Investments	\$ 588,610			

	NAV	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Investments Measured at the NAV				
Real Estate Funds	\$ 35,544	\$ 30,966		
Natural Resource Funds	23,620	3,759	Annually	90-120 Days
Private Equity Funds	147,895	82,536		
Private Debt Funds	97,103	43,567	Quarterly	30 Days
Global & Domestic Equity Funds	44,017		Monthly	15-30 Days
Index Funds	121,164		Monthly	3 Days
	\$ 469,343	\$ 160,828		

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 at December 31, 2024. These funds are primarily diversified through fund-to-funds 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 6.0% of the Health Fund's portfolio. For each of the funds, the Health Fund receives distributions as the underlying assets of investments are sold/liquidated. One investment fund (representing \$5,061 or 14.2% of real estate funds) is eligible for redemption on an annual basis with a 90-day formal notice. Management estimates that one investment (representing \$664 or 1.9% of real estate funds) will liquidate within three years; two investments (representing \$2,589 or 7.3% of real estate funds) will liquidate within five years; four investments (representing \$21,189 or 59.6% of real estate funds) will liquidate within nine years; and one investment (representing \$6,041 or 17.0% of real estate funds) will liquidate within in ten years.

Natural Resources Funds – The Health Fund is invested in six natural resources investment funds at December 31, 2024. 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 4.0% of the Health Fund's portfolio. These investments are not redeemable. Management estimates that two investments (representing \$3,159 or 13.4% of natural resources funds) will liquidate within three years; one investment (representing \$2,553 or 10.8% of natural resources funds) will liquidate within five years; and three investments (representing \$17,908 or 75.8% of natural resources funds) will liquidate within nine years.

Private Equity Funds – The Health Fund is invested in 15 private equity investment funds at December 31, 2024. Strategies for these funds include seven diverse fund-to-funds, two private debt funds, three secondary funds, one venture capital fund, one co-investment fund, and one direct 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 24.8% of the Health Fund's portfolio. These investments are not redeemable. The Health Fund receives distributions as the underlying assets of investments are sold/liquidated. Management estimates that one investment (representing \$162 or 0.1% of private equity funds) will liquidate within three years; one investment (representing \$13,220 or 9.0% of private equity funds) will liquidate within two to five years; three investments (representing \$23,770 or 16.1% of private equity funds) will liquidate within five years; one investment (representing \$17,250 or 11.7% of private equity funds) will liquidate within five to seven years; four investments (representing \$23,533 or 15.9%) will liquidate within nine years; one investment (representing \$8,326 or 5.6%) will liquidate within three to nine years; one investment (representing \$4,789 or 3.2% of private equity funds) will liquidate within ten years; and, three investments (representing \$56,845 or 38.4%) will liquidate within 15 years.

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

Private Debt Funds – The Health Fund is invested in seven private debt investment funds at December 31, 2024. 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 16.3% of the Health Fund's portfolio. One investment fund (representing \$41,353 or 42.6% of private debt funds) is eligible for redemption on a quarterly basis with a 30-day formal notice. Management estimates that one investment (representing \$4,366 of 4.5% of private debt funds) will liquidate within seven years; and five investments (representing \$51,384 or 52.9% 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 at December 31, 2024, which consist of bond 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 totaling \$44,017 represent 7.4% of the Health Fund's portfolio. All funds are eligible for redemption on a monthly basis with a 15-30 day formal redemption notice.

Index Funds – The Health Fund is invested in four nonpublic index funds at December 31, 2024, consisting of domestic equities; international equities, including emerging markets and developing markets; and treasury inflation protected securities (TIPS). Index funds seek to provide investment results that, before expenses, correspond generally to the total return of an index that tracks the performance of an investment class. Fair values have been determined using NAV per share of investments. These investment funds totaling \$121,164 represent 20.3% of the Health Fund's portfolio. All funds are eligible for redemption with a three-day notice.

Subscribed Capital Commitments – The Health Fund has non-binding commitments to invest capital in 31 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 \$160,828. As of December 31, 2024, \$14,769 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 longer than one year 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 reports all investments of the Decommissioning Trusts at fair 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. Unrestricted funds are generally used for current operations.

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

CPS Energy's cash deposits at January 31, 2025 were either insured by federal depository insurance or collateralized by banks. For deposits that were collateralized, the collateral included letters of credit and securities. The securities were U.S. government, U.S. government agency, or U.S. government-guaranteed obligations held in book entry form by the Federal Reserve Bank of New York or other allowable banks in CPS Energy's name.

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

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

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

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

Investments of the Decommissioning Trusts – CPS Energy's investments in the Decommissioning Trusts are held by an independent trustee. Investments are limited to those defined by CPS Energy Board Resolution, the South Texas Project Decommissioning Trust Investment Policy, the Investment Committee, the Trust Agreements and State law, as well as Public Utility Commission of Texas (PUCT) and Nuclear Regulatory Commission (NRC) guidelines. Allowable investments for the Decommissioning Trusts include those directly permissible for CPS Energy (except for investment pools), as well as equities and corporate bonds (including international securities traded in U.S. dollars and on U.S. stock exchanges). In accordance with the Decommissioning Trusts' Investment Policy, total investments can include a maximum of 60.0% equity securities. To further reduce the overall risk of the portfolio, the target allocations for both Decommissioning Trusts are 60.0% fixed-income, 36.0% equities and 4.0% U.S. real estate investment trusts.

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 value losses arising from changes in exchange rates. Due to market fluctuations, it is possible that substantial changes in the fair value of investments could occur after the end of the reporting period.

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

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

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

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

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

Interest Rate Risk – In accordance with its Investment Policy, CPS Energy manages exposure to fair value losses resulting from rising interest rates by placing a limit on the portfolio’s WAM. The Investment Policy limits the WAM to three years or less, which allows for the management of risk while optimizing returns. CPS Energy invests in money market mutual funds and investment pools that have maturities of one year or less.

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

Investment Type	Carrying Value	Fair Value	Allocation	Weighted- Average Maturity (Years) ¹
U.S. Treasuries	\$ 14,164	\$ 14,164	1.1%	1.5
U.S. Agencies:				
Federal Agriculture Mortgage Corp.	21,996	21,996	1.8%	2.3
Federal Farm Credit Bank	296,501	296,501	23.9%	2.3
Federal Home Loan Bank	93,141	93,141	7.5%	1.8
Federal Home Loan Mortgage Corp.	28,780	28,780	2.3%	1.1
Federal National Mortgage Assn.	39,558	39,558	3.2%	1.6
Small Business Administration	1,763	1,763	0.1%	3.7
Municipal Bonds	112,361	112,361	9.1%	1.7
Investment Pools	612,192	612,192	49.4%	
Money Market Mutual Funds	20,085	20,085	1.6%	
Total Fixed-Income Portfolio	<u>\$ 1,240,541</u>	<u>\$ 1,240,541</u>	<u>100.0%</u>	1.1

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, 2025, 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’.

<u>Credit Rating</u>	<u>Carrying Value</u>	<u>Fair Value</u>	<u>Allocation</u>
U.S. Treasuries (AA+)	\$ 14,164	\$ 14,164	1.1%
AAA / Aaa	680,631	680,631	54.9%
AA+ / Aa1	502,107	502,107	40.5%
AA / Aa2	19,560	19,560	1.6%
AA- / Aa3	3,994	3,994	0.3%
Not rated ¹	20,085	20,085	1.6%
Total Fixed-Income Portfolio	<u>\$ 1,240,541</u>	<u>\$ 1,240,541</u>	<u>100.0%</u>

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, 2024. 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 6.1 years for the period ending December 31, 2024.

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, 2024, total other debt securities (corporate and foreign issuers) amounted to 27.0% of the fixed-income portfolio for the 28% Decommissioning Trust and 24.5% 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) ¹	Fair Value	Allocation	Weighted-Average Duration (Years) ¹
U.S. Treasuries	\$ 86,481	26.7%	8.7	\$ 35,381	29.7%	8.1
U.S. Agencies:						
Federal Home Loan Mortgage Corp.	45,979	14.2%	5.8	14,949	12.6%	5.7
Federal National Mortgage Assn.	64,147	19.8%	5.7	23,040	19.3%	5.5
Government National Mortgage Assn.	7,205	2.2%	2.9	1,478	1.3%	6.4
Small Business Administration	7,231	2.2%	4.5	3,720	3.1%	4.6
Municipal Bonds - Texas	739	0.2%	7.9	357	0.3%	7.8
Municipal Bonds - Other States	7,062	2.2%	6.8	3,096	2.6%	6.6
Corporate Bonds	77,886	24.1%	4.9	27,516	23.1%	5.0
Foreign Bonds	9,471	2.9%	4.5	1,689	1.4%	4.7
Money Market Mutual Funds	17,591	5.5%	N/A	7,885	6.6%	N/A
Total Fixed-income Portfolio	<u>\$ 323,792</u>	<u>100.0%</u>	6.3	<u>\$ 119,111</u>	<u>100.0%</u>	6.2
Combined Decommissioning Trust Funds Total	<u>\$ 442,903</u>					

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

Credit Risk – In accordance with the Investment Policy, exposure to credit risk is managed by limiting all fixed-income investments to a credit rating of ‘BBB-’, or equivalent, or better from at least two nationally recognized credit rating agencies. If a security’s rating falls below the minimum investment grade rating of ‘BBB-’ after it has been purchased, the Investment Policy allows investment managers to continue to hold the security as long as the total fair value of securities rated below investment grade does not exceed 5.0% of the total fixed-income portfolio. As noted in the table on the following page, which lists fixed-income investment holdings by credit rating, investments with a credit rating below ‘BBB-/Baa3’ did not exceed 5.0% of the total fixed-income portfolio for the 28% Trust or the 12% Trust at December 31, 2024.

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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+)	\$ 86,481	26.7%	\$ 35,381	29.7%
AAA / Aaa	22,416	6.9%	9,956	8.4%
AA+ / Aa1	128,109	39.6%	45,036	37.8%
AA / Aa2	1,841	0.6%	955	0.8%
AA- / Aa3	2,077	0.6%	575	0.5%
A+ / A1	1,926	0.6%	529	0.4%
A / A2	7,559	2.3%	3,254	2.7%
A- / A3	17,140	5.3%	6,181	5.2%
BBB+ / Baa1	16,714	5.2%	6,176	5.2%
BBB / Baa2	22,272	6.9%	6,055	5.1%
BBB- / Baa3	8,845	2.7%	1,437	1.2%
BB+ / Ba1	892	0.28%	29	0.0%
BB / Ba2	77	0.02%		0.0%
Not Rated ¹	7,443	2.3%	3,547	3.0%
Total Fixed-income Portfolio	<u>\$ 323,792</u>	<u>100.0%</u>	<u>\$ 119,111</u>	<u>100.0%</u>
Combined Decommissioning Trust Funds Total	<u>\$ 442,903</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 \$11,160 at December 31, 2024. 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, 2024, total foreign equity securities amounted to 14.2% of the 28% Trust's total portfolio and 12% Trust amounted to 14.2% 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. For the investments held by the Employee Benefit Plans it also includes commingled investments that include both debt and directly held equity securities.

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

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

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

CPS Energy's fair value measurements are performed on a recurring basis. The table on the following page presents fair value balances and their levels within the fair value hierarchy for CPS Energy as of January 31, 2025, and the Decommissioning Trust investment balances as of December 31, 2024. 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			
	1/31/2025	Level 1	Level 2	Level 3
Assets				
Fair Value Investments				
<u>CPS Energy</u>				
Debt Securities				
US Treasuries	\$ 14,164	\$ -	\$ 14,164	\$ -
US Agencies				
Federal Agricultural Mortgage Corp.	21,996		21,996	
Federal Farm Credit Bank	296,501		296,501	
Federal Home Loan Bank	93,141		93,141	
Federal Home Loan Mortgage Corp.	28,780		28,780	
Federal National Mortgage Assn.	39,558		39,558	
Small Business Administration	1,763		1,763	
Municipal Bonds	112,361		112,361	
Total CPS Energy Fair Value of Investments	\$ 608,264	\$ -	\$ 608,264	\$ -
Decommissioning Trust Investments				
<u>28% Trust</u>	12/31/2024	Level 1	Level 2	Level 3
Debt Securities				
US Treasuries	\$ 86,481	\$ -	\$ 86,481	\$ -
US Agencies				
Federal Home Loan Mortgage Corp.	45,979		45,979	
Federal National Mortgage Assn.	64,147		64,147	
Government National Mortgage Assn.	7,205		7,205	
Small Business Administration	7,231		7,231	
Municipal Bonds - Texas	739		739	
Municipal Bonds - Other States	7,062		7,062	
Corporate Bonds	77,886		77,886	
Foreign Bonds	9,471		9,471	
Total 28% Trust Fair Value Fixed-Income Income Portfolio	\$ 306,201	\$ -	\$ 306,201	\$ -
Equity Securities				
Common Stock	\$ 197,965	\$ 197,965	\$ -	\$ -
Real Estate Investment Trusts	25,602	25,602		
Preferred Stock	813		813	
Total 28% Trust Fair Value Investments	\$ 530,581	\$ 223,567	\$ 307,014	\$ -
<u>12% Trust</u>	12/31/2024	Level 1	Level 2	Level 3
Debt Securities				
US Treasuries	\$ 35,381	\$ -	\$ 35,381	\$ -
US Agencies				
Federal Home Loan Mortgage Corp.	14,949		14,949	
Federal National Mortgage Assn.	23,040		23,040	
Government National Mortgage Assn.	1,478		1,478	
Small Business Administration	3,720		3,720	
Municipal Bonds - Texas	357		357	
Municipal Bonds - Other States	3,096		3,096	
Corporate Bonds	27,516		27,516	
Foreign Bonds	1,689		1,689	
Total 12% Trust Fair Value Fixed-Income Income Portfolio	\$ 111,226	\$ -	\$ 111,226	\$ -
Equity Securities				
Common Stock	\$ 72,866	\$ 72,866	\$ -	\$ -
Real Estate Investment Trusts	9,332	9,332		
Total 12% Trust Fair Value Investments	\$ 193,424	\$ 82,198	\$ 111,226	\$ -
Total Trust Fair Value Investments	\$ 724,005	\$ 305,765	\$ 418,240	\$ -
Total Fair Value Investments	\$ 1,332,269	\$ 305,765	\$ 1,026,504	\$ -

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 Energy 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, 2024 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, 2024, the collateral pledged was a letter of credit issued by the Federal Home Loan Bank of Cincinnati and Federal Reserve Bank of New York, under SAWS' name so SAWS incurs no custodial credit risk. At December 31, 2024, the bank balance of SAWS' demand accounts was \$4,034 and the reported amount was \$7,912 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, 2024, 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, Texas Daily 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, 2024.

Investment Type	Reported Value	Fair Value	Allocation ¹	Rating ²	WAM (Days)
U.S. Treasury Securities	\$ 314,498	\$ 314,498	22.0%	AAA	276
U.S. Agency Notes	373,327	373,327	26.0%	AA+	432
Municipal Bonds	128,112	128,112	9.0%	AAA to AA-	508
Money Market Funds					
Fidelity Institutional MMF	3,504	3,504	0.0%	AAAm	1
Morgan Stanley	15,490	15,490	1.0%	AAAm	1
Texas Class Investment Pool	175,192	175,192	12.0%	AAAm	1
TexPool Prime Local Government Pool	88,304	88,304	6.0%	AAAm	1
Texas FIT Cash Pool	128,112	128,112	9.0%	AAAf	1
Texas Term Investment Pool	222,000	222,000	15.0%	AAAf	136
Total Investments	<u>\$ 1,448,539</u>	<u>\$ 1,448,539</u>	<u>100.0%</u>		<u>254</u>

¹ The allocation is based on fair value.

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

Interest Rate Risk – As a means of limiting its exposure to fair value losses due to rising interest rates, SAWS' investment policy limits its investment maturities to no more than five years. At December 31, 2024, the longest remaining maturity for any investment was approximately three years and approximately 75.0% 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, 2024, 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, 2024, the percentage of SAWS' investment portfolio for government-sponsored issuers that represent 5% or more of the total investments was 14.0% in Federal Home Loan Bank.

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

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.

Pricing for Level 1 inputs is provided by a pricing service as of the measurement date using pricing from exchanges. Securities classified in Level 2 of the fair value hierarchy are valued using interest rate curves and credit spreads applied to the terms of the debt instruments (maturity and coupon interest) and considers the counterparty rating.

	12/31/2024	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Investments by fair value level				
U.S. Treasury Securities	\$ 314,498	\$ 314,498	\$ -	\$ -
U.S. Agency Notes	373,327		373,327	
Municipal Bonds	128,112		128,112	
Texas Term Investment Pool	222,000		222,000	
Total Investments measured at fair value	<u>\$ 1,037,937</u>	<u>\$ 314,498</u>	<u>\$ 723,439</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, 2024.

	12/31/2024
Restricted for:	
Operations	\$ 87,710
Debt Service	72,715
Debt Service Reserve	12,669
Construction - accrued liabilities	115,654
Construction - capital recovery fees	187,623
Construction - bond proceeds	293,307
Total Restricted Cash & Investments	<u>\$ 769,678</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 cash and investments amounts restricted on December 31, 2024, for the Debt Service Reserve for the Junior Lien Bonds, was \$12,669.

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.

By state law, capital recovery fees are restricted for the construction of capital improvements related to growth. However, these funds may also be used to repay the costs incurred by ratepayers to fund capital improvements related to growth.

San Antonio Water System Fiduciary Funds

The SAWS Financial Report includes three fiduciary funds related to SAWS employee benefit plans: the San Antonio Water System Retirement Plan (SAWSRP), the District Special Project Retirement Income Plan (DSPRP) and the San Antonio Water System Retiree Health Trust (OPEB Trust). Please refer to the SAWS Financial Report for information about fiduciary cash and investments.

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

Capital assets were reduced by \$969 for impairment losses in fiscal year 2025 for governmental activities. Of this amount, \$966 is allocated in miscellaneous revenue as a component of the gain/loss on capital assets on the Statement of Activities, and \$3 is allocated to operating expenses. Additionally, depreciation expense was increased by \$380 for impaired vehicles which have not been retired.

Capital asset activity for governmental activities, to include internal service funds, for the year-ended September 30, 2025 is as follows:

Capital Assets - Governmental Activities					
	Beginning Balance (Restated) ¹	Increases	Decreases	Transfers	Ending Balance
Non-Depreciable Assets:					
Land	\$ 1,451,310	\$ 3,448	\$ -	\$ 1,335	\$ 1,456,093
Construction in Progress	583,775	398,007	(6,965)	(357,938)	616,879
Non-Depreciable Intangible Assets	270,747	8,680	(458)		278,969
Total Non-Depreciable Assets	\$ 2,305,832	\$ 410,135	\$ (7,423)	\$ (356,603)	\$ 2,351,941
Depreciable/Amortizable Assets:					
Buildings	1,678,844			92,974	1,771,818
Improvements	1,281,100	1,392		61,207	1,343,699
Infrastructure	4,392,077			187,384	4,579,461
Machinery and Equipment	912,671	87,379	(16,762)	14,855	998,143
Intangible Assets	4,341		(183)	183	4,341
Leases ²					
Land	11,958				11,958
Buildings	52,855	3,186	(1,279)		54,762
Machinery and Equipment	24,593	440	(761)		24,272
Subscriptions ²	112,681	19,453	(2,494)		129,640
Total Depreciable/Amortizable Assets	\$ 8,471,120	\$ 111,850	\$ (21,479)	\$ 356,603	\$ 8,918,094
Accumulated Depreciation/Amortization:					
Buildings	(681,633)	(50,278)			(731,911)
Improvements	(674,585)	(59,922)			(734,507)
Infrastructure	(2,702,256)	(127,231)			(2,829,487)
Machinery and Equipment	(629,534)	(69,919)	15,262		(684,191)
Intangible Assets	(4,218)	(93)	5		(4,306)
Leases ²					
Land	(1,260)	(325)			(1,585)
Buildings	(15,178)	(5,712)	1,279		(19,611)
Machinery and Equipment	(4,231)	(2,171)	334		(6,068)
Subscriptions ²	(23,061)	(21,903)	1,916		(43,048)
Total Accumulated Depreciation/Amortization	\$ (4,735,956)	\$ (337,554)	\$ 18,796	\$ -	\$ (5,054,714)
Total Depreciable/Amortizable Assets, net	\$ 3,735,164	\$ (225,704)	\$ (2,683)	\$ 356,603	\$ 3,863,380
Total Capital Assets, net	\$ 6,040,996	\$ 184,431	\$ (10,106)	\$ -	\$ 6,215,321

¹ Beginning balance is restated by \$2,284 to remove the balances for Visit San Antonio, and \$27,137 to remove San Antonio Early Childhood Education Municipal Development Corporation (ECEMDC). See Note 21 Adjustments and Restatements, for more information.

² For more information, see Note 14 Leases and Subscription-Based Information Technology Arrangements (SBITAs).

The capital assets of internal service funds are included in governmental activities. In fiscal year 2025, internal service funds capital assets increased by \$70,982, and decreased by \$15,097, of which \$1,912 was for impairments, resulting in an ending balance of \$525,950. Depreciation expense of \$52,998, of which \$343 was for impairments, less the \$13,269 in previously depreciated assets disposed of during the current year, of which \$946 was for impairments, resulted in an ending accumulated depreciation balance of \$314,026. Net book value is \$211,924.

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

Depreciation/Amortization expense was charged to governmental functions as follows:

General Government	\$ 26,328
Public Safety	21,626
Public Works	185,147
Health Services	2,030
Sanitation	7
Welfare	2,877
Culture and Recreation	32,318
Convention and Tourism	12,412
Urban Redevelopment and Housing	142
Economic Development and Opportunity	744
Education	925
Aviation	
Depreciation/Amortization on Capital Assets Held by City's Internal Service	
Funds are Charged to Various Functions Based on Asset Usage	<u>52,998</u>
Total Depreciation/Amortization Expense for Governmental Activities	<u>\$ 337,554</u>

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

No impairments were identified for business-type activities in fiscal year 2025.

Capital asset activity for business-type activities for the year-ended September 30, 2025, is as follows:

Capital Assets - Business-Type Activities					
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Non-Depreciable Assets:					
Land:					
Airport System	\$ 5,323	\$ -	\$ -	\$ -	\$ 5,323
Solid Waste Management	1,107				1,107
Nonmajor Enterprise Funds	9,366				9,366
Total Land	\$ 15,796	\$ -	\$ -	\$ -	\$ 15,796
Construction in Progress:					
Airport System	104,281	240,719	(381)	(56,910)	287,709
Nonmajor Enterprise Funds	1,055	2,750		(2)	3,803
Total Construction in Progress	\$ 105,336	\$ 243,469	\$ (381)	\$ (56,912)	\$ 291,512
Total Non-Depreciable Assets	\$ 121,132	\$ 243,469	\$ (381)	\$ (56,912)	\$ 307,308
Depreciable/Amortizable Assets:					
Intangible Assets:					
Airport System	353				353
Nonmajor Enterprise Funds	14,404				14,404
Total Intangible Assets	\$ 14,757	\$ -	\$ -	\$ -	\$ 14,757
Buildings:					
Airport System	542,764			8,879	551,643
Solid Waste Management	11,147				11,147
Nonmajor Enterprise Funds	27,128				27,128
Total Buildings	\$ 581,039	\$ -	\$ -	\$ 8,879	\$ 589,918
Improvements:					
Airport System	691,368			48,042	739,410
Solid Waste Management	15,223				15,223
Nonmajor Enterprise Funds	15,580			2	15,582
Total Improvements	\$ 722,171	\$ -	\$ -	\$ 48,044	\$ 770,215
Machinery and Equipment:					
Airport System	43,211	4,322	(1,480)	(11)	46,042
Solid Waste Management	36,167	383	(7,248)		29,302
Nonmajor Enterprise Funds	14,637	551	(122)		15,066
Total Machinery and Equipment	\$ 94,015	\$ 5,256	\$ (8,850)	\$ (11)	\$ 90,410
Leases:					
Airport System					
Buildings	11,681				11,681
Machinery and Equipment	223				223
Solid Waste Management					
Equipment	140				140
Nonmajor Enterprise Funds					
Machinery and Equipment	23	69			92
Total Leases	\$ 12,067	\$ 69	\$ -	\$ -	\$ 12,136
Subscriptions:					
Airport System	6,449	426	(4,465)		2,410
Solid Waste Management	748	2,381	(739)		2,390
Nonmajor Enterprise Funds	3,776		(1,666)		2,110
Total Subscriptions	\$ 10,973	\$ 2,807	\$ (6,870)	\$ -	\$ 6,910
Total Depreciable/Amortizable Assets	\$ 1,435,022	\$ 8,132	\$ (15,720)	\$ 56,912	\$ 1,484,346

(continued)

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

Capital Assets - Business-Type Activities					
	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Accumulated Depreciation/Amortization:					
Intangible Assets:					
Airport System	(352)				(352)
Nonmajor Enterprise Funds	(10,890)	(2,881)			(13,771)
Total Intangible Assets	<u>\$ (11,242)</u>	<u>\$ (2,881)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (14,123)</u>
Buildings:					
Airport System	(237,952)	(13,825)			(251,777)
Solid Waste Management	(4,204)	(386)			(4,590)
Nonmajor Enterprise Funds	(19,610)	(737)			(20,347)
Total Buildings	<u>\$ (261,766)</u>	<u>\$ (14,948)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (276,714)</u>
Improvements:					
Airport System	(363,668)	(25,465)			(389,133)
Solid Waste Management	(7,544)	(644)			(8,188)
Nonmajor Enterprise Funds	(9,840)	(608)			(10,448)
Total Improvements	<u>\$ (381,052)</u>	<u>\$ (26,717)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (407,769)</u>
Machinery and Equipment:					
Airport System	(34,063)	(2,759)	1,480		(35,342)
Solid Waste Management	(32,230)	(1,127)	7,199		(26,158)
Nonmajor Enterprise Funds	(13,900)	(343)	121		(14,122)
Total Machinery and Equipment	<u>\$ (80,193)</u>	<u>\$ (4,229)</u>	<u>\$ 8,800</u>	<u>\$ -</u>	<u>\$ (75,622)</u>
Leases:					
Airport System					
Buildings	(779)	(779)			(1,558)
Machinery and Equipment	(83)	(44)			(127)
Solid Waste Management					
Equipment	(57)	(28)			(85)
Nonmajor Enterprise Funds					
Machinery and Equipment	(11)	(14)			(25)
Total Leases	<u>\$ (930)</u>	<u>\$ (865)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1,795)</u>
Subscription Assets:					
Airport System	(1,106)	(739)	1,004		(841)
Solid Waste Management	(525)	(418)	717		(226)
Nonmajor Enterprise Funds	(2,057)	(876)	1,666		(1,267)
Total Subscription Assets	<u>\$ (3,688)</u>	<u>\$ (2,033)</u>	<u>\$ 3,387</u>	<u>\$ -</u>	<u>\$ (2,334)</u>
Total Accumulated Depreciation/Amortization	<u>\$ (738,871)</u>	<u>\$ (51,673)</u>	<u>\$ 12,187</u>	<u>\$ -</u>	<u>\$ (778,357)</u>
Total Depreciable Assets, net	<u>\$ 696,151</u>	<u>\$ (43,541)</u>	<u>\$ (3,533)</u>	<u>\$ 56,912</u>	<u>\$ 705,989</u>
Total Capital Assets, net	<u>\$ 817,283</u>	<u>\$ 199,928</u>	<u>\$ (3,914)</u>	<u>\$ -</u>	<u>\$ 1,013,297</u>

End of Schedule

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

CPS Energy's plant-in-service includes seven power stations that are solely owned and operated by CPS Energy. In total, there are 22 generating units at these seven power stations, two of which are coal-fired and 20 of which are gas-fired (units not in thousands). CPS Energy has publicly committed to transitioning away from coal generation by calendar year 2028. CPS Energy also has two solar generating units, one of which also includes battery storage. Excluding STP (nuclear units), the following is a list of power stations and respective generating units in service at January 31, 2025.

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

Plant Acquisition – In fiscal year 2025, CPS Energy issued taxable senior lien bonds to acquire two natural gas-fired generation facilities located in Corpus Christi, Texas, as well as a natural gas-fired generation facility located in Laredo, Texas. The acquisition of the Barney Davis, Nueces Bay and Laredo generation facilities adds approximately 1,710 MW of generation that will provide additional resiliency and reliability to CPS Energy customers as well as additional power to sell into the ERCOT market. CPS Energy has integrated these plants into its rate base to provide generation capacity that will not otherwise be available once the V.H. Braunig units are retired.

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, leases, SBITAs and other intangible items.

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.

Asset Impairments – There were no capital asset impairments identified for fiscal year 2025.

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

Investment in STP Unit 1 and 2 – STP is 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 Constellation South Texas, LLC. CPS Energy’s 40.0% interest in STP Units 1 and 2 is included in plant assets.

STP Capital Investment, Net	
	January 31, 2025
STP Capital Assets, net	
Land	\$ 5,701
Construction in progress, STP Units 1 and 2	16,362
Electrical and general plant	790,453
Intangibles	9,879
Nuclear Fuel	144,928
Total STP Capital Assets, net	<u>\$ 967,323</u>
Total CPS Energy Capital Assets, net	<u>\$ 11,004,386</u>
STP Capital Investments as a percentage of total CPS Energy Capital Assets, net	8.8%

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 2025:

Capital Assets - CPS Energy					
	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Non-Depreciable Assets:					
Land	\$ 121,672	\$ -	\$ 1,133	\$ (7,340)	\$ 115,465
Land Easements	107,611		239	(4)	107,846
Construction in Progress	1,220,274	837,859	(985,115)		1,073,018
Total Non-Depreciable Assets	<u>\$ 1,449,557</u>	<u>\$ 837,859</u>	<u>\$ (983,743)</u>	<u>\$ (7,344)</u>	<u>\$ 1,296,329</u>
Depreciable Assets:					
Utility Plant in Service:					
Electric Plant	13,168,007	861,944	743,892	(15,002)	14,758,841
Gas Plant	1,391,898	26,111	115,271	(533)	1,532,747
General Plant	806,702	5,634	47,231	(43,407)	816,160
Intangibles:					
Software	204,255		77,349	(13,986)	267,618
Other	13,069				13,069
Leases:					
Buildings	3,902	308			4,210
Equipment	1,918				1,918
Subscription assets	48,227	14,091		(7,852)	54,466
Nuclear Fuel	1,283,333	48,720			1,332,053
Total Depreciable Assets	<u>\$ 16,921,311</u>	<u>\$ 956,808</u>	<u>\$ 983,743</u>	<u>\$ (80,780)</u>	<u>\$ 18,781,082</u>
Accumulated Depreciation and Amortization:					
Utility Plant in Service:					
Electric Plant	(6,655,013)	(401,040)		35,867	(7,020,186)
Gas Plant	(517,374)	(32,295)		3,160	(546,509)
General Plant	(185,143)	(33,668)		41,036	(177,775)
Intangibles:					
Software	(90,674)	(31,841)		13,986	(108,529)
Other	(2,368)	(1,024)		859	(2,533)
Leases:					
Buildings	(2,175)	(587)			(2,762)
Equipment	(32)	(384)			(416)
Subscription assets	(18,853)	(16,189)		7,852	(27,190)
Nuclear Fuel	(1,136,126)	(50,999)			(1,187,125)
Total Accumulated Depreciation, Depletion and Amortization	<u>\$ (8,607,758)</u>	<u>\$ (568,027)</u>	<u>\$ -</u>	<u>\$ 102,760</u>	<u>\$ (9,073,025)</u>
Total Capital Assets, net	<u>\$ 9,763,110</u>	<u>\$ 1,226,640</u>	<u>\$ -</u>	<u>\$ 14,636</u>	<u>\$ 11,004,386</u>

Cash flow information – Cash paid for additions and net removal costs totaled \$1,728,051. This amount includes \$1,720,391 in additions to construction-in-progress and electric, gas and general plant, partially offset by \$6,117 in donated assets.

Other – Depreciation and amortization expense for the period totaled \$517,028, while amortization of nuclear fuel of \$50,999 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	\$ 181,075	\$ 18	\$ 4,590	\$ (2,513)	\$ 183,170
Intangible Assets:					
Water Rights	248,881			(565)	248,316
Other	370				370
Construction in Progress	830,450	703,222	(631,077)	(4,945)	897,650
Total Non-Depreciable Assets	<u>\$ 1,260,776</u>	<u>\$ 703,240</u>	<u>\$ (626,487)</u>	<u>\$ (8,023)</u>	<u>\$ 1,329,506</u>
Depreciable Assets:					
Utility Plant in Service:					
Structures and Improvements	1,096,334		42,005	(393)	1,137,946
Pumping and Purification	289,056	1,112		(63)	290,105
Distribution and Transmission System	4,003,977		316,011	(30,910)	4,289,078
Treatment Facilities	3,572,251		267,042	(16,818)	3,822,475
Total Utility Plant in Service	<u>\$ 8,961,618</u>	<u>\$ 1,112</u>	<u>\$ 625,058</u>	<u>\$ (48,184)</u>	<u>\$ 9,539,604</u>
Machinery and Equipment:					
Machinery and Equipment	533,878	16,076	1,429	(2,387)	548,996
Furniture and Fixtures	6,591				6,591
Computer Equipment	34,036	665		(604)	34,097
Software	66,683	32			66,715
Total Machinery and Equipment	<u>\$ 641,188</u>	<u>\$ 16,773</u>	<u>\$ 1,429</u>	<u>\$ (2,991)</u>	<u>\$ 656,399</u>
Intangible Subscription Assets	6,892				6,892
Other Intangible Assets	1,354				1,354
Total Depreciable Assets	<u>\$ 9,611,052</u>	<u>\$ 17,885</u>	<u>\$ 626,487</u>	<u>\$ (51,175)</u>	<u>\$ 10,204,249</u>
Accumulated Depreciation:					
Utility Plant in Service:					
Structures and Improvements	(357,475)	(28,938)		178	(386,235)
Pumping and Purification	(122,979)	(9,681)		37	(132,623)
Distribution and Transmission System	(1,060,262)	(82,654)		30,762	(1,112,154)
Treatment Facilities	(996,588)	(70,430)		16,458	(1,050,560)
Machinery and Equipment:					
Machinery and Equipment	(243,873)	(30,809)		2,379	(272,303)
Furniture and Fixtures	(6,475)	(47)			(6,522)
Computer Equipment	(26,631)	(2,294)		559	(28,366)
Software	(54,220)	(2,565)			(56,785)
Intangible Subscription Assets	(1,691)	(1,936)			(3,627)
Other Intangible Assets	(923)	(68)			(991)
Total Accumulated Depreciation	<u>\$ (2,871,117)</u>	<u>\$ (229,422)</u>	<u>\$ -</u>	<u>\$ 50,373</u>	<u>\$ (3,050,166)</u>
Total Depreciable Assets, net	<u>\$ 6,739,935</u>	<u>\$ (211,537)</u>	<u>\$ 626,487</u>	<u>\$ (802)</u>	<u>\$ 7,154,083</u>
Total Capital Assets, net	<u>\$ 8,000,711</u>	<u>\$ 491,703</u>	<u>\$ -</u>	<u>\$ (8,825)</u>	<u>\$ 8,483,589</u>

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 \$4,945 in 2024.

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

Net receivables at September 30, 2025 are as follows:

	<u>Customer Accounts</u>	<u>Taxes</u>	<u>Notes and Loans</u>	<u>Accrued Interest</u>	<u>Other</u>	<u>Total Net Receivables</u>	<u>Lease Receivables</u>
Governmental Activities	\$ 138,483	\$ 44,602	\$ 158,823	\$ 8,164	\$ 103,325	\$ 453,397	\$ 52,338
Business-Type Activities	40,765			1,943	108	42,816	78,741
Total	<u>\$ 179,248</u>	<u>\$ 44,602</u>	<u>\$ 158,823</u>	<u>\$ 10,107</u>	<u>\$ 103,433</u>	<u>\$ 496,213</u>	<u>\$ 131,079</u>

The receivable balances for Governmental Activities have been reduced by estimated allowances for doubtful accounts in the amount of \$232,820; \$132,039 against customer accounts, \$2,841 against taxes, \$52,779 against notes and loans and \$44,891 against other receivables. The receivable balances for Business-Type Activities have been reduced by estimated allowances for doubtful accounts of \$162 against customer accounts and \$108 against other receivables.

Of the \$158,823 recorded in notes and loans, only \$69,867 is expected to be collected within one year. The remaining \$88,956 note and loans receivables not expected to be collected within one year are related to General Fund, 2022 General Obligation Bonds, CDBG, and Community Services net of allowance for doubtful accounts of \$102,397. The \$102,397 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, 2025 are as follows:

	<u>Accounts</u>	<u>Construction</u>	<u>Accrued Payroll</u>	<u>Total Payables</u>	<u>Lease Payables</u>	<u>Subscription Payables</u>
Governmental Activities	\$ 115,307	\$ 60,221	\$ 22,705	\$ 198,233	\$ 66,648	\$ 85,648
Business-Type Activities	21,066	84,494	3,372	108,932	11,172	4,891
Total	<u>\$ 136,373</u>	<u>\$ 144,715</u>	<u>\$ 26,077</u>	<u>\$ 307,165</u>	<u>\$ 77,820</u>	<u>\$ 90,539</u>

CPS Energy

Disaggregation of Receivables – Net customer accounts receivable as of January 31, 2025, included \$32,170 for unbilled revenue receivables and \$322,112 for billed utility services. Interest and other receivables included \$22,592 for regulatory-related receivables and \$115,909 for other miscellaneous receivables.

Disaggregation of Payables – At January 31, 2025, accounts payable and accrued liabilities included \$343,298 related to standard operating supplier and vendor accounts payables, including fuels payable; \$46,565 for employee-related payables; \$141,689 for customer related payables; \$30,310 for STP-related payables; and \$299,584 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, 2024, included \$81,656 from customers; \$28,962 in unbilled revenue; \$3,633 receivable from leases and other governmental agencies, and \$8,511 for interest receivable, less an allowance of \$21,576.

Disaggregation of Payables – At December 31, 2024, accounts payable and other current liabilities included \$49,963 in accounts payable; \$12,107 accrued compensated absences; \$4,643 in accrued payroll and benefits; \$134,035 in construction contracts; \$15,950 in customer deposits; and \$11,771 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, 2025:

	Due From Other Funds	Due To Other Funds
General Fund:		
Debt Service Fund	\$ 92	\$ 225
COVID-19 Funds	8,981	3,475
Categorical Grant In-Aid	86,239	
Nonmajor Governmental Funds	9,278	
Total General Fund	\$ 104,590	\$ 3,700
Debt Service Fund:		
General Fund	225	92
Total Debt Service Fund	\$ 225	\$ 92
COVID-19 Funds:		
General Fund	3,475	8,981
Total COVID-19 Funds	\$ 3,475	\$ 8,981
Categorical Grant In-Aid:		
General Fund		86,239
Total Categorical Grant In-Aid	\$ -	\$ 86,239
Nonmajor Governmental Funds:		
Nonmajor Governmental Funds	8,907	18,185
Total Nonmajor Governmental Funds	\$ 8,907	\$ 18,185
Total	\$ 117,197	\$ 117,197

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

As of September 30, 2025, 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 \$104,590 due from other funds reported in General Fund, \$104,498 is timing differences due to providing services and reimbursements not yet received. All interfund balances are expected to be paid within one year.

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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	\$ 333,272	\$ 9,768	\$ 343,040
Contributions Subsequent to Measurement Date related to Pensions	125,814	11,267	137,081
Deferred Outflows of Resources related to OPEB	194,222	15,228	209,450
Contributions Subsequent to Measurement Date related to OPEB	40,145	329	40,474
Deferred Outflows of Resources related to ARO	1,259	570	1,829
Unamortized Debt Reacquisition Costs	26,128	1,538	27,666
Total Deferred Outflows of Resources	\$ 720,840	\$ 38,700	\$ 759,540
Deferred Inflows of Resources:			
Deferred Inflows of Resources related to Pensions	\$ 51,123	\$ 6,000	\$ 57,123
Deferred Inflows of Resources related to OPEB	361,193	49,130	410,323
Deferred Inflows of Resources related to Leases	77,163	77,298	154,461
Deferred Inflows of Resources related to SCA	19,342		19,342
Total Deferred Inflows of Resources	\$ 508,821	\$ 132,428	\$ 641,249

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 and service concession arrangements (SCA) can be found in Note 14 Leases and Subscription-Based Information Technology Arrangements and Note 20 Other Disclosures, respectively. Additional information concerning deferred outflows of resources related to ARO can be found in Note 15 Other Obligations, respectively.

Note 7 Deferred Outflows and Inflows of Resources (Continued)**Primary Government (City) (Continued)**

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

	Governmental Funds
Deferred Inflows of Resources:	
Revenues associated with:	
Loans receivables	\$ 150,728
Grants	88,505
Leases	48,349
Property Tax Collections	42,715
Service Concession Arrangements	19,342
EMS Collections	11,783
Municipal Court Fines	938
Library Fines	925
Alarm Fees	4,306
Magistrate/Detention Fees	400
Other entities	26,650
Total Deferred Inflows of Resources in the Balance Sheet - Governmental Funds Statement	\$ 394,641

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

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

Deferred Outflows of Resources:	CPS Energy
Unrealized pension contributions	\$ 72,774
Losses related to pension	194,790
Unrealized contributions to the OPEB Plan	576
Losses related to OPEB	81,298
Unrealized losses to fuel hedges	90,471
Unamortized debt reacquisition costs	38,577
Unamortized costs for AROs	438,955
Total Deferred Outflows of Resources	\$ 917,441
Deferred Inflows of Resources:	
Unrealized gains related to pension	\$ 6,079
Unrealized gains related to OPEB	35,072
Leases	9,649
Sale of future revenues	66,939
Unamortized debt reacquisition costs	58,630
Total Deferred Inflows of Resources	\$ 176,369

San Antonio Water Systems (SAWS)

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

Deferred Outflows of Resources:	SAWS
Deferred charges on bond refunding	\$ 15,588
Decrease of fair value of hedging derivatives	993
Deferred outflows of resources related to AROs	43,252
Unrealized pension contributions	12,367
Net Difference between expected and actual experience and change in assumption	5,212
Net Difference between projected and actual earnings on pension plan investments	21,429
Unrealized OPEB contributions	150
Difference between expected and actual experience and changes of assumptions related to OPEB	9,564
Net Difference between expected and actual earnings on OPEB plan investments	4,284
Total Deferred Outflows of Resources	\$ 112,839
Deferred Inflows of Resources:	
Differences between expected and actual experience and changes of assumptions related to pension	\$ 2,430
Differences between expected and actual experience and changes of assumptions related to OPEB	14,873
Gain on bond refunding	7,906
Leases	3,635
Total Deferred Inflows of Resources	\$ 28,844

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 2025.

On May 7, 2022, voters approved a \$1,200,000 bond program (2022 Bond Program), the largest bond program in the City's history. On August 14, 2025, the City issued \$221,650 in General Improvement and Refunding Bonds, Series 2025 to provide funding for projects in the 2022 Bond Program and to refinance debt for interest cost savings. The refunding portion of \$81,015 included a premium of \$5,093. The debt refunded included Tax-Exempt General Improvement and Refunding Bonds, Series 2014 and Series 2015, in addition to, Tax-Exempt Certificates of Obligation, Series 2015. As a result of the refunding, the City will realize a total decrease of \$3,323 in debt service payments and total deferred charges of \$4,252. Through this refunding, the City obtained an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$3,818. The remaining \$140,635 included a premium of \$10,324, 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 2026 to 2045, with interest rates at 5.0%.

On August 14, 2025, the City issued \$112,770 in Combination Tax and Revenue Certificates of Obligation, Series 2025; \$13,575 in Combination Tax and Revenue Certificates of Obligation, Taxable Series 2025, and \$54,440 in Tax Notes, Series 2025 to provide funding for projects in the City's Capital Budget. The Tax-Exempt Certificates of Obligation included a premium of \$9,927, and were issued to finance improvements to drainage, public safety, streets, information technology, municipal facilities, parks and recreation and land acquisition related to the Edwards Aquifer program. The Tax-Exempt Certificates have maturities ranging from 2026 to 2045, with an interest rate of 5.0%. The Taxable Certificates of Obligation proceeds were issued to finance capital improvement elements of solar program. The Taxable Certificates have maturities ranging from 2026 to 2045, with interest rates ranging from 4.0% to 5.6%. The Tax Notes proceeds included a premium of \$1,801, and were issued to finance improvements for information technology, municipal facilities, parks and recreation, street maintenance projects, police, and other improvements. The Tax Notes have maturities ranging from 2026 to 2028, with an interest rate of 5.0%.

Pledges and Significant Terms

The City's General Obligation Bonds, Certificates of Obligation, Tax Notes, and Public Property Finance Contractual Obligations are secured by ad valorem taxes levied upon all taxable property located within the City, within the limitations prescribed by law. The Certificates of Obligations are additionally secured by a lien on and pledge of certain revenues of the City's municipal parks system not to exceed \$1 during the entire period the Certificates of Obligation or interest thereon remains outstanding in order to permit the Certificates of Obligation to be sold for cash. The total outstanding debt that is secured by an ad valorem tax pledge is \$3,058,300 including \$2,583,765 that is reported in government-type activities. 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.

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

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

The Texas Municipal Facilities Corporation (MFC) has secured bonds and loans. The 2011 MFC Bonds financed the construction of a new Fire and Police Emergency Dispatch Center, also known as the Public Safety Answering Point (PSAP) and are paid semi-annually by the General Fund. The payments from the General Fund are supported by appropriated lease payments which equal the annual debt service on the bonds. The 2011 MFC Bonds were paid off in advance of the maturity date in October 2024. The 2019 MFC Contract Revenue Notes financed the redevelopment of two buildings at Brooks City Base for the City and are paid by annually appropriated Brooks City-Base Tax Increment Reinvestment Zone revenues. The 2021 MFC Bonds financed a portion of the acquisition and funded the renovation of the City Tower building for a consolidated City administrative office building. These Lease Revenue Bonds are paid semi-annually by the City Tower Fund and are supported by City department budget assessments, parking revenues, and external lease revenue held in the City Tower Lease Payment Fund. The 2023 MFC Contract Revenue Notes financed the Edwards Aquifer Protection Program. On October 30, 2025, a principal payment of \$30,000 was made on the 2023 MFC Contract Revenue Notes. See Note 22, Subsequent Events, for additional information. The Contract Revenue Notes are secured by a portion of the City's revenue payment from SAWS and paid for from the General Fund. Payment of debt service on the bonds and notes is solely dependent upon the payment by the City (as the "lessee" under the related lease agreement) of lease payments under the lease. In the event the City fails to appropriate for the payment of lease payments during any fiscal year, the lease will terminate at the end of the fiscal year for which sufficient appropriations have been made, and the City must, upon the expiration of such fiscal year, surrender possession and control of the assets to the lessor or the trustee. Remedies available under the lease upon a failure of the City to pay lease payments from appropriated funds could include some of the following: (i) immediate acceleration of all lease payments due or to become due during the current fiscal year, (ii) termination of the City's leasehold interest in the assets, (iii) the right of the trustee to take possession and control of the asset, and to sell, or lease or otherwise dispose of the asset upon foreclosure under the related mortgage and security agreement, (iv) with or without terminating the primary lease, immediate acceleration of all operating expenses due or to become due during the current fiscal year, and (v) take any other action at law or in equity that may be necessary or desirable to collect lease payments, including filing a suit in mandamus to compel payment. Remedies available under the trust agreement upon a failure of the issuer to pay debt service on the bonds or the occurrence of an event of default under the lease agreement include, (i) with or without terminating the lease and to the extent permitted by law, immediate acceleration of all outstanding bonds at the option of the trustee or if directed by the holders of at least 25.0% in principal amount of the outstanding bonds, and (ii) the right of the trustee to terminate the lease and take possession and control of the asset, and to sell, or lease, sublease or otherwise dispose of the asset upon foreclosure under the related mortgage and security agreement.

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

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

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

Texas Public Facilities Corporation Improvement and Refunding Lease Revenue Bonds, Convention Center Facilities, are paid by annually appropriated lease payments from any money that has not been encumbered to secure the payment of any indebtedness of the City and that may lawfully be used with respect to any payment obligated or permitted under the lease agreement, including but not limited to unencumbered and lawfully available revenues derived by the City from hotel occupancy taxes levied by the City; annual ad valorem taxes levied for maintenance and operation purposes (although pursuant to the authorization adopted on November 21, 2024, this portion of the security will not be pledged to prospective obligations issued); 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, 2025, \$27,915 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, 2025 for governmental activities:

Governmental Activities Long-Term Debt							
Issue	Time of Original Issuance			Balance Outstanding October 1, 2024	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2025
	Original Amount	Final Principal Payment	Interest Rates (%)				
Tax-Exempt General Obligation Bonds:							
Series 2014	\$ 227,275	2034	2.000-5.000	\$ 21,690	\$ -	\$ (21,690)	\$ -
Series 2014 Refunding	51,955	2025	0.500-5.000	2,065		(2,065)	
Series 2015	234,510	2035	4.000-5.000	76,265		(76,265)	
Series 2016	194,175	2036	3.000-5.000	80,455		(15,340)	65,115
Series 2017	88,070	2037	4.000-5.000	57,400		(3,770)	53,630
Series 2018	154,850	2038	3.000-5.000	108,880		(5,570)	103,310
Series 2019 Refunding (HUD)	24,570	2025	3.000-5.000	3,770		(3,770)	
Series 2019 Refunding	383,940	2040	3.000-5.000	325,870		(14,920)	310,950
Series 2020	145,565	2040	3.000-5.000	117,790		(5,090)	112,700
Series 2021	128,295	2041	4.000-5.000	106,775		(4,265)	102,510
Series 2022	57,680	2042	4.000-5.000	53,960		(1,905)	52,055
Series 2023	163,665	2043	4.000-5.000	156,135		(30,000)	126,135
Series 2024	175,975	2044	5.000	175,975		(6,340)	169,635
Series 2025 Improvement and Refunding	221,650	2045	5.000		221,650		221,650
Total Tax-Exempt General Obligation Bonds	\$ 2,252,175			\$ 1,287,030	\$ 221,650	\$ (190,990)	\$ 1,317,690
Taxable General Obligation Bonds:							
Series 2020 Refunding	\$ 437,420	2034	0.314-2.013	\$ 337,670	\$ -	\$ (28,445)	\$ 309,225
Series 2022	100,520	2042	3.274-4.531	72,390		(2,855)	69,535
Total Taxable General Obligation Bonds	\$ 537,940			\$ 410,060	\$ -	\$ (31,300)	\$ 378,760
Tax-Exempt Certificates of Obligation:							
Series 2015	\$ 36,360	2035	1.500-5.000	\$ 14,775	\$ -	\$ (12,045)	\$ 2,730
Series 2016	84,855	2036	2.000-5.000	59,375		(3,900)	55,475
Series 2017	73,360	2037	3.000-5.000	45,395		(3,115)	42,280
Series 2018	131,610	2038	4.000-5.000	104,145		(5,340)	98,805
Series 2019	30,235	2039	4.000-5.000	21,660		(1,955)	19,705
Series 2020	40,500	2040	3.000-5.000	33,695		(1,865)	31,830
Series 2021	41,425	2041	3.000-5.000	37,220		(1,505)	35,715
Series 2022	79,830	2042	4.000-5.000	74,685		(2,640)	72,045
Series 2023	46,990	2033	5.000	43,500		(3,925)	39,575
Series 2024	123,850	2035	5.000	123,850		(19,760)	104,090
Series 2025	112,770	2045	5.000		112,770		112,770
Total Tax-Exempt Certificates of Obligation	\$ 801,785			\$ 558,300	\$ 112,770	\$ (56,050)	\$ 615,020
Taxable Certificates of Obligation:							
Series 2015	\$ 43,820	2035	0.880-4.162	\$ 27,350	\$ -	\$ (2,060)	\$ 25,290
Series 2016	24,830	2036	0.921-3.278	15,210		(1,750)	13,460
Series 2016 (Fixed Conversion)	47,000	2038	2.580-4.050	46,795		(885)	45,910
Series 2018	8,600	2040	0.300-2.400	6,625		(365)	6,260
Series 2020	15,440	2046	0.793-2.933	12,630		(705)	11,925
Series 2021A	22,890	2041	0.220-2.670	19,825		(1,020)	18,805
Series 2024	32,355	2044	4.131-4.997	32,355		(1,215)	31,140
Series 2025	13,575	2045	4.070-5.580		13,575		13,575
Total Taxable Certificates of Obligation	\$ 208,510			\$ 160,790	\$ 13,575	\$ (8,000)	\$ 166,365
Tax Notes:							
Series 2023	30,450	2025	5.000	15,545		(15,545)	
Series 2024	55,100	2027	5.000	55,100		(17,695)	37,405
Series 2025	54,440	2028	5.000		54,440		54,440
Total Tax Notes	\$ 139,990			\$ 70,645	\$ 54,440	\$ (33,240)	\$ 91,845

(Continued)

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

Governmental Activities Long-Term Debt							
Issue	Time of Original Issuance			Balance Outstanding October 1, 2024	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2025
	Original Amount	Final Principal Payment	Interest Rates (%)				
Revenue Bonds:							
Series 2013 Municipal Drainage	\$ 70,685	2030	3.000-5.000	\$ 29,835	\$ -	\$ (5,325)	\$ 24,510
Series 2013 Starbright Industrial Dev Corp	20,890	2033	1.078-4.750	12,020		(1,135)	10,885
Series 2011 Municipal Facilities Corp	27,925	2041	2.000-5.000	20,115		(20,115)	
Series 2021 Municipal Facilities Corp	59,760	2048	3.000-5.000	59,490		(1,110)	58,380
Series 2012 Public Facilities Corp	550,374	2042	3.000-5.100	256,300			256,300
Series 2022 Public Facilities Corp and Refunding	292,880	2037	5.000	286,280		(5,630)	280,650
Series 2024 Tax-Exempt Remarketing Municipal Facilities Corp	29,445	2050	5.000	29,445			29,445
Total Revenue Bonds	<u>\$ 1,051,959</u>			<u>\$ 693,485</u>	<u>\$ -</u>	<u>\$ (33,315)</u>	<u>\$ 660,170</u>
Notes from Direct Placements:							
Series 2023 Municipal Facility Corp - Contractual Obligations	\$ 30,000	2027	3.950	\$ 30,000	\$ -	\$ -	\$ 30,000
Total Notes from Direct Placements	<u>\$ 30,000</u>			<u>\$ 30,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 30,000</u>
Bonds from Direct Placements:							
Series 2019 Municipal Facilities Corp	\$ 6,065	2034	2.390	\$ 4,325	\$ -	\$ (390)	\$ 3,935
Series 2020 Public Facilities Corp - Contractual Obligations	11,300	2025	1.701	2,335		(2,335)	
Series 2021 Taxable Certificates of Obligation	15,955	2035	2.010	15,020		(935)	14,085
Total Bonds from Direct Placements	<u>\$ 33,320</u>			<u>\$ 21,680</u>	<u>\$ -</u>	<u>\$ (3,660)</u>	<u>\$ 18,020</u>
Total	<u>\$ 5,055,679</u>			<u>\$ 3,231,990</u>	<u>\$ 402,435</u>	<u>\$ (356,555)</u>	<u>\$ 3,277,870</u>

(End of Schedule)

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

The annual requirements to amortize all General Obligation Bonds, Certificates of Obligation, Tax Notes, Revenue Bonds, Notes from Direct Placements, and Bonds from Direct Placements outstanding as of September 30, 2025 are as follows:

Year-Ending September 30,	Principal and Interest Requirements					
	General		Certificates of		Tax Notes	
	Obligation Bonds ¹		Obligation ²			
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 139,575	\$ 64,227	\$ 46,565	\$ 33,261	\$ 38,540	\$ 3,425
2027	124,235	59,812	41,145	31,745	40,310	1,658
2028	120,005	55,128	61,900	29,361	12,995	325
2029	116,265	50,593	66,300	26,406		
2030	114,370	46,527	59,875	23,508		
2031-2035	532,590	171,552	298,245	79,136		
2036-2040	399,650	77,632	140,940	27,197		
2041-2045	149,760	14,204	61,855	6,104		
2046-2047			4,560	67		
Total	<u>\$ 1,696,450</u>	<u>\$ 539,675</u>	<u>\$ 781,385</u>	<u>\$ 256,785</u>	<u>\$ 91,845</u>	<u>\$ 5,408</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		Notes from Direct Placements		Bonds from Direct Placements	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 16,180	\$ 29,432	\$ -	\$ 1,185	\$ 1,335	\$ 377
2027	18,755	28,631	30,000	1,185	1,340	349
2028	22,220	27,700			1,350	320
2029	21,820	26,688			1,365	292
2030	24,480	25,645			1,375	263
2031-2035	143,815	109,930			11,255	679
2036-2040	234,150	68,260				
2041-2045	136,920	19,294				
2046-2050	41,830	7,645				
Total	<u>\$ 660,170</u>	<u>\$ 343,225</u>	<u>\$ 30,000</u>	<u>\$ 2,370</u>	<u>\$ 18,020</u>	<u>\$ 2,280</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.

Authorized but Unissued General Obligation Debt				
Authorization Date	Purpose	Amount Authorized	Bonds Previously Issued	Bonds Authorized but Unissued
5/7/2022	Streets, Bridges, and Sidewalks ¹	\$ 471,557	\$ 231,904	\$ 239,654
5/7/2022	Drainage and Flood Control ¹	169,873	70,410	99,463
5/7/2022	Parks, Recreation, and Open Space ¹	271,915	169,253	102,662
5/7/2022	Library, Museum, and Cultural Facilities ¹	58,375	49,345	9,029
5/7/2022	Public Safety Facilities ¹	78,280	58,433	19,847
5/7/2022	Affordable Housing ²	150,000	123,540	26,460
Total		<u>\$ 1,200,000</u>	<u>\$ 702,885</u>	<u>\$ 497,115</u>

¹ The amount issued of \$579,345 includes the par value of the bonds in the amount of \$537,955, the premium of the bonds in the amount of \$44,909, and less the cost of issuance of \$3,519.

² The taxable amount issued of \$123,540 is the par value of the bonds, with project funding of \$122,770 and cost of issuance of \$770.

Debt Limitation

The amount of debt that the City may incur is limited by City Charter and by the Constitution of the State of Texas. The City Charter establishes a limitation on the general obligation debt supported by ad valorem taxes to an amount not to exceed 10.0% of the total assessed valuation. The total assessed valuation for fiscal year 2025 was \$211,496,772 which provides a debt ceiling of \$21,149,677. The total outstanding debt that is secured by an ad valorem tax pledge is \$3,058,300 (1.45%) including \$474,535 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 2025 Debt Service rate was 21.150 cents per \$100 of taxable valuation. (Amounts in this paragraph are not in thousands).

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

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

The following is HPARC's restructured debt schedule for fiscal year-ended September 30, 2025:

Year-Ending September 30,	Principal	Interest	Total
2026	\$ -	\$ -	\$ -
2027			
2028			
2029	8,514	2,443	10,957
2030	1,324	245	1,569
2031-2035	7,148	705	7,853
2036-2037	1,549	22	1,571
Total	\$ 18,535	\$ 3,415	\$ 21,950

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

The following table is a summary of changes for the year-ended September 30, 2025:

Issue	Time of Original Issuance			Balance Outstanding October 1, 2024	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2025
	Original Amount	Final Principal Payment	Interest Rates (%)				
Series 2010	\$ 1,185	2025	3.676	\$ 100	\$ -	\$ (100)	\$ -
Series 2015	4,000	2025	1.500-5.000	490		(490)	
Series 2016	3,275	2031	2.000-5.000	1,805		(225)	1,580
Series 2018	1,315	2033	4.000-5.000	900		(80)	820
Series 2021	1,655	2031	5.000	1,240		(150)	1,090
Series 2023	3,710	2033	5.000	3,415		(310)	3,105
Total	\$ 15,140			\$ 7,950	\$ -	\$ (1,355)	\$ 6,595

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.

On May 22, 2025, the City sold \$200,000 in Tax Notes, Taxable Series 2025 through a private placement with Frost Bank. The 2025 Taxable Notes were sold to provide interim financing for airport capital improvements to fund the Terminal Development Program. The 2025 Taxable Notes mature in 2032, with an interest rate of 5.3%.

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 Development Services Department 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 total outstanding debt that is secured by an ad valorem tax pledge allocated to business-type activities is \$474,535. 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, 2025, business-type activities do not have previously defeased debt outstanding.

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, 2025 for business-type activities:

Business-Type Long-Term Debt								
Issue	Time of Original Issuance			Balance Outstanding October 1, 2024	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2025	
	Original Amount	Final Principal Payment	Interest Rates (%)					
Airport System:								
Revenue Bonds:								
Series 2012 Refunding	\$ 70,135	2027	2.000-5.000	\$ 18,110	\$ -	\$ (5,735)	\$ 12,375	
Series 2012 PFC Refunding	25,790	2027	2.000-5.000	6,815		(2,160)	4,655	
Series 2015	38,805	2045	5.000	34,610		(970)	33,640	
Series 2015 CFC	123,900	2045	2.910-5.871	115,890		(2,375)	113,515	
Series 2019A Refunding	47,255	2032	5.000	33,545		(3,515)	30,030	
Series 2019B Refunding	36,280	2040	2.020-3.527	31,180		(1,350)	29,830	
Series 2019A PFC Refunding	63,405	2032	5.000	43,205		(5,100)	38,105	
Series 2019B PFC Refunding	31,535	2040	2.120-3.707	26,615		(1,300)	25,315	
Taxable Tax Notes:								
Series 2023	269,635	2026	5.635	269,635			269,635	
Series 2025	200,000	2032	5.300		200,000		200,000	
Subtotal	\$ 906,740			\$ 579,605	\$ 200,000	\$ (22,505)	\$ 757,100	
Development Services:								
Tax-Exempt Certificates of Obligation:								
Series 2019	\$ 6,190	2039	4.000-5.000	\$ 5,140	\$ -	\$ (240)	\$ 4,900	
Subtotal	\$ 6,190			\$ 5,140	\$ -	\$ (240)	\$ 4,900	
Total	\$ 912,930			\$ 584,745	\$ 200,000	\$ (22,745)	\$ 762,000	

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, 2025 are as follows:

Year-Ending September 30,	Principal and Interest Requirements					
	Airport System			Development Services		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 293,595	\$ 32,515	\$ 326,110	\$ 255	\$ 220	\$ 475
2027	25,315	23,823	49,138	265	207	472
2028	53,450	21,724	75,174	280	194	474
2029	56,225	18,910	75,135	295	180	475
2030	59,135	15,964	75,099	305	165	470
2031-2035	155,520	43,668	199,188	1,785	585	2,370
2036-2040	60,900	24,334	85,234	1,715	175	1,890
2041-2045	52,960	9,356	62,316			
Total	<u>\$ 757,100</u>	<u>\$ 190,294</u>	<u>\$ 947,394</u>	<u>\$ 4,900</u>	<u>\$ 1,726</u>	<u>\$ 6,626</u>

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Tax-Exempt General Obligation Bonds	\$ 1,287,030	\$ 221,650	\$ (190,990)	\$ 1,317,690	\$ 108,195
Taxable General Obligation Bonds	410,060		(31,300)	378,760	31,380
Tax-Exempt Certificates of Obligation	558,300	112,770	(56,050)	615,020	38,010
Taxable Certificates of Obligation	160,790	13,575	(8,000)	166,365	8,555
Tax Notes	70,645	54,440	(33,240)	91,845	38,540
Revenue Bonds	693,485		(33,315)	660,170	16,180
Notes from Direct Placements	30,000			30,000	
Bonds from Direct Placements	21,680		(3,660)	18,020	1,335
Gross Bonds Payable	\$ 3,231,990	\$ 402,435	\$ (356,555)	\$ 3,277,870	\$ 242,195
Unamortized (Discount)/Premium	\$ 189,905	\$ 27,145	\$ (39,175)	\$ 177,875	\$ 28,479
Net Bonds Payable	\$ 3,421,895	\$ 429,580	\$ (395,730)	\$ 3,455,745	\$ 270,674
Other Payables:					
Lease Liability ^{4,6}	\$ 72,250	\$ 1,914	\$ (7,516)	\$ 66,648	\$ 6,936
Subscription Liability ^{4,6}	88,801	13,049	(16,202)	85,648	18,370
Financed Purchases ^{4,6}	4,916	8,420	(2,218)	11,118	2,764
Compensated Absences	263,356	46,645		310,001	130,145
Net Pension Liability ¹	1,378,043	715,335	(751,547)	1,341,831	
Net OPEB Liability ²	784,044	139,792	(113,574)	810,262	
Claims Payable Liability	89,782	217,471	(211,740)	95,513	33,783
Arbitrage Rebate Payable ³	15,919	10,190	(3,306)	22,803	4,967
Pollution Remediation Liability ⁵	2,052	516	(794)	1,774	1,774
Asset Retirement Obligations ⁵	2,088			2,088	
Other Payable	30		(1)	29	
Total Other Payables	\$ 2,701,281	\$ 1,153,332	\$ (1,106,898)	\$ 2,747,715	\$ 198,739
Total Governmental Activities	\$ 6,123,176	\$ 1,582,912	\$ (1,502,628)	\$ 6,203,460	\$ 469,413
Business-Type Activities:					
Bonds Payable:					
Tax-Exempt Certificates of Obligation	\$ 5,140	\$ -	\$ (240)	\$ 4,900	\$ 255
Taxable Tax Notes	269,635	200,000		469,635	269,635
Revenue Bonds	309,970		(22,505)	287,465	23,960
Gross Bonds Payable	\$ 584,745	\$ 200,000	\$ (22,745)	\$ 762,000	\$ 293,850
Unamortized (Discount)/Premium	\$ 8,911	\$ -	\$ (1,987)	\$ 6,924	\$ 1,644
Net Bonds Payable	\$ 593,656	\$ 200,000	\$ (24,732)	\$ 768,924	\$ 295,494
Other Payables:					
Leases Liability ^{4,6}	\$ 11,679	\$ 69	\$ (576)	\$ 11,172	\$ 655
Subscription Liability ^{4,6}	6,694	4,019	(5,820)	4,891	1,149
Financed Purchases ^{4,6}	8,628	5,012	(1,697)	11,943	2,237
Compensated Absences	8,289	2,660		10,949	9,031
Net Pension Liability ¹	120,246	58,834	(65,999)	113,081	
Net OPEB Liability ²	48,101	9,847	(10,922)	47,026	
Accrued Landfill Postclosure Costs ³	159		(40)	119	119
Pollution Remediation Liability ⁵	1,274			1,274	
Asset Retirement Obligations ⁵	786	54		840	
Total Other Payables	\$ 205,856	\$ 80,495	\$ (85,054)	\$ 201,295	\$ 13,191
Total Business-Type Activities	\$ 799,512	\$ 280,495	\$ (109,786)	\$ 970,219	\$ 308,685

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

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

³ See Note 13 Commitments and Contingencies for a description of Arbitrage costs and Landfill Postclosure Care costs.

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

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

⁶ See Note 21 Adjustments and Restatements for additional information.

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

The following is a summary of compensated absences for the fiscal year-ended September 30, 2025:

Fund Type	Governmental Activities				
	Short-Term Available	Short-Term Remaining	Total Short-Term	Long-Term	Total
Governmental Funds	\$ 8,396	\$ 114,553	\$ 122,949	\$ 178,537	\$ 301,486
Internal Service Funds		7,196	7,196	1,319	8,515
Total Governmental Activities	<u>\$ 8,396</u>	<u>\$ 121,749</u>	<u>\$ 130,145</u>	<u>\$ 179,856</u>	<u>\$ 310,001</u>

Fund	Business-Type Activities		
	Short-Term	Long-Term	Total
Airport System	\$ 3,829	\$ 1,551	\$ 5,380
Solid Waste Management	3,170	367	3,537
Nonmajor Enterprise Funds	2,032		2,032
Total Business-Type Activities	<u>\$ 9,031</u>	<u>\$ 1,918</u>	<u>\$ 10,949</u>

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

To support its long-term capital financing needs, CPS Energy uses several types of debt instruments. As of January 31, 2025, 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, 2025, CPS Energy did not default on any terms of its debt agreements.

As of January 31, 2025, the bond ordinances for New Series Bonds contained, among others, the following provisions:

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 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 current and future senior lien obligations;
- 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;
- An annual amount equal to 6.0% of the gross revenues of CPS Energy to be deposited in the Repair and Replacement Account;
- Payment of the annual amount due to the General Fund of the City of San Antonio;
- 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.

Revenue Bonds

On June 25, 2024, CPS Energy issued \$452,220 of New Series 2024A Revenue Refunding Bonds. Proceeds, including the \$47,182 premium associated with the bonds, were used to refund \$200,000, \$8,522, and \$285,000 par value of the Tax-Exempt Commercial Paper Series A, Tax-Exempt Commercial Paper Series B, and Tax-Exempt Flexible Rate Revolving Note Series B, respectively. The true interest cost for this issuance, which has maturities in 2025 through 2049, is 4.3%.

On June 25, 2024, CPS Energy issued \$453,355 of New Series 2024B Revenue Refunding Bonds. Proceeds, including the \$39,810 premium associated with the bonds, were used to refund \$30,770 par value of Series 2014 Revenue Refunding Bonds and \$60,655 par value of Taxable New Series 2022 Revenue Refunding Bonds. Proceeds were also used to tender \$24,275 par value of Taxable New Series 2020 Revenue Refunding Bonds and \$77,165 par value of Taxable New Series 2022 Revenue Refunding Bonds. The true interest cost for this issuance, which has maturities from 2025 through 2054, is 4.4%.

Also on June 25, 2024, CPS Energy issued \$193,265 of New Series 2024C Revenue Refunding Bonds. Proceeds, including the \$18,038 premium associated with the bonds, were used to refund \$60,000, \$75,000, and \$75,000 par value of the Tax-Exempt Commercial Paper Series A, Tax-Exempt Commercial Paper Series B, and Tax-Exempt Commercial Paper Series C, respectively. The true interest cost for this issuance, which has maturities from 2025 to 2054, is 4.5%.

On September 18, 2024, CPS Energy issued \$487,995 of Series 2024D Revenue Refunding Bonds. Proceeds, including the \$58,453 premium associated with the bonds, were used to refund \$124,205 par value of the 2015A Variable Rate Junior Lien Revenue Refunding Bonds, \$99,740 par value of the 2015C Variable Rate Junior Lien Revenue Bonds, \$295,000 par value of the Tax-Exempt Commercial Paper Series A, and \$21,400 par value of the Tax-Exempt Commercial Paper Series C, respectively. The true interest cost for this issuance, which has maturities in 2025 through 2049, is 4.2%.

On September 18, 2024, CPS Energy issued \$268,710 of New Series 2024E Revenue Refunding Bonds. Proceeds, including the \$33,062 premium associated with the bonds, were used to refund \$50,000, \$150,000, and \$100,000 par value of the Taxable Commercial Paper Series B, Taxable Commercial Paper Series C, and Taxable Flexible Rate Revolving Note Series A, respectively. The true interest cost for this issuance, which has maturities in 2025 through 2049 is 4.2%.

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

Long-Term Debt Activity							
Issue	Time of Original Issuance			Balance Outstanding February 1, 2024	Additions During Year	Decreases During Year	Balance Outstanding January 31, 2025
	Original Amount	Final Principal Payment	Interest Rates (%)				
Revenue and Refunding Bonds:							
2009C Taxable Senior Lien ¹	\$ 375,000	2039	6.051	\$ 375,000	\$ -	\$ -	\$ 375,000
2010A Taxable Senior Lien 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 Senior Lien	521,000	2042	4.382	404,225			404,225
2012 Tax Exempt New Series	655,370	2025	2.552	236,735		(123,245)	113,490
2014 Tax Exempt Junior Lien	200,000	2044	4.142	30,770		(30,770)	
2015A Tax Exempt Junior Lien	125,000	2033	Variable	124,205		(124,205)	
2015B Tax Exempt Junior Lien	125,000	2033	1.428	104,150			104,150
2015 Tax Exempt Senior Lien	320,530	2032	2.992	218,410		(20,230)	198,180
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	334,940		(3,795)	331,145
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 Senior Lien	418,255	2048	2.864	328,635		(24,275)	304,360
2021A Tax Exempt Junior Lien	330,700	2049	3.139	330,700			330,700
2022 Tax Exempt Junior Lien	125,005	2049	Variable	125,005			125,005
2022 Tax Exempt Junior Lien	234,460	2044	2.782	234,460			234,460
2022 Taxable Senior Lien	413,720	2047	4.315	276,040		(144,880)	131,160
2022 Tax Exempt Senior Lien	109,620	2025	2.264	62,885		(24,220)	38,665
2023A Tax Exempt - Senior Lien	459,450	2050	4.382	459,450		(490)	458,960
2023B Tax Exempt - Senior Lien	177,130	2044	4.209	177,130			177,130
2023 Tax Exempt - Junior Lien	100,340	2053	Variable	100,340			100,340
2023C Tax Exempt - Senior Lien	162,715	2042	4.336	162,715		(2,155)	160,560
2024A Tax Exempt - Senior Lien	452,220	2049	4.349		452,220		452,220
2024B Tax Exempt - Senior Lien	453,355	2054	4.363		453,355		453,355
2024C Tax Exempt - Senior Lien	193,265	2054	4.481		193,265		193,265
2024D Tax Exempt - Senior Lien	487,995	2054	4.164		487,995		487,995
2024E Tax Exempt - Senior Lien	268,710	2049	4.171		268,710		268,710
Total	\$ 9,943,450			\$ 6,579,475	\$ 1,855,545	\$ (598,005)	\$ 7,837,015
Bond Current Maturities				(181,295)	(2,305)		(183,600)
Bond (Discount)/Premium				425,873	194,546	(51,378)	569,041
Revenue Bonds, Net				\$ 6,824,053	\$ 2,047,786	\$ (649,383)	\$ 8,222,456
Taxable and Tax Exempt Commercial Paper			Variable	351,400	583,522	(934,922)	
Long-term debt, Net				\$ 7,175,453	\$ 2,631,308	\$ (1,584,305)	\$ 8,222,456

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, 2025, the total subsidy recorded for the 2009C and 2010A Senior Lien BABs and the 2010A Junior Lien BABs was \$18,423, which included a reduction totaling \$1,115.

As of January 31, 2025, 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
2026	\$ 183,600	\$ 364,190	\$ (18,443)	\$ 529,347
2027	169,185	361,988	(18,443)	512,730
2028	197,495	365,824	(18,443)	544,876
2029	206,865	361,816	(18,443)	550,238
2030	198,720	355,949	(18,443)	536,226
2031-2035	1,215,760	1,628,342	(94,692)	2,749,410
2036-2040	1,939,070	1,245,074	(61,598)	3,122,546
2041-2045	1,873,365	734,330	(5,488)	2,602,207
2046-2050	1,457,530	304,813		1,762,343
2051-2055	395,425	56,182		451,607
Totals	<u>\$ 7,837,015</u>	<u>\$ 5,778,508</u>	<u>\$ (253,993)</u>	<u>\$ 13,361,530</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 2015D 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 1.1% through their term rate period's expiration in fiscal year 2026. A stepped rate of 7.0% is assumed in the previous table for this series thereafter through applicable final maturity. The stepped rate is applicable only if the bonds are not remarketed by their respective expiration date.

The Series 2018 Junior Lien Bonds were issued as multi-modal variable-rate bonds. The bonds were remarketed in fiscal year 2022 as multi-modal variable-rate bonds issued in a SIFMA Index Mode with an applicable spread of 0.9% through their term rate periods of 2025 and at a stepped rate of 8.0% thereafter through applicable final maturity. In the table above, interest on these variable-rate bonds is calculated at an assumed rate of 3.5% for the applicable initial interest period and at an assumed stepped rate of 8.0% thereafter through stated maturity. The stepped rate is applicable only if the bonds are not remarketed by their respective expiration date.

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

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

The Series 2022 Junior Lien Bonds were issued as multi-modal variable-rate bonds that utilize an interest rate of 2.0% through their term rate period's expiration in 2027. A stepped rate of 7.0% is assumed in the in the table on the previous page for each series thereafter through applicable final maturity. The stepped rate is applicable only if the bonds are not remarketed by their respective expiration date.

The Series 2023 Junior Lien Bonds were issued as multi-modal variable-rate bonds that utilize an interest rate of 3.7% through their term rate period's expiration in 2026. A stepped rate of 8.0% is assumed in the table on the previous page for each series thereafter through applicable final maturity. The stepped rate is applicable only if the bonds are not remarketed by their respective expiration date.

Pursuant to guidance provided in GASB Statement No. 65, debt reacquisition costs meet neither the definition of an asset nor a liability and are therefore required to be classified as deferred outflows (unamortized loss on debt refunding) or inflows (unamortized gain on debt refunding) of resources on the Statements of Net Position. The debt refundings that occurred in fiscal year 2025 resulted in a difference between the reacquisition price and the net carrying amount of the old debt of \$17,847 in deferred inflows of resources. Debt reacquisition costs reported as deferred outflows of resources totaled \$38,577 at January 31, 2025. Debt reacquisition costs reported as deferred inflows of resources totaled \$58,630 at January 31, 2025. 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 \$50,903 at January 31, 2025.

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

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

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

On February 24, 2023, the City entered into a note purchase agreement under the Series A Flex Notes program, with Truist Bank and Truist Commercial Equity, Inc. replacing the note purchase agreement with Wells Fargo Bank, National Association. The stated expiration of the note purchase agreement with Truist Bank and Truist Commercial Equity, Inc. is November 1, 2028. As of January 31, 2025, there were no Series A Flex Notes outstanding.

On April 12, 2023, the City entered into a Note Purchase Agreement under the Series B Flex Notes program, with JPMorgan Chase Bank, National Association, Wells Fargo Bank, and Frost Bank as the note purchasers by contractual agreement in effect through April 4, 2028, with the approval of \$500,000 in additional capacity. As of January 31, 2025, there were no Series B Flex Notes outstanding.

When issued, both Series A and 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 A and Series B Flex Note will be secured by a lien on and pledge of the new revenue of CPS Energy and the proceeds of sale.

Compensated Absences

In fiscal year 2025, CPS Energy adopted a paid-time off ("PTO") benefits policy, which consolidated vacation, sick leave, and personal days. The policy allows employees to earn PTO benefits each pay cycle based on their years of service. At January 31, 2025, the accruals for employee vested benefits were \$27,156 which were reported under Accounts Payable and Other Current Liabilities on the Statement of Net Position. In addition, the adoption of the new policy did not result in a material financial statement impact.

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

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

City Ordinance No. 75686 requires SAWS to make payments to the City each month after making all other payments required by the ordinance. The amount of the payment is determined by City Council from time to time and cannot exceed 5.0% of gross revenues. SAWS payment to the City in fiscal year 2025 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 April 1, 2024, SAWS issued \$116,480 in Tax-Exempt Commercial Paper Notes to partially fund an escrow account for the redemption of the City of San Antonio, Texas Water System Variable Rate Junior Lien Revenue Bonds, Series 2019A (No Reserve Fund) (the "Series 2019A Bonds"). Additionally, SAWS deposited \$50,000 from available cash on hand to the escrow account to effectuate the redemption of \$166,480 in Series 2019A Bonds on the bonds mandatory tender date of May 1, 2024.

On September 11, 2024, SAWS issued \$165,310 City of San Antonio, Texas Water System Subordinate Lien Revenue Refunding Bonds, Series 2024A. The proceeds from the sale of the bonds were used to (i) refund \$165,200 of City of San Antonio, Texas Water System Tax-Exempt Commercial Paper, and (ii) pay for costs of issuance. The bonds are secured solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations and Junior Lien Obligations.

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

On October 29, 2024, SAWS issued \$265,075 City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2024B (No Reserve Fund). The proceeds from the sale of the bonds were used to (i) finance capital improvement projects, and (ii) pay for cost of issuance. The bonds are secured together with other outstanding junior lien obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding senior lien obligations.

Senior lien water system revenue bonds consist of the Series 2009B and Series 2010B, outstanding in the amount of \$101,835 at December 31, 2024. Senior lien revenue bonds are collateralized by a senior lien and pledge of the gross revenues of SAWS after deducting and paying the current expenses of operations and maintenance of SAWS and maintaining a two-month operating reserve for such expenses. Interest rates on senior lien bonds range from 5.5% to 5.9%, exclusive of any federal interest subsidy on the Series 2009B and 2010B Build America Bonds.

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

As of December 31, 2024, 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 \$274,415. Interest rates on the TWDB junior lien fixed rate bonds range from 0.0% to 3.4%.

As of December 31, 2024, the remaining junior lien fixed rate revenue bonds consist of Series 2015B (No Reserve Fund), Series 2016A (No Reserve Fund), Taxable Series 2016B, Series 2016C (No Reserve Fund), Series 2017A (No Reserve Fund), Series 2018A (No Reserve Fund), Series 2019C (No Reserve Fund), Series 2020A (No Reserve Fund), Series 2020C (No Reserve Fund), Series 2021A (No Reserve Fund), Series 2022A (No Reserve Fund), and Series 2022B (No Reserve Fund), Series 2023A (No Reserve Fund), and Series 2024B (No Reserve Fund) is outstanding in the amount of \$2,531,715. Interest rates on the junior lien fixed rate bonds range from 2.0% to 5.3%.

The junior lien variable rate bonds, comprised of the Series 2013F (No Reserve Fund) (Series 2013F Bonds), and the Series 2014B (No Reserve Fund) (Series 2014B Bonds), are outstanding in the amount of \$198,010 at December 31, 2024. The Series 2013F Bonds are tax-exempt variable rate notes currently in a Term Mode through October 31, 2026, at an interest rate of 1.0%. The Series 2014B Bonds are tax-exempt variable rate notes currently in a SIFMA Index Mode with interest reset weekly at a spread of 0.7% over the SIFMA Swap Index through October 31, 2025.

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

The direct placement revenue bonds of \$274,415 contain events of default and/or termination provisions with possible finance-related consequences. SAWS has evaluated the 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.

Subordinate lien water system revenue bonds consist of the Series 2024A Bonds, outstanding in the amount of \$165,310 at December 31, 2024. Subordinate lien revenue bonds are collateralized by a subordinate lien and pledge of the gross revenues of SAWS after deducting and paying the current expenses of operations and maintenance of SAWS, maintaining a two-month operating reserve for such expenses, and paying debt service on senior lien and junior lien debt.

The 2024A Bonds are tax-exempt variable rate bonds issued in a Daily Mode. Upon the occurrence of a failed remarketing, the bonds will be purchased under the liquidity facility being a Standby Bond Purchase Agreement with Truist Bank that expires on September 11, 2029. The 2024A Bonds are subject to a mandatory tender on the substitution of the liquidity facility, change in interest rate mode, on any rate adjustment date, and termination of the liquidity facility.

The following summarizes transactions of the Revenue Bonds for the year-ended December 31, 2024:

	Beginning Balance January 1, 2024	Additions	Reductions	Ending Balance December 31, 2024	Due Within One Year
Revenue Bonds	\$ 2,789,350	\$ 430,385	\$ 222,865	\$ 2,996,870	\$ 60,790
Direct Placement Bonds	288,250		13,835	274,415	13,980
Unamortized Premium	292,994	36,976	29,720	300,250	
Unamortized Discount	(202)		(16)	(186)	
Total Bonds Payable, Net	<u>\$ 3,370,392</u>	<u>\$ 467,361</u>	<u>\$ 266,404</u>	<u>\$ 3,571,349</u>	<u>\$ 74,770</u>

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

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

Year-Ended December 31,	Annual Debt Service Requirements Revenue and Refunding Bonds								
	Fixed Rate				Variable Rate				
	Revenue Bonds			Net Interest	Direct Placement Bonds		Revenue Bonds		
	Principal	Interest Expense	Direct Subsidy ¹		Principal	Interest Expense	Principal	Interest Expense*	
2025	\$ 60,790	\$ 126,931	\$ (1,875)	\$ 125,056	\$ 13,980	\$ 4,408	\$ -	\$ 9,341	
2026	73,080	123,127	(1,797)	121,330	14,155	4,242		9,344	
2027	71,010	119,500	(1,716)	117,784	14,315	4,062		11,312	
2028	72,065	115,936	(1,650)	114,286	14,510	3,869		11,314	
2029	96,150	111,786	(1,581)	110,205	14,725	3,660		11,309	
2030-2034	536,520	483,714	(7,001)	476,713	72,890	14,641	55,975	52,777	
2035-2039	690,235	332,363	(3,292)	329,071	54,390	9,091	70,480	42,994	
2040-2044	467,955	190,855	(56)	190,799	55,255	3,584	71,555	31,796	
2045-2049	405,680	83,582		83,582	18,890	361	43,450	25,449	
2050-2054	160,065	11,618		11,618	1,305	4	121,860	10,143	
Total	<u>\$ 2,633,550</u>	<u>\$ 1,699,412</u>	<u>\$ (18,968)</u>	<u>\$ 1,680,444</u>	<u>\$ 274,415</u>	<u>\$ 47,922</u>	<u>\$ 363,320</u>	<u>\$ 215,779</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 payments through September 30, 2030.

* The variable rate bonds are currently in a fixed rate Term Mode and SIFMA Index Mode. Interest listed above is based on fixed rate through the interest period for the Term Mode and a budgeted rate of 3.0% thereafter, 3.0% for the SIFMA Index Mode, and 3.3% for the Daily Mode.

In fiscal year 2024, SAWS received a total of \$1,907 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 99.7 times at December 31, 2024. The current annual combined debt coverage ratio was 2.0 times at December 31, 2024.

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, 2024, there were \$2,241 of the former Bexar Metropolitan Water District's bonds outstanding considered legally defeased.

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

SAWS accrues earned but unused employee vacation and a portion of personal leave pay as well as the employer portion of Social Security taxes and required employer pension contributions related to the accrued vacation and personal leave pay. Per SAWS' policy, unused vacation hours are payable upon termination; therefore, employees are expected to either use or receive a payout for all vacation accrued as of the Measurement Date. Personal leave is not paid out upon termination, but employees have the option of receiving a payout annually for up to 40 hours accrued. Hours above a specific level (880 hours) are also paid out at the end of each calendar year. Personal leave liability is measured related to these payouts as well as leave expected to be used during active employment. 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. Changes in the liability amount for 2024 are as follows:

<u>Year-Ended</u>	<u>Liability Beginning Balance¹</u>	<u>Current-Year Accruals</u>	<u>Payments</u>	<u>Liability Ending Balance</u>	<u>Estimated Due Within One Year</u>
December 31, 2024	\$ 26,677	\$ 17,294	\$ (15,266)	\$ 28,705	\$ 12,107

¹Restated for the implementation of GASB 101 Compensated Absences

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Note 9 Commercial Paper Programs**Primary Government (City)**

The City had no commercial paper debt during fiscal year 2025.

CPS Energy

As of January 31, 2025, the commercial paper ordinances contain, among others, the following provisions:

- Authorized capacity of \$1,000,000;
- Allow flexibility to issue tax-exempt or taxable commercial paper;
- Allow the issuance of multiple series notes;
- Final maturity on April 20, 2053.

Eligible projects include fuel acquisition, capital improvements to CPS Energy, and refinancing or refunding any outstanding obligations, which are secured by and payable from a lien and/or a pledge of net revenues of CPS Energy. Such pledge of net revenues is subordinate and inferior to the pledge securing payment of existing senior lien and junior lien obligations. The original commercial paper program has a final maturity of April 11, 2049, and the new series commercial paper program as a final maturity date of April 20, 2053.

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

- Proceeds from:
 - The sale of Bonds issued for such purposes, and
 - The sale of Project Notes;
- Borrowings under a related Credit Agreement; and
- Amounts held in payment funds used specifically for payment of commercial paper principal and interest balances; and
- The Net Revenues of CPS Energy, however, being subordinate to the pledge securing payment of CPS Energy Revenue Priority Obligations.

The commercial paper has been classified as long-term in accordance with the refinancing terms under various revolving credit agreements with a consortium of banks that serve as liquidity facility support for the commercial paper program. Each revolving credit agreement relates to a particular series of notes and provides liquidity facility support in the amount specified. The Series A agreement provides \$400,000 in liquidity facility support for the Series A Notes and is effective through June 19, 2026. The Series C agreement provides \$100,000 in liquidity facility support for Series C Notes and is effective through June 21, 2025. The New Subseries A1 agreement replaces the Series B capacity of \$200,000 in liquidity support through the New Subseries A1 Notes and is effective through July 31, 2031. The New Series B agreement provides \$150,000 in liquidity support for the New Series B Notes and is effective through July 31, 2028. The New Series C agreement provides \$150,000 in liquidity support for the New Series C Notes and is effective through October 12, 2025. Under the terms of these revolving credit agreements, CPS Energy may borrow up to an aggregate amount not to exceed \$1,000,000 for the purpose of paying principal due under the commercial paper program. As of January 31, 2025, and since inception of the program, there have been no back-stop options exercised under the revolving credit agreements.

Note 9 Commercial Paper Programs (Continued)**CPS Energy (Continued)**

During fiscal year 2025, CPS Energy issued a total of \$583,522 in commercial paper. As of January 31, 2025, there was no outstanding commercial paper.

	<u>January 31, 2025</u>
New Commercial Paper Issues	\$ 583,522
Weighted Average Interest Rate of Outstanding	6.4%
Average Life Outstanding (Number of Days)	232

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 Council to charge rates sufficient to make debt service payments and satisfy debt service coverage. During fiscal year 2025, CPS Energy did not default on any terms of its debt agreements.

San Antonio Water System (SAWS)

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

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

The borrowings under the commercial paper program are equally and ratably secured by and are payable from (i) the proceeds from the sale of bonds or additional borrowing under the commercial paper program and (ii) borrowing under and pursuant to the revolving credit agreement. The capacity of the combined revolving credit and note purchase agreements is \$500,000 with the Revolving Credit Agreement with JPMorgan Chase Bank, N.A. in the amount of \$400,000, supporting the Series A Notes expiring October 4, 2026; and the Revolving Credit Agreement with Truist Bank in the amount of \$100,000, supporting the Series B Notes expiring October 31, 2028.

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.

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

Commercial paper notes of \$171,375 are outstanding as of December 31, 2024, with all notes issued under the subseries A-1 Notes. Interest rates on the Subseries A-1 Notes outstanding at December 31, 2024 range from 3.1% to 3.4% and maturities range from 35 to 107 days. All outstanding notes combined had an average rate of 3.3% and average 78 days to maturity.

SAWS intends to reissue maturing commercial paper, in accordance with the refinancing 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 \$45,070 of commercial paper in 2025. Therefore, this portion of outstanding commercial paper is classified as a current liability.

The following table summarizes transactions of the program for the year-ended December 31, 2024.

	<u>Beginning Balance Balance as of January 1, 2024</u>	<u>Additions during year</u>	<u>Deletions during year</u>	<u>Ending Balance Balance as of December 31, 2024</u>	<u>Due Within One Year</u>
Tax Exempt Commercial Paper Notes					
Subseries A-1 Notes	<u>\$ 224,945</u>	<u>\$ 116,480</u>	<u>\$ (170,050)</u>	<u>\$ 171,375</u>	<u>\$ 5,070</u>

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

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

	City - TMRS	Fire and Police Pension Plan	Total City Pension Plans	CPS Energy All Employee Plan	SAWS-TMRS	SAWS Retirement Plan	SAWS District Special Project Retirement Income Plan
Total Pension Liability	\$ 2,742,258	\$ 4,961,285	\$ 7,703,543	\$ 2,592,155	\$ 282,983	\$ 310,250	\$ 6,822
Plan Fiduciary Net Position	2,123,869	4,124,762	6,248,631	2,140,673	255,367	288,281	7,899
Net Pension (Asset) Liability	\$ 618,389	\$ 836,523	\$ 1,454,912	\$ 451,482	\$ 27,616	\$ 21,969	\$ (1,077)
Total Deferred Inflows of Resources	\$ (30,579)	\$ (26,544)	\$ (57,123)	\$ (6,079)	\$ (1,532)	\$ (103)	\$ (795)
Deferred Outflows of Resources	34,625	308,415	343,040	194,790	9,388	16,789	464
Contributions Subsequent to Measurement Date	59,269	77,812	137,081	72,774	6,312	6,053	2
Total Deferred Outflows of Resources	\$ 93,894	\$ 386,227	\$ 480,121	\$ 267,564	\$ 15,700	\$ 22,842	\$ 466
Pension Expenses	\$ 108,509	\$ 175,058	\$ 283,567	\$ 92,536	\$ 4,937	\$ 7,523	\$ (214)

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 942 participating cities. Under GASB, TMRS is an agent multiple-employer public employee retirement system.

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

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

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

This monetary credit is determined by hypothetically re-computing the employee's account balance by assuming that the current employee deposit rate (6.00%) has always been in effect. The computation also assumes that the employee's salary has always been the employee's average salary, using a salary calculation based on the 36-month period ending a year before the effective date of calculation. This hypothetical amount is increased by 3.00% each year and increased by the City's match currently in effect (12.00%). The resulting sum is then compared to the employee's actual account balance increased by the actual City match and actual interest credited. If the hypothetical calculation exceeds the actual calculation, the member is granted a monetary credit (or updated service credit) equal to the difference between the hypothetical calculation and the actual calculation times the percentage adopted.

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

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

The following table presents information about TMRS Pension Plan participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability (asset), as of the measurement date of December 31, 2024, for the fiscal year-ended September 30, 2025, were:

Number of:	
Active Members	8,046
Retirees and Beneficiaries	5,891
Inactive Members ¹	4,055
Total	<u>17,992</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 2025 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 13.91% to 14.25%, effective January 1, 2025.

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 14.25% for calendar year 2025, both as adopted by City Council. The City's contribution to TMRS for fiscal year 2025 was \$110,686, with \$32,931 contributed by City employees and \$77,755 contributed by the City. These amounts were equal to required contributions.

As of September 30, 2025, the City reported a payable to TMRS in the amount of \$8,474 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, 2024 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	21 years (longest amortization ladder)
Asset Valuation Method	Ten-year smoothed fair value; 12.00% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%, including inflation, net of pension plan investment expense
Retirement Age	Experience-based table of rates that vary by age.
Cost-of-living Adjustments	Granted 70.00% retroactive ad hoc COLA
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103.00% and female rates are multiplied by 105.00%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB (10) mortality tables, with the 110.00% of the Public Safety table used for males and the 100.00% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Salary increases were based on a service-based scale. The Retirement Age was last updated for the 2023 valuation pursuant to an experience study of the period ending 2022. Mortality rates for active members, retirees, and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees are used with a four-year set-forward for males and a three-year set-forward for females. In addition, a 3.50% and 3.00% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively.

Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 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, 2024. 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 projection 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 21 years remaining for the closed period existing for each base in addition to the employer portion of all future benefit accruals.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.00%	6.70%
Core Fixed Income	6.00%	4.70%
Non-Core Fixed Income	20.00%	8.00%
Other Public and Private Markets	12.00%	8.00%
Real Estate	12.00%	7.60%
Hedge Funds	5.00%	6.40%
Private Equity	10.00%	11.60%
Total	100.00%	

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

	1.00% Decrease 5.75%	Current Discount Rate 6.75%	1.00% Increase 7.75%
Net Pension Liability	\$ 978,944	\$ 618,389	\$ 319,905

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, 2025, based on the measurement date and actuarial valuation date of December 31, 2024.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	\$ 82,977
Interest Cost	173,422
Difference Between Expected and Actual Experience	20,049
Benefit Payments, including Refunds of Employee Contributions	(123,818)
Net Change in Total Pension Liability	\$ 152,630
Total Pension Liability - Beginning	2,589,628
Total Pension Liability - Ending	<u>\$ 2,742,258</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 74,708
Contributions - Employee	32,225
Net Investment Income	201,269
Benefit Payments, including Refunds of Employee Contributions	(123,818)
Administrative Expense	(1,294)
Other	(30)
Net Change in Plan Fiduciary Net Position	\$ 183,060
Plan Fiduciary Net Position - Beginning	1,940,809
Plan Fiduciary Net Position - Ending	<u>\$ 2,123,869</u>
Net Pension Liability	<u>\$ 618,389</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.45%

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, 2025, based on the actuarial valuation of December 31, 2024, the City recognized pension expense of \$108,509.

Schedule of Pension Expense	
Total Service Cost	\$ 82,977
Interest Cost	173,422
Employee Contributions (Reduction of Expense)	(32,225)
Projected Earnings on Plan Investments (Reduction of Expense)	(131,005)
Administrative Expense	1,294
Other Changes in Fiduciary Net Position	30
Expensed Portion of Current Year Period Differences Between Expected and Actual Experience	5,063
Expensed Portion of Current Year Period Differences Between Projected and Actual Earnings	(14,053)
Amortization of Prior Year Outflows (Inflows) of Resources - Liabilities	10,362
Amortization of Prior Year Outflows (Inflows) of Resources - Assets	12,644
Total Pension Expense	<u>\$ 108,509</u>

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At September 30, 2025, the City reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	\$ 34,625	\$ -
Changes of Assumptions		(9,802)
Net Difference in Projected and Actual Earnings on Pension Plan Investments		(20,777)
Contributions Subsequent to the Measurement Date	59,269	
Total	<u>\$ 93,894</u>	<u>\$ (30,579)</u>

\$59,269 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, 2026.

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
2026	\$ 14,653
2027	29,442
2028	(25,996)
2029	(14,053)
Total	\$ 4,046

City Deferred Compensation

The City has a deferred compensation program for its employees, created in accordance with Internal Revenue Code Section 457(b). The program, available to all full-time civilian and uniform employees, permits them to defer a portion of their salary on a pre-tax basis. The compensation deferred under this program is not available to employees until termination, retirement, death, loan, or qualifying unforeseeable emergency. Participation in the program is voluntary. In fiscal year 2012, the City implemented a matching contribution of up to 1.00% of base salary to eligible executives who participated in the program. In fiscal year 2015, the City increased its matching contribution for executives up to 2.00% of base salary. There has been no change to the matching contribution rate since 2015. In fiscal years 2018, 2019, and 2020, executives in the third and fourth quartile of their salary ranges received 1.00% of their prior year performance pay as a deferred compensation contribution, and this annual contribution will continue for these executives until their employment ends with the City. Performance pay contributions do not count towards the employer match program. The City has no liability for losses under this plan and it does not meet the criteria of a fiduciary activity as defined in GASB Statement No. 84, *Fiduciary Activities*.

Fire and Police Pension Plan

The Pension Fund is a single-employer defined benefit pension plan established in accordance with the laws of the State of Texas, administered by the San Antonio Fire and Police Pension Fund. The governing document for the Pension Fund is found in Vernon's Texas Civil Statutes, Article 6243o. The pension law governing the Pension Fund was amended on October 1, 2009. The Pension Fund meets the criteria of a fiduciary fund of the City as established by governmental standards and is therefore included in the City's financial statements as a pension trust fund. A more complete description of the Pension Fund is provided in the Pension Fund's 2024 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, 2024, were:

Number of:	
Active Members	4,315
Retirees and Beneficiaries	3,441
Inactive Members ¹	33
Total	<u>7,789</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 did not meet the criteria for the 13th and 14th check for the year-ended December 31, 2024.

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

The Pension Fund provides benefits when service is terminated by reason of disability. The employee is 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. As of September 1, 2023, the death benefit for the beneficiaries who were married to or dependents of a participant who dies while still active was changed from 50.00% to 75.00% of the participant's total salary, excluding overtime pay, or vested benefit as is provided in the computation of normal retirement benefits, whichever is higher. The increase began September 1, 2023 for active participant deaths after September 1, 2005. If a member dies after retiring, spouses or beneficiaries who were married to, or dependents of, the member at the time of retirement receive the same annuity paid to the member as of the date of the member's death up to the maximum benefit. The maximum benefit for surviving spouses and dependent children is equal to a 27-year service pension. As of October 1, 2009, the allocation of death benefits between a surviving spouse and the dependent children of a member is 75.00% to the spouse and 25.00% to the children. The spousal death benefit provided to a spouse who married a retiree after retirement, and at least five years prior to the date of the retiree's death, is the same as a spouse who married a member prior to retirement. In the case of marriage after retirement, a spouse who is otherwise qualified to receive a pension is subject to a 55-year-old minimum age to begin receiving annuity payments. As of October 1, 2009, the spousal death benefit for a spouse who married a retiree after retirement, and less than five years prior to the date of the retiree's death, is \$15 if there are no other beneficiaries.

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

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

The estate of an active member who dies and does not leave a beneficiary will receive either ten times the amount of an annuity computed according to the annuity computation, using the deceased member's service credit and average total salary as of the date of death, or the deceased member's contributions that were deducted from their City paycheck. The estate of a retired member who dies and does not leave a beneficiary will receive a lump-sum benefit equal to ten times the amount of the annual 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. A member of the fund is considered to have been killed in the line of duty if the member's death directly resulted from traumatic injury sustained while engaging in, or conducting simulated training of, a law enforcement activity, fire suppression activity, rescue, hazardous material response, emergency medical services, disaster relief, or other emergency response activity. Traumatic injury, in this instance, means severe physical injury of sudden onset and of a life-ending or life-threatening nature.

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

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

The Pension Fund is funded in accordance with Texas state statutes and is not actuarially determined. In fiscal year 2025, the City was required to contribute 24.64% of salary, or \$100,511, excluding overtime pay, and the employee contribution rate was 12.32%, or \$50,347. New firefighters and police officers are immediately eligible for membership after they receive state certification and complete all other requirements. The new member contributes to the Pension Fund upon becoming eligible.

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

The Net Pension Liability for the plan was measured as of December 31, 2024. Plan Fiduciary Net Position (plan assets) was valued as of the measurement date and Total Pension Liability was determined from actuarial valuations as of January 1, 2024:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, using 3.00% annual increases
Remaining Amortization Period	20.96 years remaining as of January 1, 2024
Asset Valuation Method	Five-year smoothed fair 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 Health 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 actuarial assumptions are based on the results of an actuarial experience study for the period from October 1, 2009 through September 30, 2014. There were no changes in the actuarial assumptions for the year ended December 31, 2024.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table as of December 31, 2024:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)¹
Large Cap U.S. Equities	22.00%	6.40%
Small Cap U.S. Equities	7.00%	7.30%
International Equities	11.00%	6.70%
International Small Cap Equities	5.00%	8.10%
Private Equity	9.00%	9.90%
Core Bonds	7.00%	1.80%
High Yield	5.00%	3.60%
Bank Loans	5.00%	3.20%
TIPS	3.00%	1.80%
Private Debt	9.00%	6.20%
Unconstrained Fixed Income	3.00%	2.70%
Real Estate	9.00%	3.40%
Real Assets	5.00%	6.60%
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 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, 2025, based on the measurement date of December 31, 2024, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 6.25%, or one percentage point higher, 8.25%, than the current rate:

	1.00% Decrease 6.25%	Current Discount Rate 7.25%	1.00% Increase 8.25%
Net Pension Liability	\$ 1,515,502	\$ 836,523	\$ 280,346

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, 2025, based on the measurement date of December 31, 2024 and actuarial valuation date of January 1, 2024.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	\$ 87,592
Interest Cost	342,935
Change of Benefit Terms	12,648
Difference Between Expected and Actual Experience	6,104
Benefit Payments, including Refunds of Employee Contributions	(261,068)
Net Change in Total Pension Liability	\$ 188,211
Total Pension Liability - Beginning	4,773,074
Total Pension Liability - Ending	<u>\$ 4,961,285</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 95,246
Contributions - Employee	47,622
Net Investment Income	323,099
Benefit Payments, including Refunds of Employee Contributions	(261,068)
Administrative Expense	(3,741)
Net change in Plan Fiduciary Net Position	\$ 201,158
Plan Fiduciary Net Position - Beginning	3,923,604
Plan Fiduciary Net Position - Ending	<u>\$ 4,124,762</u>
Net Pension Liability	<u>\$ 836,523</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.14%

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

For the fiscal year-ended September 30, 2025, based on December 31, 2024 measurement date, the City recognized pension expense of \$175,058. Amounts recognized in the fiscal year represent changes between current and prior measurement dates:

Schedule of Pension Expense	
Service Cost	\$ 87,592
Interest Cost	342,935
Current Period Benefit Changes	12,648
Employee Contributions	(47,622)
Administrative Expenses	3,741
Expected Return on Assets	(280,041)
Expensed Portion of Current Year Period Differences Between Expected and Actual Experience	679
Expensed Portion of Current Year Period Differences Between Projected and Actual Earnings	(8,612)
Current Year Recognition of Deferred Outflows Established in Prior Years	195,476
Current Year Recognition of Deferred Inflows Established in Prior Years	(131,738)
Total Expense	<u>\$ 175,058</u>

At September 30, 2025, 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	\$ 196,909	\$ (26,544)
Changes of Assumptions	7,197	
Net Difference in Projected and Actual Earnings on Pension Plan Investments	104,309	
Contributions Subsequent to the Measurement Date	77,812	
Total	<u>\$ 386,227</u>	<u>\$ (26,544)</u>

\$77,812 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, 2026.

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
2026	\$ 80,599
2027	134,636
2028	(20,038)
2029	16,972
2030	26,704
Thereafter	42,998
Total	\$ 281,871

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

CPS Energy**All Employee Plan**

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

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

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, 2024 measurement date, for the fiscal year-ended January 31, 2025, were:

Number of:	
Active Members	2,715
Retirees and Beneficiaries	2,758
Inactive Members ¹	266
Total	<u>5,739</u>

¹Inactive members are Pension Plan participants that are entitled to deferred benefits.
Amounts 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. The January 1, 2023, valuation is the basis for contributions in fiscal year 2025. 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, 2021, the employee contribution interest crediting rate was 5.00%.

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 2025, 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, 2023, valuation include:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent; Layered Periods
Remaining Amortization Period	24 Years
Asset Valuation Method	Fair value gains/losses recognized over five years.
Discount Rate	7.00%
Inflation	2.33%, compounded annually.
Salary Increases	5.68%, average including inflation
Investment Rate of Return	7.00% per year, compounded annually
Cost-of-living Increases	1.50% per year
Mortality	Mortality rates were based on the Pri-2012 Employee/Retiree Mortality Table projected forward (fully generational) with MP-2021. Separate tables are used for disabled participants and contingent annuitants.

The actuarial assumptions used in the January 1, 2023 valuation for amounts reported in fiscal year 2025 were based on the results of an actuarial experience study completed in 2023 covering experience for the period January 1, 2020, through December 31, 2022.

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	54.50%	4.21%
Debt securities	23.50%	3.21%
Alternative Investments	22.00%	4.38%
Total Investments	100.00%	

Discount Rate — The discount rate used to measure the total pension liability for fiscal year 2025 was 7.00%. The projection of cash flows used to determine the discount rate assumed that future employee contributions will be made at the current contribution rate and that future CPS Energy contributions will be made in a manner consistent with the current contribution practices. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the sensitivity of net pension liability (asset) calculation to a 1.00% increase and a 1.00% decrease in the discount rate used to measure the total pension liability.

	1.00% Decrease 6.00%	Current Discount 7.00%	1.00% Increase 8.00%
Net Pension Liability (asset)	\$ 769,244	\$ 451,482	\$ 185,337

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 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, 2025 was measured as of January 31, 2024. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2023 and rolled forward using generally accepted actuarial procedures to the January 31, 2024 measurement date.

Changes in Net Pension Liability	
Total Pension Liability	
Service Cost	\$ 42,481
Interest Cost	166,928
Difference Between Expected and Actual Experience	106,920
Changes of Assumptions	48,543
Benefit Payments	(130,541)
Net Change in Total Pension Liability	\$ 234,331
Total Pension Liability - Beginning	2,357,824
Total Pension Liability - Ending	<u>\$ 2,592,155</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 56,717
Contributions - Employee	16,133
Net Investment Earnings	191,059
Benefit Payments	(130,541)
Administrative Expense	(540)
Net Change in Plan Fiduciary Net Position	\$ 132,828
Plan Fiduciary Net Position - Beginning	2,007,845
Plan Fiduciary Net Position - Ending	<u>\$ 2,140,673</u>
Net Pension Liability - Ending	<u>\$ 451,482</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.58%

CPS Energy recorded \$92,536 in pension expense for the year-ended January 31, 2025.

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, 2025:

	<u>Deferred Outflows of Resources</u>	<u>Deferred (Inflows) of Resources</u>
Difference in Expected and Actual Experience	\$ 40,112	\$ (672)
Changes of Assumptions	126,648	(5,407)
Difference in Projected and Actual Earnings on Pension Assets	28,030	
Contributions Subsequent to the Measurement Date	72,774	
Total	<u>\$ 267,564</u>	<u>\$ (6,079)</u>

\$72,774 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, 2026.

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.

<u>Year-Ended January 31,</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2026	\$ 40,226
2027	52,596
2028	71,485
2029	24,404
Total	<u>\$ 188,711</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 (asset), as of the December 31, 2023 measurement date, for the fiscal year-ended December 31, 2024, were:

Number of:	
Active Members	1,918
Retirees and Beneficiaries	1,440
Inactive Members ¹	930
Total	<u>4,288</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 3.61% in calendar year 2023. SAWS' contribution to TMRS totaled \$9,644 for the year-ended December 31, 2023, with \$4,377 contributed by SAWS' employees, and \$5,267 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, 2023 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	22 years
Asset Valuation Method	Ten-year smoothed fair 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 vary by age.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement PUB (10) mortality tables, with the 110% of the Public Safety table used for males and the 100% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.50% and 3.00% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

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

Note 10 Pension and Retirement Plans (Continued)**San Antonio Water System (SAWS) (Continued)*****Texas Municipal Retirement System (TMRS) (Continued)***

Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table. The long-term expected real rate of return amounts do not include inflation.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.70%
Non-Core Fixed Income	20.00%	8.70%
Real Estate	12.00%	5.80%
Other Public & Private Markets	12.00%	8.10%
Private Equity	10.00%	11.80%
Core Fixed Income	6.00%	4.90%
Hedge Funds	5.00%	6.90%
Total	100.00%	

The discount rate of 6.75% was used to measure the total pension liability in the December 31, 2023 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 fiscal year ended December 31, 2024, 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	\$ 62,410	\$ 27,616	\$ (1,432)

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, 2024, based on the measurement date of December 31, 2023.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	\$ 7,456
Interest Cost	18,041
Difference Between Expected and Actual Experience	1,846
Changes in Assumptions	(1,985)
Benefit Payments	(11,847)
Net Change in Total Pension Liability	\$ 13,511
Total Pension Liability - Beginning	269,472
Total Pension Liability - Ending	<u>\$ 282,983</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 5,267
Contributions - Employee	4,377
Net Investment Income	26,711
Benefits Payments, including Refunds of Employee Contributions	(11,847)
Administrative Expense	(170)
Other	(1)
Net change in Plan Fiduciary Net Position	\$ 24,337
Plan Fiduciary Net Position - Beginning	231,030
Plan Fiduciary Net Position - Ending	<u>\$ 255,367</u>
Net Pension Liability	<u>\$ 27,616</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.24%

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 (asset), as of the January 1, 2024 measurement date, for the fiscal year-ended December 31, 2024, were:

Number of:	
Active Members	780
Retirees and Beneficiaries	1,275
Inactive Members ¹	565
Total	<u>2,620</u>

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

Benefits Provided — Eligible employees hired prior to June 1, 2014 participate in the defined benefit component of the plan. Eligible employees vest in this plan after completion of five years of service.

Covered employees are eligible to retire upon attaining the normal retirement age of 65. An employee may elect early retirement, with reduced benefits, upon attainment of 20 years of vesting service regardless of age or five years of vesting service and at least age 60. An employee is automatically 100.00% vested upon attainment of age 65 or upon becoming totally and permanently disabled.

The normal retirement benefit is based upon two factors: average compensation and years of vesting service. Average compensation is defined as the monthly average of total compensation received for the three consecutive years-ending December 31, out of the last ten compensation years prior to normal retirement date, which gives the highest average.

The normal retirement benefit under SAWSRP is equal to the following:

- 1.20% of the average compensation, times years of credited service not in excess of 25 years, plus
- 0.75% of the average compensation, times years of credited service in excess of 25 years but not in excess of 35 years, plus
- 0.38% of the average compensation, times years of credited service in excess of 35 years.

Upon retirement, an employee must select from one of eight alternative payment plans. Each payment plan provides for monthly payments as long as the retired employee lives. The options available address how plan benefits are to be distributed to the designated beneficiary of the retired employee. The program also provides disability benefits.

Note 10 Pension and Retirement Plans (Continued)**San Antonio Water System (SAWS) (Continued)*****San Antonio Water System Retirement Plan (SAWSRP) (Continued)***

The funding policy provides for actuarially determined periodic contributions so that sufficient assets will be available to pay benefits when they are due. Contribution requirements are established and may be amended by the SAWS Board. The actuarially determined contribution for 2024 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, 2024, SAWS made contributions to participants' individual retirement accounts totaling \$3,493, net of forfeitures of \$21, and employees contributed \$2,805.

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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, 2024 actuarial valuation was determined using the following actuarial assumptions:

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.
Amortization Method	Equal annual installments
Asset Valuation Method	Four-year smoothed fair value
Inflation	2.40%
Salary Increases	In 2021, changed to a new table based on management philosophies and more recent experience of plan participants. Previously, scale based on 2011-2013 SAWS experience.
Retirement Age	Active: In 2020, changed to a table of rates starting at age 45 and ending at age 70. Inactive: In 2020, changed from 100.00% at age 62 to a table of rates starting at age 60 and ending at age 65.
Investment Rate of Return	6.25%, net of pension expense, including inflation.
Mortality Table	In 2024, 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, 2024 valuation was based on MP-2021, the most recent MI scale published in October 2021.

The interest rate was developed as a long-term expected geometric return on plan assets. Arithmetic expected return is calculated as the weighted average of broad asset classes' arithmetic returns of the plan's target asset allocation, and then converted to the geometric under lognormal distribution assumption. The 2024 valuation used the assumptions updated in November 2022. Due to the long-term nature of pension obligations, the investment horizon for the CMA is 20 years. The November 2023 CMA was an interim update to the CMA 2020 to help ensure that the results are consistent with the current economic situation and outlook.

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, 2024. 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	\$ 60,196	\$ 21,969	\$ (9,941)

Note 10 Pension and Retirement Plans (Continued)**San Antonio Water System (SAWS) (Continued)****San Antonio Water System Retirement Plan (SAWSRP) (Continued)**

Schedule of Changes in Net Pension (Asset) Liability and Related Ratios — The following table summarizes changes in the SAWSRP net pension (asset) for the fiscal year-ended December 31, 2024, based on the measurement date and actuarial valuation date of January 1, 2024.

Changes in the Net Pension (Asset)	
Total Pension Liability	
Service Cost	\$ 4,689
Interest Cost	18,414
Differences Between Expected and Actual Experience	3,994
Changes of Assumptions	3
Benefit Payments	(12,401)
Net Change in Total Pension Liability	\$ 14,699
Total Pension Liability - Beginning	295,551
Total Pension Liability - Ending	<u>\$ 310,250</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 6,136
Contributions - Employee	2,290
Net Investment Income	31,598
Benefit Payments	(12,401)
Administrative Expense	(290)
Net Change in Plan Fiduciary Net Position	\$ 27,333
Plan Fiduciary Net Position - Beginning	260,948
Plan Fiduciary Net Position - Ending	<u>\$ 288,281</u>
Net Pension (Asset) Liability	<u>\$ 21,969</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.92%

District Special Project Retirement Income Plan (DSPRP)

Plan Description — The District Special Project Retirement Income Plan (DSPRP) is a single-employer defined benefit pension plan that covers all eligible employees. The plan was originally established by Bexar Metropolitan Water District (BexarMet) to provide pension benefits to its employees. In 2008, the BexarMet Board elected to freeze pension benefits and entry into the plan effective September 30, 2008. In 2012, BexarMet was dissolved and all its assets and liabilities were transferred to the San Antonio Water System District Special Project (DSP). The plan was renamed District Special Project Retirement Income Plan (DSPRP). In 2016, DSP was merged into SAWS and DSPRP is now governed by SAWS, which is authorized to establish and amend all plan provisions. SAWS has delegated to Standard Insurance Company the authority to manage plan assets and administer the payment of benefits under the plan.

Note 10 Pension and Retirement Plans (Continued)**San Antonio Water System (SAWS) (Continued)*****District Special Project Retirement Income Plan (DSPRP) (Continued)***

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

The following table presents information about DSPRP Pension Plan participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability (asset), as of the January 1, 2024 measurement date, for the fiscal year-ended December 31, 2024, were:

Number of:	
Active Members	80
Retirees and Beneficiaries	13
Inactive Members ¹	38
Total	<u>131</u>

¹Inactive 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 1,000 hours per plan year. 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 2024. 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 liability (asset) was determined by an actuarial valuation as of that date performed as of the measurement date:

Actuarial Cost Method	Unit Credit
Amortization Method	Rolling level amortization over a declining period.
Remaining Amortization Period	Ten years
Asset Valuation Method	Fair Value with smoothing
Inflation	3.00%
Salary Increase	Earned benefits frozen in 2008.
Investment Rate of Return	5.75%, 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	Mortality rates are based on the PUB-2010 General Table projected on a fully generational basis using mortality improvement scale MP-2021. Due to the limited size of this plan and the frozen nature of benefits under the plan, an experience study has not been done.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class for the January 1, 2024 valuation are summarized in the following table:

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

The discount rate used to measure the total pension liability was 5.75%. 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 Liability (Asset) — The following table presents the net pension liability (asset), calculated at December 31, 2024 using the discount rate of 5.75%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1.00% lower, 4.75%, or 1.00% higher, 6.75%, than the current rate.

	1.00% Decrease 4.75%	Current Discount 5.75%	1.00% Increase 6.75%
Net Pension Liability (Asset) - DSPRP	\$ (533)	\$ (1,077)	\$ (1,560)

Schedule of Changes in Net Pension (Asset) and Related Ratios — The following table summarizes the changes in the DSPRP net pension (asset) for the fiscal year-ended December 31, 2024 based on the measurement date of January 1, 2024.

Changes in the Net Pension (Asset)	
Total Pension Liability	
Service Cost	\$ 124
Interest Cost	397
Difference Between Expected and Actual Experience	(305)
Changes of Assumptions	
Benefit Payments	(356)
Net Change in Total Pension Liability	\$ (140)
Total Pension Liability - Beginning	6,962
Total Pension Liability - Ending	<u>\$ 6,822</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 134
Net Investment Income	924
Benefit Payments, Including Refunds of Employee Contributions	(356)
Administrative Expense	(6)
Net change in Plan Fiduciary Net Position	\$ 696
Plan Fiduciary Net Position - Beginning	7,203
Plan Fiduciary Net Position - Ending	<u>\$ 7,899</u>
Net Pension (Asset)	<u>\$ (1,077)</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	115.79%

Note 10 Pension and Retirement Plans (Continued)**San Antonio Water System (SAWS) (Continued)****Other Pension Disclosures**

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

Pension Expense — For the year-ended December 31, 2024, SAWS recognized pension expense under the TMRS, SAWSRP, and DSPRP plans as follows:

Schedule of Pension Expense	
TMRS	\$ 4,937
SAWSRP - Defined Benefit	4,030
SAWSRP - Defined Contribution	3,493
DSPRP	(214)
Total Pension Expense	<u>\$ 12,246</u>

Amounts payable to the pension plans by SAWS for contributions totaled \$395 at December 31, 2024.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At December 31, 2024, 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	\$ 3,015	\$ (23)	\$ 1,903	\$ (103)	\$ 170	\$ (795)	\$ 5,088	\$ (921)
Changes of Assumptions		(1,509)	2		122		124	(1,509)
Net Difference in Projected and Actual Earnings on Pension Plan Investments	6,373		14,884		172		21,429	
Contributions Subsequent to the Measurement Date	6,312		6,053		2		12,367	
Total	<u>\$ 15,700</u>	<u>\$ (1,532)</u>	<u>\$ 22,842</u>	<u>\$ (103)</u>	<u>\$ 466</u>	<u>\$ (795)</u>	<u>\$ 39,008</u>	<u>\$ (2,430)</u>

\$12,367 reported as deferred outflows of resources related to pension resulting from SAWS contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability (asset) in the year-ending December 31, 2025.

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
2025	\$ 2,408	\$ 4,427	\$ (211)	\$ 6,624
2026	2,673	5,900	(83)	8,490
2027	5,004	9,435	102	14,541
2028	(2,229)	(3,076)	(139)	(5,444)
Total	<u>\$ 7,856</u>	<u>\$ 16,686</u>	<u>\$ (331)</u>	<u>\$ 24,211</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	\$ 227,354	\$ 1,274,396	\$ 1,501,750	\$ 389,379	\$ 82,722
Plan Fiduciary Net Position	9,052	635,410	644,462	368,770	124,740
Net OPEB Liability (Asset)	\$ 218,302	\$ 638,986	\$ 857,288	\$ 20,609	\$ (42,018)
Total Deferred Inflows of Resources	\$ (251,342)	\$ (158,981)	\$ (410,323)	\$ (35,072)	\$ (14,873)
Deferred Outflows of Resources	75,352	134,098	209,450	81,298	13,848
Contributions Subsequent to Measurement Date		40,474	40,474	576	150
Total Deferred Outflows of Resources	\$ 75,352	\$ 174,572	\$ 249,924	\$ 81,874	\$ 13,998
Total OPEB Expense	\$ 5,182	\$ 38,490	\$ 43,672	\$ 11,560	\$ (6,542)

Primary Government (City)

Plan Description — In addition to the pension benefits discussed in Note 10 Pension and Retirement Plans, the City provides a single-employer defined benefit postemployment benefit plan for Medicare eligible civilian retirees, pre-Medicare eligible civilian retirees, and uniform employees who retired prior to October 1, 1989. Activity related to the postemployment benefits is reported in the Fiduciary Component Unit Retiree Health Care Fund. Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the City is required to account for and disclose its other postemployment liability for this plan. The City administers the plan and continues to actively review and have actuarial valuations performed for all programs as required. This plan is administered through an equivalent arrangement.

Medicare eligible retirees and surviving spouses, who have reached age 65 or have otherwise become eligible for Medicare may participate in one of three plans, Medicare Advantage Standard PPO, Medicare Advantage Enhanced PPO, or a fully insured Medicare Part D Drug Plan. All retirees and surviving spouses are required to apply for and maintain Medicare Parts A & B coverage in order to participate in any of the three programs previously listed. Of the current 1,194 participating Medicare retirees, 218 participate in Medicare Advantage PPO Plus plan, 973 participate in a Medicare Advantage PPO plan, and three 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, 2025, there were 463 retirees who have not reached age 65 and are not eligible for Medicare, participating in the pre-Medicare eligible program (participants not in thousands).

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

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)**

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

A dental and vision insurance benefit is made available to eligible retired employees on a fully contributory basis. Since retirees pay the full premium for dental and vision benefits, there is no liability associated with either benefit.

Contributions — The two postemployment benefit programs are funded on a pay-as-you-go basis with an aggregate sharing of premium costs based on the following targets: 67.00% by the City and 33.00% by the retiree for those retirees hired prior to October 2007. With the adoption of the fiscal year 2008 Budget, additional changes were made to this retirement health plan. For all non-uniformed employees beginning employment on or after October 1, 2007, a revised schedule for sharing of the costs on a pay-as-you-go basis is effective. The revised schedule is as follows: (1) Employees who separate from the City with less than five years of service are not eligible to participate in the program; (2) Employees who separate with at least five years of service but less than ten years of service are eligible to participate in the program but without City subsidy; and (3) Employees who separate from employment with ten years of service or more will pay for 50.00% of the pay-as-you-go contributions to the program and the City will contribute the remaining 50.00%. The program requires employees to meet the retirement eligibility criteria set forth by TMRS and accrued actual years of service with the City.

Retirees may waive coverage at retirement but must do so at the exact time of retirement. These retirees are allowed a one-time opportunity to re-enter the plan at a later date upon submitting proof of continuous health coverage. Retirees may only enroll dependents that were covered at the time coverage was waived. Dependents must return to the plan with the retiree, otherwise coverage for the dependent is forfeited.

The following table presents information about OPEB participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the total OPEB liability, as of the measurement date, for the fiscal year-ended September 30, 2025, were:

Number of:	
Active Members	7,958
Retirees and Beneficiaries	1,647
Inactive Members ¹	1,472
Total	<u>11,077</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 2025 to prefund benefits. Total contributions by the City and Retirees for fiscal year-ended September 30, 2025 were \$8,788 and \$1,524 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 11.5 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 Value
Inflation	2.60%
Remaining Amortization Period	10.5 years
Salary Increase Rate	3.50% per annum
Discount Rate	3.00% per annum (EOY)
Healthcare and Prescription Cost Trend Rates	Pre-65 Select 8.50% and Ultimate 4.00%; Post-65 Select 5.25% and Ultimate 4.00%; Stop Loss Fees Select 8.50% 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 50.00% 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, 2024. 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, 2024. 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	65.20%
U.S. Treasuries	1.60%
Money Market Mutual Funds	3.10%
Government Investment Pool	29.90%
Preferred Stock	0.10%
Repurchase Agreement	0.10%
Total	100.00%

The long-term investment return is 3.00% per annum, which includes inflation of 2.60%.

Discount Rate — The discount rate used to measure the total OPEB Liability was 3.00%, 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 3.00% in comparison to what the net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (2.00%) or 1.00% higher (4.00%) than the current rate:

	1.00% Decrease 2.00%	Current Discount 3.00%	1.00% Increase 4.00%
Net OPEB Liability	\$ 246,380	\$ 218,302	\$ 194,863

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 (7.50% decreasing to 3.00%) or 1.00% higher (9.50% decreasing to 5.00%) than the assumed health benefit costs trend rates:

	1.00% Decrease (7.50% - 4.25% decreasing to 3.00%)	Assumed Rates (8.50% - 5.25% decreasing to 4.00%)	1.00% Increase (9.50% - 6.25% increasing to 5.00%)
Net OPEB Liability	\$ 189,844	\$ 218,302	\$ 253,386

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, 2025.

Changes in the Net OPEB Liability	
Total OPEB Liability	
Service Cost	\$ 9,684
Interest Cost	9,495
Difference Between Expected and Actual Experience	(43,698)
Changes of Assumptions	28,636
Benefit Payments	(8,903)
Net Change in Total OPEB Liability	\$ (4,786)
Total OPEB Liability - Beginning	232,140
Total OPEB Liability - Ending	<u>\$ 227,354</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 8,788
Contributions - Employee	1,524
Net investment income	328
Benefit Payments, including Refunds of Employee Contributions	(7,607)
Administrative Expense	(38)
Net change in Plan Fiduciary Net Position	\$ 2,995
Plan Fiduciary Net Position - Beginning	6,057
Plan Fiduciary Net Position - Ending	<u>\$ 9,052</u>
Net OPEB Liability	<u>\$ 218,302</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	3.98%

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)**

OPEB Expense — For the year-ended September 30, 2025, the City recognized OPEB expense of \$5,182.

Schedule of OPEB Expense		
Service Cost	\$	9,684
Interest Cost		9,495
Expected return on assets		153
Employee Contributions		(1,524)
Administrative expenses		38
Current Recognized Deferred Outflows/(Inflows):		
Differences Between Expected and Actual Experience		(32,793)
Changes in Assumptions or Other Inputs		20,404
Projected Investment earnings difference		(275)
Total OPEB Expense	\$	<u>5,182</u>

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — At September 30, 2025, the City reported OPEB related deferred outflows of resources and deferred inflows of resources from the following:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Net difference in projected and actual earnings on OPEB plan investments	\$ -	\$ (205,385)
Changes of Assumptions	75,352	(45,065)
Difference in Expected and Actual Experience		(892)
Total	<u>\$ 75,352</u>	<u>\$ (251,342)</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:

Year-Ending September 30,	Outflows (Inflows) of Resources
2026	\$ (13,028)
2027	(23,503)
2028	(25,354)
2029	(25,230)
2030	(25,134)
Thereafter	(63,741)
Total	\$ (175,990)

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 such contracts and 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. Eligible spouses also include the surviving spouses of active members whose death was duty-related or who died while eligible for retirement. Retirement eligibility is in accordance with the provisions of the Fire and Police Pension Fund, San Antonio, which requires 20 or more years of service after completing the required training to be certified.

The health benefits are indemnity style coverage with a maximum annual deductible per individual. After age 65, the benefits are coordinated with Medicare. The maximum deductible and out-of-pocket payments are indexed to the annual increase in the medical care category of the CPI-U.

Contributions — Since its inception, the Health Fund has been funded primarily by contributions from the City and active firefighters and police officers, as part of the compensation for services rendered by members, and by contributions made by retirees for their dependents. As of the January 1, 2025 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 2025. For the active fire and police employees, the contributions required were 7.15% of the average covered pay for the City's fiscal year 2025.

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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, 2025 were \$48,477 and \$24,228 respectively.

Going forward, the total statutorily determined contribution rates effective October 1, 2025 through September 30, 2026 are presented in the table below.

Contribution Rates			
Effective Date	City	Member	Total
10/1/2025	14.30%	7.15%	21.45%
10/1/2026 ¹	14.30%	7.15%	21.45%

¹ The January 1, 2026 actuarial valuation will determine the actual increase beginning October 1, 2026, 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, 2024, the money-weighted rate of return on plan investments was 8.40%. This measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

The following table presents information about OPEB participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net OPEB liability (asset), as of the measurement date of December 31, 2024, were:

Number of:	
Active Members	4,300
Retirees and Beneficiaries	<u>2,962</u>
Total	<u><u>7,262</u></u>

Amounts not in thousands.

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)*****Retiree Health & Wellness SA Fire and Police Fund (Continued)***

Actuarial Assumptions — The net OPEB liability (asset) in the January 1, 2025 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Period	15 years
Amortization Method	For purposes of determining the minimum required contribution, the unfunded actuarial accrued liability (UAAL) is amortized as a level percentage of covered payroll. The UAAL is amortized over a period of 30 years, open period, beginning on the valuation date.
Asset Valuation Method	Adjusted fair value gains/losses spread over a five-year period
Inflation	2.75%
Salary Increases	Varies with service
Discount Rate	7.00%
Initial Trend Rate	6.25%
Ultimate Trend Rate	4.25%
Years to Ultimate	Four
Mortality	Based on the PUB-2010 Mortality Tables projected generationally with scale MP-2021.

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

Note 11 Other Postemployment Benefits (Continued)**Primary Government (City) (Continued)****Retiree Health & Wellness SA Fire and Police Fund (Continued)**

The target allocation and long-term expected rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Net Real Rate of Return
Domestic Equity	20.0%	8.40%
International Developed Market Equity	6.0%	8.70%
International Emerging Market Equity	8.0%	8.70%
Private Equity	20.0%	11.20%
Real Estate	10.0%	8.50%
High Yield Bonds	4.0%	7.10%
Bank Loans	5.0%	6.80%
Investment Grade Bonds	5.0%	5.30%
TIPS	4.0%	5.00%
Emerging Markets Debt	3.0%	7.10%
Private Debt	14.0%	9.10%
Cash	1.0%	3.10%
Total	100.00%	

Discount Rate — The discount rate used to measure the net OPEB liability was 7.00%. The 7.00% discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values determined in conformity with GASB statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate — The following shows the net OPEB liability, calculated using the discount rate of 7.00% in comparison to what the net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate:

	1.00% Decrease 6.00%	Current Discount 7.00%	1.00% Increase 8.00%
Net OPEB Liability	\$ 832,677	\$ 638,986	\$ 482,203

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	\$ 466,362	\$ 638,986	\$ 857,334

Changes in the Net OPEB Liability — The following table shows the changes in the net OPEB liability for the year ended September 30, 2025 based on the measurement period ended December 31, 2024.

Changes in the Net OPEB Liability	
Total OPEB Liability	
Service Cost	\$ 27,905
Interest Cost	82,690
Difference Between Expected and Actual Experience	25,029
Changes of Assumptions	18,067
Benefit Payments	(64,250)
Net Change in Total OPEB Liability	\$ 89,441
Total OPEB Liability - Beginning	1,184,955
Total OPEB Liability - Ending	<u>\$ 1,274,396</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 50,324
Contributions - Employee	25,158
Net Investment Income	48,566
Benefit Payments, including Refunds of	
Employee Contributions	(64,250)
Administrative Expense	(5,565)
Other Contributions - Retirees	2,284
Net change in Plan Fiduciary Net Position	\$ 56,517
Plan Fiduciary Net Position - Beginning, Restated	578,893
Plan Fiduciary Net Position - Ending	<u>\$ 635,410</u>
Net OPEB Liability	<u>\$ 638,986</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	49.86%

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, 2025, based on the actuarial valuation of December 31, 2024, the recognized OPEB expense was \$38,490. Amounts recognized in the fiscal year represent changes between current and prior measurement dates.

Schedule of OPEB Expense	
Service Cost	\$ 27,905
Interest Cost	82,690
Projected Earnings on OPEB Plan Investments	(40,801)
Amortization of Differences Between Projected and Actual Earnings on Plan Investments	7,931
Amortization of Changes of Assumptions	(27,942)
Amortization of Differences Between Expected and Actual Experience	10,584
OPEB plan administrative expenses	5,565
Employee Contributions	(25,158)
Other Contributions - Retirees	(2,284)
Net OPEB Expense	<u>\$ 38,490</u>

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — At September 30, 2025, the City reported OPEB related deferred outflows of resources and deferred inflows of resources from the following:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	\$ 67,270	\$ (1,177)
Changes of Assumptions	35,634	(157,804)
Net Difference in Projected and Actual Earnings on OPEB Plan Investments	31,194	
Contributions Subsequent to the Measurement Date	40,474	
Total	<u>\$ 174,572</u>	<u>\$ (158,981)</u>

\$40,474 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year-ending September 30, 2026.

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
2026	\$ (4,117)
2027	811
2028	(14,140)
2029	(13,446)
2030	(6,074)
Thereafter	12,083
Total	<u>\$ (24,883)</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.

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Note 11 Other Postemployment Benefits (Continued)**CPS Energy**

CPS Energy provides certain health, life insurance and disability income benefits for active and retired employees. CPS Energy employees and their dependents may elect to participate in the plans and most CPS Energy employees continue eligibility upon retirement from CPS Energy. Disclosures in this footnote are limited to information related only to those benefits provided on a postemployment basis. Assets of the plans are held in three separate, single-employer defined benefit contributory plans:

- CPS Energy Group Health Plan (Health Plan) – a defined-benefit contributory group health plan that provides health, dental, and vision insurance benefits.
- CPS Energy Group Life Insurance Plan (Life Plan) – a defined-benefit contributory plan that provides life insurance benefits.
- CPS Energy Long-Term Disability Income Plan (Disability Plan) – a defined-benefit contributory plan that provides disability income benefits.

The Employee Benefit Plans may be amended at any time by CPS Energy, acting by and through the Employee Benefits Oversight Committee (EBOC), which includes the President & CEO, the Chief Financial Officer, and the Audit & Finance Committee of the Board.

The Employee Benefit Plans' assets are segregated from CPS Energy's assets and are separately managed by an Administrative Committee whose members are appointed by the EBOC. The Employee Benefit Plans report results on a calendar-year basis and issue separately audited financial statements that may be obtained by contacting Benefit Trust Administration at CPS Energy. The Employee Benefit Plans' financial statements include certain disclosures related to CPS Energy's Net OPEB liability (asset). However, because the financial reporting and OPEB measurement dates for the Employee Benefits Plans and CPS Energy are not aligned, the Employee Benefit Plans' disclosures will vary from information provided by CPS Energy in this footnote and in the accompanying RSI.

Benefits Provided — The Health Plan provides health, dental, and vision benefits to eligible retirees, including their enrolled dependents, and the spouse and dependent children of deceased employees. The Life Plan provides life insurance benefits and death benefits to eligible retired employees and enrolled dependents. The Disability Plan provides disability income benefits to employees as of an employee's date of hire; however, benefits under the Plan are reduced if the employee is receiving certain other disability, retirement, or welfare benefits.

The following table presents information about OPEB participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net OPEB liability (asset), as of the measurement dates, for the fiscal year-ended January 31, 2025, were:

	<u>Health</u>	<u>Life</u>	<u>Disability</u>
Number of:			
Active Members	2,715	2,715	2,881
Retirees and Beneficiaries	<u>1,959</u>	<u>2,572</u>	<u>75</u>
Total	<u>4,674</u>	<u>5,287</u>	<u>2,956</u>
Amounts not in thousands.			

Note 11 Other Postemployment Benefits (Continued)**CPS Energy (Continued)**

Contributions — The funding requirements for both the plan participants and the employer are established by and may be amended by CPS Energy. Funding is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by CPS Energy. The current policy of CPS Energy is to use each actuarial valuation as the basis for determining monthly employer contributions to the plans during the fiscal year beginning 13 months after the valuation date. The January 1, 2023 valuation was the basis for contributions in fiscal year 2025.

Retired employees contribute to the Health Plan in varying amounts depending upon an equity formula that considers age and years of service. Individuals who retired before February 1, 1993, contribute a base rate plus 2.25% of the difference between that amount and the aggregate rate for each year that the sum of age and service is less than 95. Those who retired on or after February 1, 1993, contribute a base rate plus a percentage of the CPS Energy contribution, based on the number of years of service, if they retired with less than 35 years of service.

Based on the funded status of the Health Plan, CPS Energy made no contributions in fiscal year 2025.

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 \$996 for fiscal year 2025. 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. CPS Energy made no contributions in fiscal year 2025.

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 0.08% of covered-employee payroll in fiscal year 2025. CPS Energy's contributions in fiscal year 2025 were \$602.

Note 11 Other Postemployment Benefits (Continued)**CPS Energy (Continued)**

Actuarial Methods and Assumptions — Significant actuarial assumptions used in the calculations for the January 1, 2023, actuarial valuation for fiscal year 2025 included:

	Health	Life	Disability
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level dollar; layered periods	Level dollar; layered periods	Level dollar; layered periods
Remaining Amortization Period	N/A	N/A	N/A
Asset Valuation Method	Fair value gains/losses recognized over five years	Fair value gains/losses recognized over five years	Fair value gains/losses recognized over five years
Inflation	2.33%, compounded annually	2.33%, compounded annually	2.33%, compounded annually
Salary Increase	3.33% to 11.61%	3.33% to 11.61%	3.33% to 11.61%
Investment Rate of Return	7.00% per year, compounded annually	7.00% per year, compounded annually	7.00% per year, compounded annually
Health and Prescription Cost Trend Rates	6.40% initial, decreasing to an ultimate rate of 3.70%.	N/A	N/A
Mortality	Based on Pri-2012 Employee/Retiree Mortality table (headcount weighted) projected with mortality improvement scale MP-2021, with sex-distinct employee rates before termination and healthy annuitant rates after termination and separate tables for contingent annuitants.	Based on Pri-2012 Employee/Retiree Mortality table (headcount weighted) projected with mortality improvement scale MP-2021, with sex-distinct employee rates before termination and healthy annuitant rates after termination and separate tables for contingent annuitants.	Based on Pri-2012 Employee/Retiree Mortality table (headcount weighted) projected with mortality improvement scale MP-2021, with sex-distinct employee rates before termination and healthy annuitant rates after termination and separate tables for contingent annuitants.

The actuarial assumptions used in the January 1, 2023 valuation for amounts reported in fiscal year 2025 were based on the results of an actuarial experience study completed in 2023 covering experience for the period January 1, 2020 through December 31, 2022.

Note 11 Other Postemployment Benefits (Continued)**CPS Energy (Continued)**

The long-term expected rate of return on OPEB plan investments was determined based on a blend of historical performance data and future expectations for each major asset class, while also reflecting current capital market conditions, developed on a geometric basis. An economic simulation method was used in which best-estimate ranges of expected future rates of return (expected returns on Employee Benefit Plans investment expense) for each major asset class were combined using simulations that ensure the economic consistency of each individual trial, then reduced by a factor representing inflation to produce long-term expected real rate of return for each major asset class. The assumed allocation and expected real rate of return for each major asset class are summarized in the table below.

Asset Class	Assumed Asset Allocation	Expected Real Rate of Return
Equities	56.50%	4.20%
Debt Securities	26.50%	3.11%
Alternative Investments	17.00%	4.62%
Total Investments	100.00%	

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate — The discount rate used to measure the total OPEB liability for fiscal year 2025 was 7.00%. The projection of cash flows used to determine the discount rate assumed that CPS Energy contributions will be made in a manner consistent with the current contribution practices. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table present the sensitivity of the net OPEB liability (asset) calculation to a 1.00% increase and a 1.00% decrease in the discount rate used to measure the total OPEB liability:

	Net OPEB Liability (Asset)		
	1.00% Decrease 6.00%	Current Discount 7.00%	1.00% Increase 8.00%
Health	\$ 49,914	\$ 15,714	\$ (13,561)
Life	12,738	5,211	(931)
Disability	(98)	(316)	(518)
Total	<u>\$ 62,554</u>	<u>\$ 20,609</u>	<u>\$ (15,010)</u>

Note 11 Other Postemployment Benefits (Continued)**CPS Energy (Continued)**

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Health Care Trend Rates - The following table presents the sensitivity of net Health Plan OPEB asset calculation to a 1.00% increase and a 1.00% decrease in the healthcare cost trend rates used to measure the total Health Plan OPEB asset:

	1.00% Decrease (5.40% decreasing to 2.70%)	Current Discount (6.40% decreasing to 3.70%)	1.00% Increase (7.40% decreasing to 4.70%)
Net Health Plan OPEB (Asset)	\$ (19,102)	\$ 15,714	\$ 57,513

Net OPEB (Asset) Liability — CPS Energy's net OPEB (Asset) Liability at January 31, 2025, was measured as of January 31, 2024. The total OPEB liability used to calculate the net OPEB (Asset) Liability was determined by actuarial valuations as of January 1, 2023, rolled forward using generally accepted actuarial procedures to the January 31, 2024 measurement date. At January 31, 2025, the net OPEB Liability was \$20,609, and is reflected as part of the net OPEB and pension liabilities on the Statement of Net Position.

Changes in Net OPEB (Asset) Liability				
	Health	Life	Disability	Total
Total OPEB Liability				
Service Cost	\$ 5,780	\$ 632	\$ 720	\$ 7,132
Interest Cost	21,478	3,729	469	25,676
Differences Between Expected and Actual Experience	59,849	800	(648)	60,001
Changes of Assumptions	4,516	1,252	145	5,913
Benefit Payments	(20,113)	(5,125)	(949)	(26,187)
Net Change in Total OPEB Liability	\$ 71,510	\$ 1,288	\$ (263)	\$ 72,535
Total OPEB Liability - Beginning	251,091	58,659	7,094	316,844
Total OPEB Liability - Ending	<u>\$ 322,601</u>	<u>\$ 59,947</u>	<u>\$ 6,831</u>	<u>\$ 389,379</u>
Plan Fiduciary Net Position				
Contributions - Employer	\$ -	\$ -	\$ 602	\$ 602
Contributions - Employee		1,270	327	1,597
Medicare Part D Payment	996			996
Earnings on Plan Assets	29,593	4,733	544	34,870
Benefit Payments	(20,113)	(5,125)	(949)	(26,187)
Administrative Expense	(1,328)	(14)	(12)	(1,354)
Net Change in Plan Fiduciary Net Position	\$ 9,148	\$ 864	\$ 512	\$ 10,524
Plan Fiduciary Net Position - Beginning	297,739	53,872	6,635	358,246
Plan Fiduciary Net Position - Ending	<u>\$ 306,887</u>	<u>\$ 54,736</u>	<u>\$ 7,147</u>	<u>\$ 368,770</u>
Net OPEB (Asset) Liability	<u>\$ 15,714</u>	<u>\$ 5,211</u>	<u>\$ (316)</u>	<u>\$ 20,609</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	95.13%	91.31%	104.63%	94.71%

CPS Energy recorded \$11,560 in OPEB expense, as calculated under GASB Statement No. 75, for the year-ended January 31, 2025.

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) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position for the Employee Benefit Plans, and additions to/deductions from the Employee Benefit Plans' fiduciary net position have been determined on the same basis as they are reported by the Employee Benefit Plans. Investments are stated at fair value. Benefit payments are recognized when due and payable in accordance with the terms of the Employee Benefit Plans.

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, 2025:

	<u>Health</u>	<u>Life</u>	<u>Disability</u>	<u>Total</u>
Deferred Outflows of Resources				
Differences Between Projected and Actual Earnings on OPEB Assets	\$ 2,600	\$ 1,482	\$ 188	\$ 4,270
Differences Between Expected and Actual Experience in the Measurement of Total OPEB Liability	64,779	4,236	323	69,338
Changes of Assumptions	3,763	2,908	1,019	7,690
Contributions Subsequent to the Measurement Date		333	243	576
Total Deferred Outflows of Resources	<u>\$ 71,142</u>	<u>\$ 8,959</u>	<u>\$ 1,773</u>	<u>\$ 81,874</u>
Deferred Inflows of Resources				
Differences Between Projected and Actual Earnings on OPEB Assets	\$ -	\$ -	\$ -	\$ -
Differences Between Expected and Actual Experience in the Measurement of Total OPEB Liability	(29,358)	(72)	(1,173)	(30,603)
Changes in Assumptions	(4,467)		(2)	(4,469)
Total Deferred Inflows of Resources	<u>\$ (33,825)</u>	<u>\$ (72)</u>	<u>\$ (1,175)</u>	<u>\$ (35,072)</u>

\$333 reported as deferred outflows of resources in the Life Plan, and \$243 reported as deferred outflows of resources in the Disability Plan, related to OPEB resulting from CPS Energy contributions subsequent to the measurement date, will be recognized as an adjustment of the net OPEB (asset) in the year-ending January 31, 2026.

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) liability measurement date. The deferred outflows of resources balance for such contribution amounts at the end of a fiscal period are recognized fully as adjustments to the net OPEB (asset) liability in the subsequent fiscal year.

Year-ended January 31,	Health	Life	Disability	Total
2026	\$ 3,048	\$ 2,556	\$ 92	\$ 5,696
2027	5,786	2,577	181	8,544
2028	13,122	2,508	196	15,826
2029	6,951	465	(76)	7,340
2030	8,410	448	(38)	8,820
Total	<u>\$ 37,317</u>	<u>\$ 8,554</u>	<u>\$ 355</u>	<u>\$ 46,226</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 (asset), as of the measurement date, for the fiscal year-ended December 31, 2024, were:

Number of:	
Active Members	768
Retirees and Beneficiaries	827
Total	<u>1,595</u>
Amounts 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 \$1,072 for year-ended December 31, 2024.

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 purpose of prefunding future benefit payments for eligible retirees and their dependents. In addition to making contributions to the trust, SAWS has continued to fund current benefit payments outside of the trust. Beginning in 2024, the OPEB Trust began reimbursing SAWS for current year retiree benefit payments. The OPEB Trust is expected to continue to fund future benefit payments for the foreseeable future. Future contributions to the trust, if any, will be based on the actuarially determined annual required contributions for these benefits.

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 Value of Assets	Fair Value
Remaining Amortization Period	10 Years - Closed
Inflation Rate	2.50%
Salary Increases	3.75% to 9.00%, varies by age
Investment Rate of Return	5.50%
Healthcare Cost Trend:	
Initial	6.75%
Ultimate	4.04%
Mortality	In 2024, the mortality rate was based on Pub-2010 General base rate mortality table projected to future years with historical and assumed mortality improvement rates that were issued by the SOA. PubG-2010 is the baseline mortality rate table underlying the SOA Pub-2010 experience study published in January 2019. The mortality improvement scale is based on MP-2021 published in October 2021.

Note 11 Other Postemployment Benefits (Continued)**San Antonio Water System (SAWS) (Continued)**

Sensitivity of the Net OPEB (Asset) to Changes in the Discount Rate – The discount rate used to measure the total OPEB liability at December 31, 2024 was 5.50%. The projection of cash flows used to determine the discount rate assumed that contributions will be made equal to the actuarially determined contributions. Based on those assumptions, the defined benefit component's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the defined benefit component's investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table presents the SAWS' OPEB Plan net OPEB (asset) calculated at December 31, 2024 using the discount rate of 5.50%, as well as what the net OPEB (asset) would be if it were calculated using a discount rate that is one percentage point lower (4.50%) or one percentage point higher (6.50%) than the current rate.

	1.00% Decrease 4.50%	Current Discount 5.50%	1.00% Increase 6.50%
Net OPEB (Asset)	\$ (31,484)	\$ (42,018)	\$ (50,739)

Sensitivity of the Net OPEB (Asset) to Changes in the Health Care Trend Rates – The following table presents the change in the SAWS' OPEB net (asset) calculated at December 31, 2024 assuming healthcare cost trends decrease or increase by one percentage point from the assumptions used in total OPEB liability.

	1.00% Decrease (5.75%) decreasing to 3.04%)	Assumed Rates (6.75%) decreasing to 4.04%)	1.00% Increase (7.75%) decreasing to 5.04%)
Net OPEB (Asset)	\$ (44,753)	\$ (42,018)	\$ (38,922)

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
Short Term - Bond	37.00%	1.30%
Domestic Equity - Large Cap	20.00%	6.00%
Total Return - Bond	18.00%	1.60%
Foreign Equity - Large Cap	10.00%	5.00%
Domestic Equity - Small/Mid Cap	8.00%	6.00%
Fixed Income - High Yield	5.00%	3.20%
Real Estate	2.00%	4.20%
Total	100.00%	

Note 11 Other Postemployment Benefits (Continued)**San Antonio Water System (SAWS) (Continued)**

The following table summarizes the change in net OPEB (asset) at December 31, 2024.

Changes in the Net OPEB (Asset)	
Total OPEB Liability	
Service Cost	\$ 845
Interest Cost	3,869
Changes in Terms	6,943
Difference Between Expected and Actual	
Experience	6,296
Changes of Assumptions	5,898
Benefit Payments	(4,310)
Net change in Total OPEB Liability	\$ 19,541
Total OPEB Liability - Beginning	63,181
Total OPEB Liability - Ending	<u>\$ 82,722</u>
Plan Fiduciary Net Position	
Contributions - Employer	\$ 5,160
Contributions - Employee	
Net Investment Income (Loss)	16,479
Benefit Payments	(4,310)
Administrative Expense	(169)
Net change in Plan Fiduciary Net Position	\$ 17,160
Plan Fiduciary Net Position - Beginning	107,580
Plan Fiduciary Net Position - Ending	<u>\$ 124,740</u>
Net OPEB (Asset)	<u>\$ (42,018)</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	150.79%

SAWS recognized (\$6,542) in OPEB expense for the fiscal year-ended December 31, 2024 based on a measurement date of December 31, 2023.

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, 2024 from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	\$ 4,722	\$ (10,336)
Changes of Assumptions	4,842	(4,537)
Net Difference in Projected and Actual Earnings on OPEB Plan Investments	4,284	
Contributions Subsequent to the Measurement Date	150	
Total	<u>\$ 13,998</u>	<u>\$ (14,873)</u>

Note 11 Other Postemployment Benefits (Continued)**San Antonio Water System (SAWS) (Continued)**

\$150 is reported as deferred outflows of resources related to OPEB resulting from SAWS contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB (asset) in the year-ending December 31, 2025.

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

Year-Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2025	\$ (5,468)
2026	(35)
2027	6,425
2028	(1,947)
Total	<u>\$ (1,025)</u>

Contact Information — Additional information regarding SAWS separately issued stand-alone financial report, contact the San Antonio Water System, at P.O. Box 2449, San Antonio, Texas, 78298-2449. SAWS ACFR is available for viewing at www.saws.org.

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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 2,660 Megawatts (MW). CPS Energy's ownership share (40.0%) in STP Units 1 and 2 represents approximately 1,064 MW of total plant capacity. In addition, STP is owned by Constellation South Texas, LLC (Constellation) (44.0%), a wholly owned subsidiary of Constellation Energy Corporation, and the City of Austin, Texas (16.0%). In November 2023, Constellation acquired NRG South Texas LP's 44.0% ownership stake in STP. The ownership transfer was approved on October 30, 2023, by the NRC, which was the final regulatory approval needed before closing the acquisition. As a result, Constellation became one of the three owner-investors in STP.

The units, along with their support facilities and administrative offices, are located on a 12,200-acre site 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.

Prior to Constellation's acquisition of NRG's ownership, the Participation Agreement among the initial owners of STP was amended and restated effective November 17, 1997. 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. No changes in the Participation Agreement resulted from Constellation's acquisition, and STPNOC continues to operate the plant. Effective May 2, 2024, the owners agreed to the First Amendment to the Amended and Restated South Texas Project Participation Agreement.

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) had an obligation to provide for the permanent disposal of high-level radioactive waste, which included 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 to transport and dispose of the used fuel no later than January 31, 1998. The National Association of Regulatory Utility Commissioners (NARUC) challenged further collection of this fee; and on November 19, 2013, the D.C. Circuit 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 used nuclear fuel volume reporting to the DOE continues, the rate was reduced to zero effective May 16, 2014.

Note 12 CPS Energy South Texas Project (STP) (Continued)**Joint Operations (Continued)**

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 relating to its failure to meet its obligations under the NWPAA. The owners and operators sought damages related to ongoing used nuclear fuel storage costs incurred as a result of the DOE's failure to 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 and operators 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 March 2023, the DOE extended its commitment to reimburse STP for allowable spent fuel management expenditures through December 31, 2025.

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 Dry Cast Storage Project. STP reported the Dry Cask Storage Project loading campaign was completed on July 15, 2022. The calendar year 2022 Dry Cask Storage campaign included the loading of four casks for Unit 1 and six casks for Unit 2. The next loading campaign is scheduled for 2025 and the plan is to load eight casks for Unit 1 and six for Unit 2.

Ongoing costs for the spent fuel management project are funded by the STP owners (CPS Energy; the City of Austin; and Constellation) as expenditures are incurred. CPS Energy is entitled to request reimbursement 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. Spent fuel management costs that do not qualify for reimbursement by the DOE or the Trusts are recorded as an STP operating and maintenance expenses 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 United States insured facility is \$166,000 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, 2028, for the number of operating nuclear units and for each licensed reactor, payable at \$25,000 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. Any funding needed in excess of these assessments is at the discretion of the United States Congress. 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 \$500,000 for each nuclear facility, provides primary protection from nuclear-related liability claims. A Master Worker Certificate policy, with a maximum limit of \$500,000 for the nuclear industry, provides protection from radiation tort liability claims of workers at nuclear facilities.

Note 12 CPS Energy South Texas Project (STP) (Continued)**Nuclear Decommissioning**

The 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. The 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.

In 1991, CPS Energy started accumulating funds for the decommissioning of its 28.0% ownership in STP Units 1 and 2 in an external trust in accordance with the NRC regulations. The 28.0% 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 28.0% 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 assumed control of a relative portion of the Decommissioning Trust previously established by the prior owner, American Electric Power (AEP). The 12.0% 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 in the future, excess or deficient funds related to the 12.0% 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. The certificate assures that CPS Energy and the other owners meet the minimum decommissioning funding requirements mandated by the NRC. The owners agreed in the financial assurance plan that their estimate of decommissioning costs would be reviewed and updated periodically.

In fiscal year 2009, CPS Energy determined that some pre-shutdown decommissioning and spent fuel management activities would be required prior to shutdown of STP Units 1 and 2. As a result, separate trust accounts were created to pay for pre-shutdown decommissioning activities. Additionally, funds in the Trusts applicable to spent fuel management were transferred to separate spent fuel management accounts to prevent commingling with funds allocable to pre-shutdown or post-shutdown decommissioning costs. Based on projected costs, the spent fuel management accounts are currently fully funded; therefore, no contributions were made to these accounts in fiscal year 2025. In fiscal year 2025, no contributions were made to fund pre-shutdown decommissioning costs for CPS Energy's 28.0% ownership in STP. No pre-shutdown decommissioning expenses were incurred for the 28.0% ownership in calendar year 2024. For the 12.0% Trust, pre-shutdown costs were funded by AEP's ratepayers. The 12.0% Trust incurred no pre-shutdown decommissioning expenses in calendar year 2024.

Note 12 CPS Energy South Texas Project (STP) (Continued)**Nuclear Decommissioning (Continued)**

The most recent cost study, which was finalized in May 2023, estimated decommissioning costs for the 28.0% ownership and 12.0% ownership in STP Units 1 and 2 at \$725,871 and \$311,088, respectively, in 2023 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 28.0% Trust and 12.0% Trust and an analysis of this cost study, CPS Energy determined that no further decommissioning contributions were required to be deposited into the Trusts.

As of December 31, 2024, CPS Energy had accumulated \$551,829 in the 28.0% Trust. Total funds are allocated to decommissioning costs, pre-shutdown decommissioning costs, spent fuel management and site restoration. Based on the most recent annual calculation of financial assurance required by the NRC as of December 31, 2024, the 28.0% Trust funds allocated to decommissioning costs totaled \$349,875 which exceeded the calculated financial assurance amount of \$137,915.

As of December 31, 2024, \$202,662 was accumulated in the 12.0% Trust. Total funds are allocated to decommissioning costs, pre-shutdown decommissioning costs, spent fuel management and site restoration. Based on the most recent annual calculation of financial assurance required by the NRC as of December 31, 2024, the 12.0% Trust funds allocated to decommissioning costs totaled \$139,126, which exceeded the calculated financial assurance amount of \$59,106.

CPS Energy accounts for decommissioning in accordance with GASB Statement No. 83, *Certain Asset Retirement Obligations*, 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. The most recent study was finalized in May 2023 and estimated costs in 2023 dollars. 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.

Note 12 CPS Energy South Texas Project (STP) (Continued)**STP Pension Plans and Other Post-Retirement Benefits (Continued)**

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, which resulted in a reduction in 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, \$345 for calendar year 2024, are covered by a supplementary nonqualified, unfunded pension plan, which is provided for by charges to operations sufficient to meet the projected benefit obligations. The accruals for the costs of that plan are based on substantially the same actuarial methods and economics as the noncontributory defined-benefit pension plan.

An unfunded supplemental retirement plan and other unfunded deferred compensation programs are maintained by STPNOC for certain key individuals.

The effect to CPS Energy of funding obligations related to the defined-benefit plans sponsored by STPNOC was reflected as a decrease of \$6,451 for fiscal year 2025 and was reflected as miscellaneous revenues 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, 2025. Grant and local funding received from federal, state, and other governmental agencies but not yet earned as of September 30, 2025 was \$2,210, of which \$1,007 is reported in the COVID-19 Funds and \$1,203 in the Categorical Grant In-Aid Funds.

The City had \$22,551 pending reimbursement from FEMA at year-end. The Categorical Grant In-Aid Fund was pending \$16,931 related to the Shelter and Services Program and Winter Storm Uri, and COVID-19 Fund was pending \$5,620 for the FEMA Public Assistance Program. The City continues to work with FEMA to recoup expenditures.

Capital Improvement Program

The City will be undertaking various capital improvements during fiscal year 2026. The estimated cost of these improvements is \$1,155,523; of this amount \$203,292 will be funded from the 2022 General Obligation Bond Program, and \$648,832 from Airport Funding. The 2026 Capital Improvements Program consists of the following:

Function/Program	2026
General Government	
Information Technology	\$ 32,078
Municipal Facilities	71,149
Total General Government	\$ 103,227
Public Health & Safety	
Drainage	\$ 44,970
Fire Protection	16,752
Law Enforcement	15,122
Total Public Health & Safety	\$ 76,844
Recreation & Culture	
Libraries	\$ 11,518
Parks	75,843
Total Recreation & Culture	\$ 87,361
Transportation	
Air Transportation	\$ 648,832
Street	200,016
Total Transportation	\$ 848,848
Neighborhood Improvements	\$ 39,243
Total Capital Plan	\$ 1,155,523

These projects are scheduled to be funded with a combination of grants, 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 Self-Insurance Program's - Insurance Reserve Fund in the amount of \$43,708. The City estimates the amounts of unsettled claims under its self-insurance program and believes that the self-insurance reserves recorded as appropriations in the Self-Insurance Program's - Insurance Reserve Fund are adequate to cover losses for which the City may be liable. Whether additional claims or revisions to estimates required for settlement on existing claims could have a material effect on the basic financial statements cannot be determined.

Rogelio Carlos III, et al. v Carlos Chavez, et al. SAPD SWAT officers were assisting High-Intensity Drug Trafficking Areas (HIDTA) in searching for a fleeing suspect. Plaintiff was misidentified by the HIDTA officer as being the suspect. The HIDTA officer engaged and attempted to physically apprehend Plaintiff and was assisted by SAPD SWAT officers. Plaintiff suffered minor injuries as a result of the arrest, although he later complained of neck and shoulder/arm pain. Several months after the incident, Plaintiff underwent surgery. The plaintiff was left paralyzed by the surgical procedure. Plaintiff has filed suit against the City and various officers under 42 U.S.C. § 1983. Discovery is completed. Motions for summary judgment were filed on behalf of the City and all officers. In April 2020, the Court entered its order dismissing all claims against the City and two officers. The judge entered an order bifurcating trial of liability from trial of damages. The liability case was tried in April 2024, with a finding against two of the officers but dismissal of the third. The damages case was tried in October 2024, with a final judgment totaling \$7,050. The court also awarded an additional \$2,490 in prejudgment interest, attorneys fees in the amount of \$1,468 and costs in the amount of \$69, for a total judgment of \$11,077. Post judgment interest was awarded to accrue at 4.19% per annum. The officers have appealed to the Fifth Circuit; Plaintiff filed a cross appeal challenging the City's summary judgment. The City has informed the officers and the Plaintiff that it cannot indemnify the officers in this matter.

Patricia Slack, et al. v City of San Antonio and Steve Casanova. SAPD officers responded to persons complaining they had been assaulted in front of a nearby residence. The officers went to the address provided by the victims and approached the front door, which was behind a security door made of metal bars. The officers knocked, and the door swung open to the living room, although the security door remained closed. At least three individuals were present in the living room. One individual stood and approached the door while reaching his hand into his waistband. Officer Casanova discharged his weapon. A bullet fired by Officer Casanova grazed one individual and fatally struck a second individual. A suit was brought on behalf of the estate of the deceased, the injured individual, and another individual on the scene. Plaintiffs have filed suit under 42 U.S.C. § 1983 alleging use of excessive, deadly force. Discovery is completed. Summary judgment motions were filed on behalf of the City and the officer. The Court granted the City's motion in part and denied it in part. It denied the officer's motion. The officer appealed the denial of its motion to the Fifth Circuit, which upheld the Court's ruling. The judge has bifurcated the trial into three separate trials – the first trial will address only the issue of Officer Casanova's liability. That case is set for trial on August 13, 2026. If the officer is found liable, a second trial will be set concerning the claims against the City. A third trial to address damages will be set if necessary.

Note 13 Commitments and Contingencies (Continued)**Primary Government (City) (Continued)*****Litigation (Continued)***

Associated Builders & Contractors of South Texas, Inc., et al. v City of San Antonio, et al. In 2018, the City was served with a petition to enact a paid sick leave ordinance or to place the initiative on the ballot for election. On August 16, 2018, the City enacted Ordinance No. 2018-08-16-0620 mandating that all private employers provide employees paid sick leave. This suit was filed by various business organizations alleging that the ordinance violated the Texas Minimum Wage Act. Plaintiffs sought a temporary injunction and declaratory judgment. A temporary injunction was granted. While this matter was on appeal, the Texas Supreme Court issued an opinion in an Austin case concerning a similar ordinance, finding the ordinance was preempted. Plaintiffs in this case are seeking attorneys' fees in an amount in excess of \$250 which is still pending. This matter is not currently set for trial.

Anja Contreras et al. v Mazda Motor Corporation, et al. 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 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. The City filed a plea to the jurisdiction, which was granted on November 2, 2024. Plaintiffs severed the claims against the City and filed an appeal with the Fourth Court of Appeals. The matter was then transferred to the Eighth Court of Appeals. Briefing has been concluded and oral argument requested.

Texas Disposal System v City of San Antonio. Texas Disposal System (TDS) holds a contract with the City to operate the City's waste transfer station on Starcrest Road. TDS alleges the rates allowed under the contract, even with Consumer Price Index adjustments, does not properly compensate them and sought to change the terms of the contract, which the City denied. TDS brought suit against the City in late 2022 claiming the City breached the terms of the contract and seeks damages in excess of \$15,000. The case was tried by a jury in September 2025, with a verdict in favor of the City. The City is preparing to file to recover attorney's fees and costs in excess of \$1,000. The City anticipates that Plaintiff will appeal when final judgment is entered.

Alexis Tovar, et al. v City of San Antonio, et al. On June 23, 2023, officers responded to an apartment complex for a call that a woman cut a fire alarm wire. When confronted by the officers, the woman ran to her apartment. Three officers climbed over the railing on her patio and saw her inside the apartment. The woman made a movement toward the patio window and the officers opened fire, killing her. Plaintiffs filed suit in Federal District Court against the City and the officers, alleging use of excessive force. The City is not providing representation or indemnification for the officers. A motion to dismiss was filed on behalf of the officers and a motion for summary judgment filed on behalf of the City. On September 29, 2025, the Court entered final judgment, granting the defendants' motions and dismissing all claims. Plaintiffs have appealed to the Fifth Circuit.

Maria Tijerina, et al. v City of San Antonio, et al. SAPD received a call that a woman and her children were being held at gunpoint in their apartment by her boyfriend. SWAT was dispatched to the scene. The boyfriend exited the apartment and while standing on the landing, raised his weapon. SWAT officers discharged their weapons, killing the boyfriend. A single bullet went through the apartment door, ricocheted off an air conditioning vent and struck the woman, killing her. On August 8, 2025, the Court entered judgment, granting the City and the Officers' motions for summary judgment and dismissing all claims. Plaintiffs have appealed to the Fifth Circuit.

Note 13 Commitments and Contingencies (Continued)**Primary Government (City) (Continued)*****Litigation (Continued)***

Mission Road Developmental Center v Cal-Tex Interiors, et al. Mission Road, a non-profit agency, filed suit against the City and eleven other developers/property owners alleging development in the area of their facility has diverted the natural flow of water, causing flooding and damage on their property. With respect to the City, they allege that the City's construction activities in the area constitute inverse condemnation of their property. Discovery is ongoing. This case settled for \$45 in December 2025.

Maria Vitela, et al. v City of San Antonio, et al. On September 18, 2022, SAPD officers were flagged down to find a suspect wanted on felony warrants. Family members provided a description of the individual. Alejandro Vitela was seen riding his bicycle in the area, against traffic, and matched the description. When stopped, he was not cooperative, said he had a gun and would shoot the officers and then made movements that appeared that he was pulling a weapon. Officers drew their weapon and fatally shot Mr. Vitela. Subsequently, it was determined that he did not have a weapon. A suit has been filed on behalf of Mr. Vitela's estate against the City and one officer. Motions for summary judgment have been filed on behalf of the City and the officer. No trial date has been set.

Lynda Espinoza, et al. v City of San Antonio, et al. On June 3, 2022, officers received a call for a vehicle stolen at gun point. Officers located the vehicle and attempted to make a stop. One officer blocked the stolen vehicle with his patrol car and began exiting his car, when the stolen vehicle began to drive straight at him. A second officer on the scene discharged his weapon at the driver, killing him. It was later discovered that the driver was a 13-year-old male. The decedent's family filed suit against the City and the officer in federal court. Motions for summary judgment have been filed on behalf of the City and the officer. On January 5, 2026, the United States Magistrate Judge issued his Report and Recommendation to the United States District Judge that the City and the Officer's motions for summary judgment should be granted and all claims dismissed. Plaintiff has filed objections to the Report and Recommendation. On February 18, 2026, the District Court Judge denied Plaintiff's objections to the Magistrate's Report and Recommendation. He entered an order granting the City and Officer Ramos' Motions for Summary Judgement and entered Judgement in favor of the defendants. Plaintiff has thirty days to appeal to the Fifth Circuit Court of Appeals.

Juana Morales v City of San Antonio. On August 21, 2020, Plaintiff, Juana Morales, stopped at an intersection and then began to turn left. A SAPD officer driving on the cross street struck Plaintiff's car on the front driver's side. Plaintiff alleges she suffered significant personal injuries. The officer sued separately for injuries she incurred, and the cases were consolidated. This case has been settled and was approved by City Council on February 5, 2026.

Santander Consumer USA v City of San Antonio, et al. Plaintiff, an auto loan company, filed suit against the City and its contractor managing the City's impound lot. Plaintiff claims that the City's ordinance regarding sending notice on towed vehicles is unconstitutional and deprives them of their due process rights to recover vehicles before they are sold at auction. Plaintiff claims there have been damages in an amount in excess of \$250. Motions to dismiss were pending. Plaintiff filed a new petition and the court consolidated the cases and reopened discovery. The City filed a motion for summary judgment which was granted in August 2025. Plaintiff has appealed to the Fifth Circuit.

Note 13 Commitments and Contingencies (Continued)**Primary Government (City) (Continued)*****Litigation (Continued)***

Bravo Excavation and Construction, LLC v Austin Bridge & Road, LP and City of San Antonio. This lawsuit concerns a storm water construction project. Austin Bridge & Road is the general contractor for the City's project; Bravo Excavation and Construction, LLC is a subcontractor hired by Austin Bridge & Road for trenching. After trenching issues occurred, Austin Bridge alleged that the soil was different than as described in the documents; the City believes Bravo lacked experience in trenching. Austin Bridge terminated Bravo for OSHA violations and site safety concerns. Bravo sued Austin Bridge and the City, alleging a \$1,500 breach of contract. Austin Bridge countersued Bravo and crossclaimed the City for breach of contract. Bravo added a third-party defendant, United Rentals, claiming the water bypass for trenching malfunctioned. Discovery is ongoing. This case is set for trial on November 16, 2026.

Erik Cantu, et al. v City of San Antonio, et al. On October 20, 2022, SAPD Officer James Brennand was dispatched to a McDonald's for a disturbance. On his arrival, the disturbance had abated, but while in the parking lot, he observed a vehicle that had fled from him the night before. Officer Brennand called for backup but approached the vehicle before it arrived. He opened the door, startling the driver, Eric Cantu. Cantu immediately put the vehicle in reverse, causing the car door to strike the officer. Officer Brennand drew his weapon and shot at the vehicle as it drove away. Mr. Cantu was struck several times and was unable to continue driving within a block. Mr. Cantu was hospitalized for multiple gunshot wounds. Officer Brennand was terminated for failure to follow SAPD policies and procedures and was criminally indicted. The City will not be providing a defense for former officer Brennand. Discovery is ongoing. This case is set for trial on September 21, 2026.

Dreysla Limady Cadena Perez et al. v Victoria Ocejio et al. On July 26, 2024, decedent was driving a motorcycle when he was fatally struck by an SAPD patrol vehicle. Plaintiff contends that the officer entered the intersection on a red light, against a traffic signal without activating lights or sirens. Discovery is ongoing. This case is set for trial May 18, 2026.

Ben Gonzalez et al v The City of San Antonio; et al. Police responded to a domestic violence call involving Plaintiff's son and his ex-girlfriend. When police arrived, the decedent appeared to be holding a weapon on his ex. Officer Belcher discharged his weapon, killing decedent. Plaintiffs allege that their son was not violent and the shooting was excessive force, in violation of Section § 1983. Discovery is ongoing. This case is set for trial on July 20, 2026.

Juanita Najera et al. v The City of San Antonio, et al. Plaintiff's decedent was attacked by dangerous dogs, resulting in his death. The owners plead guilty to criminal charges of attack by dog resulting in death. Plaintiff has filed suit in Federal Court against the City and the City Attorney alleging that the City failed to take possession of the dogs despite allegedly knowing of their dangerous nature. This suit has recently been filed. Motions to dismiss on behalf of the Defendants were granted in September 2025. Plaintiff filed a motion to reconsider which is pending.

Southwest Airlines v City of San Antonio. Southwest Airlines filed suit against the City attempting to stop the execution of an Airline Lease and Use Agreement which set forth rental terms at the San Antonio International Airport and designated gate assignments for a new terminal scheduled for completion in 2028. Southwest contends that the City used arbitrary and capricious factors in deciding gating assignments, in violation of the Aviation Deregulation Act. Their request for temporary injunction was denied by the Federal Court. The City filed a motion to dismiss which was granted in August 2025. Plaintiff has appealed to the Fifth Circuit. Plaintiff has also filed a complaint with the FAA. All briefings on that complaint are completed and a determination is pending.

Note 13 Commitments and Contingencies (Continued)**Primary Government (City) (Continued)*****Litigation (Continued)***

Gary Perez and Matilde Torres v City of San Antonio. In 2017, the citizens of San Antonio approved a bond package which included funds for rehabilitation and restoration of areas of Brackenridge Park. In 2023, the City approved plans for restoring crumbling historic walls in the Lambert Beach area. Plaintiffs assert they are members of a Native American church which recognizes this area as sacred area. They contend that the City's plans to remove trees in the restoration process and to deter nesting migratory cormorants will destroy the spiritual ecology of the area. They filed suit in Federal Court, seeking a preliminary injunction, which was denied. On appeal to the Fifth Circuit, the Court initially entered an opinion upholding the denial, but on motion for rehearing, the Court vacated the opinion pending certification to the Texas Supreme Court for determination of the standard of review for the Religious Services Protection Amendment of the Texas Constitution. Oral argument on that question was heard on December 4, 2024. In June 2025, the Texas Supreme Court issued their opinion in favor of the City and the matter was returned to the Fifth Circuit. In August 2025, the Fifth Circuit panel reissued its prior opinion in favor of the City. Plaintiffs filed a motion for reconsideration en banc. The Court requested a response to the motion. The decision on whether or not to grant en banc review is pending.

Amy Pentkowski et al. v City of San Antonio and Bexar County. This suit was brought in Federal District Court pursuant to Section 1983, alleging use of excessive force. On January 23, 2023, around 7:00 am, the SAPD received a call reporting a male outside in a residential area acting in an unusual manner. An officer arrived on the scene and observed Daniel Pentkowski acting oddly. He approached Mr. Pentkowski. After initially engaging with the officer, Mr. Pentkowski became aggressive towards the officer, who took Mr. Pentkowski to the ground and called for backup. Several officers arrived and Mr. Pentkowski was escorted to Bexar County Jail. Body cam footage from the scene does not show any injury. Officers talked with other individuals at the scene who identified as Mr. Pentkowski's sisters. They stated they rented the Air B&B for a family reunion and their brother had been drinking heavily and acting oddly. The family plaintiffs allege that they had no contact with the SAPD or Bexar County for several days and were then notified that Mr. Pentkowski died. Discovery is ongoing. This case is set for trial on July 13, 2026.

Maria Villegas, et al. v City of San Antonio. This is an employment lawsuit brought in Federal District Court pursuant to Title VII. Plaintiffs are employees of the Convention, Sports and Entertainment Facilities Department. Plaintiffs allege they were each subject to sexual harassment while employed with the City. Suit was filed seeking class certification with a defined class of former and current female maintenance workers in the CSEF department. In July 2025, a hearing was held on class certification and a judge noted that the request was denied. The parties are currently negotiating the order for this decision. The plaintiffs dropped their appeal of denial of class certification. The City is moving to bifurcate the claims of the plaintiffs into two separate lawsuits.

Flooding Claims. On June 12, 2025, the City experienced a significant rain event in a short period of time, leading to flooding in areas of the City. During this event, 13 individuals died, 11 of whom whose vehicles were swept into Beitel Creek near Loop 410. The City has received 25 claims, related to 5 of these deaths. In anticipation of litigation, the City retained the services of an engineering firm to model the flooding at Loop 410 and help assess the causes. Based on this study, it does not appear that the City knew or should of known of the potential for flooding in this area. As of this date, only one lawsuit has been filed, *Tamika Gloria et al. v City of San Antonio*.

Note 13 Commitments and Contingencies (Continued)**Primary Government (City) (Continued)*****Litigation (Continued)***

Adrian Guevara v City of San Antonio. A Solid Waste Department truck abruptly made a u-turn in front of Plaintiff's vehicle. Plaintiff did not have sufficient time to avoid hitting the truck's broadside. Plaintiff suffered significant injuries. This case is set for trial on April 13, 2026.

Danyce Garcia, et. al. v City of San Antonio. A Solid Waste Department collecting truck was driving in a right turn lane when Plaintiff also attempted to turn right from the adjacent lane, striking the truck. Plaintiff alleges she suffered significant injuries. This case is currently set for trial on March 23, 2026 but a motion for continuance is pending.

San Antonio Park Police Officers' Association, et. al. v City of San Antonio. San Antonio Park and Airport Police Officers filed suit alleging they are entitled to the benefits provided by Texas Local Government Code Chapter 143 and the right to collectively bargain pursuant to Texas Local Government Code Chapter 174. The City moved to dismiss all claims; claims under Chapter 143 were dismissed and the case proceeds under Chapter 174. The officers claim alternately that they are entitled to coverage under the CBA with the San Antonio Police Officers' Association or alternately that they should be allowed to negotiate a CBA on their own behalf. Recently, the suit was amended to include damage claims for past wages calculated under the SAPOA CBA. This case is not currently set for trial.

Derek Perez v City of San Antonio. On February 3, 2023, Plaintiff was traveling west on SW Loop 410 and occupying the inside lane. A motor vehicle accident ahead on the highway cause traffic to congest and slow. A SAPD officer attempting to reach the accident drove onto the unimproved shoulder with lights activated. As Plaintiff attempted to move over one lane, the police car struck his vehicle. Plaintiff incurred damages in excess of \$200,000. This case is set for trial on April 6, 2026.

Victor Fernandes Sr., et. Al. v Christopher Wesch. On August 30, 2023, SAPD undercover detectives were tracking a stolen vehicle that had been involved in a series of other vehicle thefts. When the vehicle attempted to flee, the detectives called for patrol backup. The vehicle entered and stopped in a Home Depot parking lot. One individual exited the vehicle and was immediately apprehended. The second began running from the car with a gun clearly visible in his hand. At some point, that individual turned in the direction of patrol officers. Officer Wesch heard a gunshot and saw a fellow officer fall to the ground, at which point he discharged his weapon, killing the suspect. Subsequently it was determined that the injured officer had a self-inflicted wound. Plaintiff filed suit in Federal Court against Officer Wesch only. Trial is scheduled for February 22, 2027.

State Energy Conservation Office

On March 20, 2025, the City and the Texas Comptroller of Public Accounts, through its State Energy Conservation Office (SECO), executed a loan agreement for the LoanSTAR Revolving Loan Program (LoanSTAR) of the Texas State Energy Plan. LoanSTAR provides low-interest loans to assist Texas public entities by financing its energy-related, cost-reduction retrofit projects. The loan amount is for \$1,487, at an interest rate of 2.0%, to fund five projects to install solar photovoltaic (PV) panels that will convert sunlight directly into electricity. These five facilities are the Animal Care Services facility, Fire Station #34, Cuellar Community Center, Culebra Household Hazardous Waste Facility, and the Rosedale YMCA building. The City must complete these projects within a twelve-month period from signing of contract on March 17, 2025. Terms of the loan repayment will commence upon receipt of the loan payment schedule, which will be provided and finalized once the projects are completed.

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. The City will continue to monitor the site on an annual basis beyond the 30-year requirement due to it being an active methane collection and groundwater system. 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, 2025, resulted in an estimated postclosure care liability for the Nelson Gardens Landfill of \$119. 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 \$40 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 post closure 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, 2025, the City has arbitrage liability of \$22,803 for its governmental funds, and \$170 recorded for its proprietary funds.

Note 13 Commitments and Contingencies (Continued)**CPS Energy*****Litigation***

CPS Energy is currently engaged in litigation against three of its natural gas suppliers, in which CPS Energy is disputing (under disputed payment provision) approximately \$350,000 in natural gas prices charged by those suppliers for natural gas in Winter Storm Uri as being unconscionable and violative of public policy in Texas. The pending gas supplier cases have been consolidated into the Multi District Litigation Panel and have been assigned to a judge in Bexar County for pretrial proceedings. The outcome of this pending litigation remains uncertain as of the issuance of these financial statements.

CPS Energy has also been named as one of many defendants in various other lawsuits arising out of Winter Storm Uri. The outcomes of these pending lawsuits are uncertain as of the issuance of the financial statements. Additionally, CPS Energy is involved in a number of other lawsuits unrelated to Winter Storm Uri. The outcomes of these pending lawsuits are uncertain as of the issuance of the financial statements.

Other

Purchase and construction commitments are \$12,830,600 at January 31, 2025. This amount includes construction commitments, provisions for coal purchases through December 2027, and natural gas purchases through March 2055; 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 gas toll energy through 2028, wind power through 2038, solar power through 2044, landfill power through 2029, and raw uranium associated with STP fabrication and conversion services needed for refueling through December 2026.

In fiscal year 2008, CPS Energy entered into a Natural Gas Supply Agreement with SA Energy Acquisition Public Facility Corporation (PFC), a component unit of the City, to purchase all-natural gas to be delivered under a Prepaid Natural Gas Sales Agreement. Under the Prepaid Natural Gas Sales Agreement between PFC and a third-party gas supplier, PFC has prepaid the cost of a specified supply of natural gas to be delivered over 20 years since inception, through the middle of fiscal year 2028.

CPS Energy sells excess power into the wholesale market with a balanced portfolio that includes a mix of short-term (less than a month) and mid-term (one month to a year) transactions with market participants. CPS Energy also has long-term (greater than one year) wholesale agreements with four public power entities and cities, providing full or partial requirements. These long-term agreements have varying terms expiring through December 2028. The capacities committed under these agreements represent approximately 3.8% of CPS Energy's current nameplate capacity.

Note 13 Commitments and Contingencies (Continued)**CPS Energy (Continued)*****Other (Continued)***

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 the remaining commitments:

- CPS Energy offers customers the opportunity to better manage their home's energy use through the Wi-Fi Thermostat Rewards program. The program gives customers access to a wide choice of programmable thermostat options. Customers benefit from better control of their home's air conditioning use and the visibility to program settings from their mobile devices. Customers in Wi-Fi Thermostat Rewards can choose to have a CPS Energy contractor install a free programmable thermostat in their place of residence. Alternatively, they can purchase and self-install their own thermostat from a list of qualifying devices and receive a rebate from CPS Energy. In exchange for the rebate, customers allow CPS Energy to periodically control and interrupt service to manage peak energy periods. The program is funded through the Sustainable Tomorrow Energy Plan (STEP). As of January 31, 2025, there were 149,007 (not reported in thousands) CPS Energy customer devices enrolled in Wi-Fi Thermostat Rewards.
- 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 \$38,326 at January 31, 2025. 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 the 25-year power purchase agreements mentioned above:

Facility	Capacity in MW ¹	Achieved Commercial Operations
Alamo 1	39.2	December 2013
St. Hedwig (Alamo 2)	4.4	March 2014
Walzem (Alamo 3)	5.5	January 2015
Eclipse (Alamo 4)	37.6	August 2014
Helios (Alamo 5)	95.0	December 2015
Sirius 1 (Alamo 6)	108.3	March 2017
Solara (Alamo 7)	104.5	September 2016
Sirius 2 (Pearl)	49.1	October 2017
Lamesa 2 (Ivory)	50.0	December 2018
Total 25-year Power Purchase Agreements	<u>493.6</u>	

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* programs. In 2015 the *SolarHostSA* program was launched by CPS Energy in partnership 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. 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 2015 Roofless Solar was also launched by CPS Energy in partnership with Clean Energy Collective (CEC). CEC built a 1 MW community solar farm in the CPS Energy service territory. The program 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. 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 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. In August 2023, CPS Energy launched a Request for Proposal for up to 50 MW of additional community solar to expand its Roofless Solar program and is currently evaluating proposals.

In July 2019, CPS Energy executed a Bill of Sale with the Department of Defense for \$87,054 for the electric and gas systems at three Joint Base San Antonio (JBSA) installations: JBSA Randolph, JBSA Lackland and JBSA Lackland Training Annex. In addition to the fixed assets acquired, deferred inflows for the unrealized future recoveries associated with the JBSA agreement were recorded at the time of the purchase which are being amortized over the 50-year Utilities Privatization Contract that covers the JBSA systems.

In December 2021, the PUCT authorized ERCOT to implement securitization of \$800,000 pursuant to Public Utility Regulatory Act Chapter 39, Subchapter M to reimburse short payments for operating days February 12 to 20, 2021, during Winter Storm Uri. The proceeds of these securitized transactions by ERCOT and these market participants resulted in repayment of their outstanding short-payments to ERCOT, which in turn have been used to reimburse short-pay claimants such as CPS Energy which successfully recovered most of its \$15,000 short-payment claim.

The \$800,000 in securitized debt was reduced to \$200,300 as a result of a settlement authorized on November 14, 2022, by the United States Bankruptcy Court in the Brazos Chapter 11 Plan of Reorganization. On December 15, 2022, a disbursement of \$1,151,400 from the bankruptcy settlement was paid to ERCOT, of which \$599,700 went to reduce the \$800,000 securitization debt. Pursuant to provision in Subchapter M, over the next 25 to 30 years, ERCOT is requiring CPS Energy to make monthly payments of its share of the remaining \$200,300, which are expected to total \$5,472. Additionally, ERCOT claims that CPS Energy may be responsible for additional market uplifts related to other market participants that are in default with ERCOT and from which ERCOT may not be able to recover its claims because such market participants exited the market or other reasons. 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)**San Antonio Water System (SAWS)*****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 to be approximately \$1,300,000. As with any estimate, the actual amounts incurred could differ materially.

Through December 31, 2024, capital expenditures related to the Consent Decree totaled \$1,200,000, 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 132 in 2024. (Sanitary sewer overflows not reported in thousands).

Mitchell Lake and adjacent wetlands cover approximately 600 acres which are legacy remnants of 19th-century wastewater reuse and disposal practices. With the passage of time, Mitchell Lake has become a unique and environmentally sensitive natural facility that is a wildlife refuge and an active destination attraction for birdwatchers from around the world. The site provides essential habitats where more than 330 species of migratory birds can rest and feed and was declared to be a "Refuge for Shore Birds and Waterfowl" by the City in 1973. Since 2004, the site has been operated by the National Audubon Society as a Nature Center.

As a result of its past use as a waste management center for San Antonio, the EPA regulated discharges from Mitchell Lake, which can occur after significant rainfall events. In 2016, SAWS received an Administrative Order from the EPA that alleged SAWS violated its then existing Texas Pollutant Discharge Elimination System (wastewater) permit by failing to meet effluent limitations for discharges from the lake as required by the permit.

Upon receiving the Administrative Order, SAWS began working with consulting experts and conducted preliminary feasibility evaluations of a proposed solution that would entail the use of constructed treatment wetlands to meet the water quality objectives while protecting and enhancing the existing natural resources and aquatic waterfowl habitats. The proposal 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. SAWS was also successful in changing the wastewater permit to a Municipal Separate Storm Sewer System (stormwater) permit.

Note 13 Commitments and Contingencies (Continued)**San Antonio Water System (SAWS) (Continued)*****Other (Continued)***

The EPA had accepted SAWS' proposed solution and established a deadline for completion of March 31, 2026; however, in early 2024, the EPA provided notice that it was withdrawing the Administrative Order. The EPA also advised that with the withdrawal of the Administrative Order, oversight of the wetlands project would transition to the TCEQ pursuant to its authority under the stormwater permit. Withdrawal of the Administrative Order removes EPA's enforcement authority, ability to assess penalties, and SAWS's potential liability associated with the Administrative Order. SAWS has provided notice to TCEQ of the withdrawal of the Administrative Order and will work with the EPA and TCEQ to develop an appropriate schedule of activities for the project going forward. Projected costs for the wetlands project are estimated to be approximately \$76,000.

As of December 31, 2024, SAWS has entered into various agreements to obtain rights to pump water from the Edwards Aquifer. The term of these agreements varies, with some expiring as early as 2026 and others continuing until 2028. The annual cost per acre-foot ranges from \$100 to \$130. (Per acre-foot figures are not in thousands). Under these various agreements, SAWS paid \$1,813 in 2024.

The future commitments under these agreements are as follows:

	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>
Edwards Aquifer - lease payments	\$ 1,377	\$ 1,377	\$ 769	\$ 451
Edwards Aquifer - acre feet leased	10,780	10,780	6,012	3,541

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 2025 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 \$1,276 per acre-foot in 2025 to approximately \$1,853 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 a projected 2025 price of \$860 per acre-foot. This agreement expires in July 2025 and SAWS has a unilateral option to extend the contract for 10 years. (Figures in this paragraph are not in thousands).

In 2012, SAWS entered into an agreement with Water Exploration Company, Ltd., (WECO) to purchase groundwater produced by WECO from the Trinity Aquifer. In connection with this agreement, two prior water purchase agreements between District Special Project (DSP) and WECO were terminated. In 2018, Texas Water Supply Company assumed the assets of WECO, including this agreement between SAWS and WECO. The 2012 agreement has a term of 15 years, with two optional five-year extensions. SAWS is obligated to purchase up to 17,000 acre-feet per year in monthly increments not to exceed 1,417 acre-feet if the water is available to be produced. SAWS only pays for delivered water meeting all state and federal drinking water standards. Pumping under this contract may not reduce the Trinity Aquifer below 600 feet Mean Sea Level at test wells on the tracts.

Note 13 Commitments and Contingencies (Continued)**San Antonio Water System (SAWS) (Continued)*****Other (Continued)***

The projected price to be paid per acre-foot of raw water ranges from \$1,322 in 2025 to \$1,376 in 2027. Due to drought conditions in the area, Texas Water Supply Company has not been able to deliver near the maximum amount of water SAWS is contractually obligated to purchase. (Figures in this paragraph are not in thousands).

In 2010, SAWS was granted a permit by the Gonzales County Underground Water Conservation District (District) to produce 11,688 acre-feet of water from the Carrizo Aquifer in Gonzales County. SAWS has entered into 23 separate agreements with landowners to produce water under that permit. (Agreement count and acre-feet not in thousands). These agreements remain in force indefinitely as long as SAWS continues to make payments in accordance with the terms of the agreements. SAWS makes payments to the landowners based on actual water produced. SAWS expects to produce the maximum water available under its permit in 2025 and projects payments to landowners will be \$1,647. 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 1) 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 2) 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 price paid to SSLGC to treat and transport water provided by SAWS is projected to be \$547 per acre-foot in 2025 and peaks at \$630 per acre-foot in 2041 and ends at \$591 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 2025 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. Due to low lake levels and poor water quality, SAWS has not taken water from Medina Lake since 2015 and has paid around \$3,000 per year pursuant to the contract which was originally entered into by the former Bexar Metropolitan Water District. 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, 2025, was \$184 per acre foot. The agreement has been amended several times with the current expiration of the agreement in 2049. During 2024, SAWS invoked the facilitated mediation process outlined within the agreement. These mediation efforts were not successful, and SAWS is now seeking a judicial declaration that the agreement is void on various grounds. (Acre-feet in this paragraph are not in thousands).

Note 13 Commitments and Contingencies (Continued)**San Antonio Water System (SAWS) (Continued)*****Other (Continued)***

Under a contract with 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 2025 through 2028 and 6,800 acre-feet annually from 2029 to 2047. The average cost ranges from \$1,221 to \$1,789 per acre-foot. (Figures in this paragraph are not in thousands).

Total payments under these water purchase agreements were \$29,243 in 2024. 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.

	2025	2026	2027	2028	2029	Thereafter
Purchased water payments - fixed	\$ 27,261	\$ 27,172	\$ 27,638	\$ 28,123	\$ 27,236	\$ 506,783
Acre feet purchased - fixed	42,507	41,307	41,307	41,307	41,807	785,583
Purchased water payments - variable	\$ 12,250	\$ 11,328	\$ 7,052	\$ 3,424	\$ 3,407	\$ 27,062
Acre feet purchased - variable	9,736	8,612	4,864	2,118	1,995	11,842

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.

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, locking in the price of the Project Water component of SAWS annual payment requirements 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.

Note 13 Commitments and Contingencies (Continued)**San Antonio Water System (SAWS) (Continued)*****Other (Continued)***

Delivery of Project Water commenced April 15, 2020. The start of water delivery initiated the 30-year operational phase, during which period SAWS is obligated to pay for Project Water (up to 50,000 acre-feet annually) made available by the Project Company. A total of \$105,649 was spent in 2024 to make contractually required payments for water made available, provide for the operations and maintenance of the pipeline, support the operation of the treatment plant which receives the water made available, and provide for the utility expenses associated with the pipeline and the treatment process.

Since the start of 2020, SAWS paid for approximately 11,007 acre-feet of water that it was not able to receive. Consistent with the terms of the Agreement, SAWS recorded a prepaid asset, which as of December 31, 2024, totaled \$4,147. Given the priority of water deliveries and payments, it is currently estimated it will take several years to fully amortize the prepaid Project Water.

At the end of the operational phase, ownership of the well fields, pumping and related treatment facilities and the pipeline, collectively known as the Project, will be transferred to SAWS at no cost. SAWS has also entered into a separate agreement with Blue Water Vista Ridge, LLC, the lessee of the Project Water, to continue to acquire up to 50,000 acre-feet annually of untreated groundwater, for an additional 30-year period upon the termination of the Agreement and transfer of the Project to SAWS. The cost of such water at the end of the Agreement will be tied to prevailing Edwards Aquifer agreements.

Because all Project assets will transfer to SAWS at the end of the Agreement, SAWS recorded the capital assets and a contract payable equal to the acquisition value of the Project Company infrastructure of \$929,326 in 2020. During 2024, SAWS recorded depreciation of \$23,956 associated with these assets, while reducing the contract payable through the debt service portion of payments to be made under the contract to \$851,598 as of December 31, 2024.

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>
2025	\$ 18,381	\$ 43,078	\$ 61,459
2026	19,152	42,307	61,459
2027	19,960	41,499	61,459
2028	20,864	40,763	61,627
2029	21,696	39,763	61,459
2030-2034	123,547	183,916	307,463
2035-2039	154,230	153,234	307,464
2040-2044	196,507	111,125	307,632
2045-2049	259,793	47,670	307,463
2050	17,468	212	17,680
Total	<u>\$ 851,598</u>	<u>\$ 703,567</u>	<u>\$ 1,555,165</u>

Note 13 Commitments and Contingencies (Continued)**San Antonio Water System (SAWS) (Continued)*****Other (Continued)***

SAWS has the right to terminate the Agreement at any time by purchasing the Project for the aggregate amount of the outstanding 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, 2024, was estimated to be \$1,030,740. SAWS also maintains the option to assume rather than pay off the outstanding Project Company debt. Under either scenario, SAWS purchasing of the Project would result in the recording of additional liabilities totaling approximately \$200,000.

Arbitrage

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax-exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. A liability is recorded once payment appears to be probable. As of December 31, 2024, SAWS had an arbitrage liability of \$7,597 related to the 2015A, 2018B, 2020B, 2020D, 2022B and 2023A junior lien bonds.

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Note 14 Leases and Subscription-Based Information Technology Arrangements (SBITAs)**Primary Government (City)****Leases**

Per GASB Statement No. 87, *Leases*, a lease is defined as a contract that conveys control of the right-to-use another entity's nonfinancial asset for a specified period of time. The contractual right-to-use must be for a period of greater than one year in an exchange or exchange-like transaction.

Governmental Activities**Lessee**

For leases in which the City is the lessee, the leases are recognized as a lease liability and a lease asset. The lease liability is measured at the present value of the payments expected to be made for the duration of the lease term, with the liability reduced as payments are made. An outflow of resources is recognized for interest paid on the liability. The lease asset is recognized at the initial measurement amount of the lease liability plus additional payments made to the lessor at or before the commencement of the lease and applicable direct costs. The asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

The City leases various assets such as copiers and office buildings. The various contractual agreements include both fixed payments and variable payments that are fixed in substance. Variable payments that are fixed in substance are based on indexes and rates such as market interest rates or the consumer price index. The following table is a summary of the leases for the year-ended September 30, 2025.

	October 1, 2024¹	Additions	Deletions	September 30, 2025
Lease Asset:				
Land	\$ 11,958	\$ -	\$ -	\$ 11,958
Buildings	52,855	3,186	(1,279)	54,762
Equipment	24,593	440	(761)	24,272
Total	<u>\$ 89,406</u>	<u>\$ 3,626</u>	<u>\$ (2,040)</u>	<u>\$ 90,992</u>
Accumulated Amortization:				
Land	\$ (1,260)	\$ (325)	\$ -	\$ (1,585)
Buildings	(15,178)	(5,712)	1,279	(19,611)
Equipment	(4,231)	(2,171)	334	(6,068)
Total	<u>\$ (20,669)</u>	<u>\$ (8,208)</u>	<u>\$ 1,613</u>	<u>\$ (27,264)</u>
Lease Asset, Net	<u>\$ 68,737</u>	<u>\$ (4,582)</u>	<u>\$ (427)</u>	<u>\$ 63,728</u>

¹ See Note 21 Adjustments and Restatements for information related to the component unit restatements.

Note 14 Leases and SBITAs (Continued)**Primary Government (City) (Continued)****Governmental Activities (Continued)****Lessee (Continued)**

As of September 30, 2025, the principal and interest requirements to maturity for lease liability are as follows:

Year-Ending September 30,	Principal	Interest	Total
2026	\$ 6,936	\$ 1,431	\$ 8,367
2027	7,765	1,267	9,032
2028	6,160	1,139	7,299
2029	4,890	924	5,814
2030	3,015	827	3,842
2031-2035	10,815	3,319	14,134
2036-2040	9,263	2,268	11,531
2041-2045	5,588	1,505	7,093
2046-2050	3,857	957	4,814
2051-2055	8,359	4,298	12,657
Total	<u>\$ 66,648</u>	<u>\$ 17,935</u>	<u>\$ 84,583</u>

Lessor

For leases in which the City is the lessor, the leases are recognized as a lease receivable measured at the present value of payments expected to be received during the lease term. A deferred inflow of resources is recognized at the measured value of the receivable plus additional payments made at or before the commencement of the lease term for future periods. Additionally, interest revenue is recognized with the lease receivable and as an inflow of resources from the deferred inflow of resources.

The City leases and subleases City-Owned properties such as land, buildings, and infrastructure. Similar to the City's lessee agreements, as lessor, the City's contracts include fixed payments and variable payments that are fixed in substance. The variable payments that are fixed in substance are based on market interest rates, the consumer price index, and future performance. Variable payments that are fixed in substance are included in the measurement of the lease receivable. The major leasing activities of the City's governmental funds are presented in the discussion that follows.

The major contributors to the City's lease revenue include Community & Visitor Facilities Fund which accounts for revenues generated from Convention and Tourism activities relating from City's owned facilities such as the Convention Center and Alamodome. Also, the Center City Development Operations department 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, 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, 2025 was \$16,763 which consisted of \$14,647 in fixed payments and \$2,116 in variable payments, including interest, for Governmental Activities.

Note 14 Leases and SBITAs (Continued)**Primary Government (City) (Continued)****Governmental Activities (Continued)****Lessor (Continued)**

As of September 30, 2025, the principal and interest to maturity for the lease receivables are as follows:

Year-Ending September 30,	Principal	Interest	Total
2026	\$ 7,989	\$ 1,772	\$ 9,761
2027	4,081	1,122	5,203
2028	3,707	969	4,676
2029	3,549	915	4,464
2030	1,934	794	2,728
2031-2035	8,249	3,051	11,300
2036-2040	4,191	2,070	6,261
2041-2045	3,840	1,702	5,542
2046-2050	3,881	1,303	5,184
2051-2055	3,120	934	4,054
2056-After	7,797	2,152	9,949
Total	<u>\$ 52,338</u>	<u>\$ 16,784</u>	<u>\$ 69,122</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, 2025 were \$872.

As of September 30, 2025, 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
2026	\$ 2,764	\$ 436	\$ 3,200
2027	2,483	307	2,790
2028	1,763	227	1,990
2029	1,271	146	1,417
2030	1,009	101	1,110
2031-2032	1,828	76	1,904
Total	<u>\$ 11,118</u>	<u>\$ 1,293</u>	<u>\$ 12,411</u>

Note 14 Leases and SBITAs (Continued)**Primary Government (City) (Continued)****Business-Type Activities****Lessee**

The Business-Type Activities lease copiers, water dispensers and buildings. 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 September 2033. The following table is a summary of the leases for business-type activities for the year-ended September 30, 2025.

	<u>October 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>September 30, 2025</u>
Lease Asset				
Buildings	\$ 11,681	\$ -	\$ -	\$ 11,681
Equipment	386	69		455
Total	<u>\$ 12,067</u>	<u>\$ 69</u>	<u>\$ -</u>	<u>\$ 12,136</u>
Accumulated Amortization				
Buildings	\$ (779)	\$ (779)	\$ -	\$ (1,558)
Equipment	(151)	(86)		(237)
Total	<u>\$ (930)</u>	<u>\$ (865)</u>	<u>\$ -</u>	<u>\$ (1,795)</u>
Lease Asset, Net	<u>\$ 11,137</u>	<u>\$ (796)</u>	<u>\$ -</u>	<u>\$ 10,341</u>

As of September 30, 2025, the principal and interest requirements to maturity for lease liability are as follows:

<u>Year-Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 655	\$ 427	\$ 1,082
2027	747	402	1,149
2028	743	373	1,116
2029	763	344	1,107
2030	789	313	1,102
2031-2035	4,389	1,060	5,449
2036-2040	3,086	656	3,742
Total	<u>\$ 11,172</u>	<u>\$ 3,575</u>	<u>\$ 14,747</u>

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.

Note 14 Leases and SBITAs (Continued)**Primary Government (City) (Continued)****Business-Type Activities (Continued)****Lessor (Continued)**

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 are comprised of leases from Market Square and the 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, 2025 was \$34,401 for business-type activities, which consisted of \$26,920 in fixed payments and \$6,090 in variable payments for the Airport System. Solid Waste Management revenues consisted of \$124 in fixed payments. Nonmajor Enterprise Funds revenues consisted of \$1,266 in fixed payments, including interest.

As of September 30, 2025, the principal and interest to maturity for the lease receivables are as follows:

Year-Ending September 30,	Principal	Interest	Total
2026	\$ 10,835	\$ 2,236	\$ 13,071
2027	10,914	1,522	12,436
2028	11,019	1,059	12,078
2029	9,206	838	10,043
2030	5,256	691	5,947
2031-2035	14,962	2,335	17,298
2036-2040	7,683	1,299	8,982
2041-2045	6,451	615	7,066
2046-After	2,415	102	2,517
Total	<u>\$ 78,741</u>	<u>\$ 10,696</u>	<u>\$ 89,437</u>

Note 14 Leases and SBITAs (Continued)**Primary Government (City) (Continued)****Business-Type Activities (Continued)****Regulated Leases**

The City entered into Airport Use and Lease Agreements (AULA) on October 1, 2024, with Signatory Airlines for usage of San Antonio International Airport facilities for the purpose of conducting air transportation businesses. The AULA are noncancellable through September 30, 2034, with an automatic five-year renewal to September 30, 2039. Under the terms of the AULA, 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, total landed weight, and other factors. Final settlements are made each year after the City's audit is conducted. Non-signatory 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 new rates approved by City Council may be instituted.

Under the AULA with Signatory Airlines, they have exclusive and preferential use of certain spaces and facilities of airport terminals A and B and preferential use of certain apron areas. In addition, the AULA with American, Delta, and United grants them with preferential use of certain areas of the West Cargo areas at the San Antonio International Airport.

Use of space are summarized as follows (amounts in the table below are not in thousands) as of September 30, 2025:

	American	Delta	Southwest	Spirit	United	Viva	Other
Terminal Areas - Leased Airline Space (sq. ft.)	20,193	14,788	31,664	2,302	2,371	24,467	2,696
Apron - Leased Airline Space (sq. ft.)	650	400	750	125	125	675	1,700
Number of Leased Gates	1	3	6		5		

Total lease revenue received for the fiscal year-ended September 30, 2025 was \$95,949 for regulated leases.

Carriers	Variable Payments
American	\$ 15,558
Delta	12,181
Southwest	39,202
Spirit	3,500
United	13,999
Viva	4,686
Other	6,823
Total	<u>\$ 95,949</u>

Note 14 Leases and SBITAs (Continued)**Primary Government (City) (Continued)****Business-Type Activities (Continued)****Regulated Leases (Continued)**

A new AULA became effective October 1, 2024 through September 30, 2034, with an automatic five-year renewal to September 30, 2039. Expected future minimum lease payments from the AULA are summarized in the table below. These future payments are based on budgeted expenses and projected airline activity.

Year-Ending September 30,	Aviation
2026	\$ 25,979
2027	25,979
2028	25,979
2029	25,672
2030	25,644
2031-2035	128,220
2036-2039	102,576
Total	<u>\$ 360,049</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, 2025 were \$1,697.

As of September 30, 2025, 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
2026	\$ 2,237	\$ 436	\$ 2,673
2027	2,140	350	2,491
2028	2,166	267	2,433
2029	2,252	181	2,433
2030	1,757	94	1,851
2031-2033	1,391	58	1,449
Total	<u>\$ 11,943</u>	<u>\$ 1,387</u>	<u>\$ 13,330</u>

Note 14 Leases and SBITAs (Continued)**CPS Energy****Leases**

CPS Energy accounts for leases in accordance with GASB Statement No. 87, *Leases*, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this Statement, CPS Energy as a lessee is required to recognize a lease liability and an intangible lease asset, and as a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Pole Attachment Lease

CPS Energy leases space on poles and streetlight poles to third party communication providers. In an effort to adhere to state and federal laws, CPS Energy established the Pole Attachment Standards, which includes contract terms and rates formula. The standard terms include a five-year initial contract and successive automatic one-year renewals until contract is terminated by either party by providing six months written notice. The 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, 2025, was \$10,188. There were no other or variable lease payments received in fiscal year 2025. 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 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.

Lessee

Both the lease asset and lease liability are included in the Statement of Net Position. The lease assets are recorded as lease assets, net and the lease liability are recorded as either current or noncurrent portion of long-term obligations.

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's leased assets and associated accumulated amortization are included as intangible capital assets. 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, 2025.

Note 14 Leases and SBITAs (Continued)**CPS Energy (Continued)****Lessee (Continued)**

The following table summarizes lease balances as of January 31, 2025:

	<u>February 1, 2024</u>	<u>Additions</u>	<u>Deletions</u>	<u>January 31, 2025</u>
Lease assets				
Buildings	\$ 3,902	\$ 308	\$ -	\$ 4,210
Equipment	1,918			1,918
Total	<u>\$ 5,820</u>	<u>\$ 308</u>	<u>\$ -</u>	<u>\$ 6,128</u>
Amortization				
Buildings	\$ (2,175)	\$ (587)	\$ -	\$ (2,762)
Equipment	(32)	(384)		(416)
Total	<u>\$ (2,207)</u>	<u>\$ (971)</u>	<u>\$ -</u>	<u>\$ (3,178)</u>
Leases, net	<u>\$ 3,613</u>	<u>\$ (663)</u>	<u>\$ -</u>	<u>\$ 2,950</u>

The following table summarizes future principal and interest payments related to leases as of January 31, 2025:

<u>Year Ended January 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,026	\$ 91	\$ 1,117
2027	980	51	1,031
2028	660	20	680
Total	<u>\$ 2,666</u>	<u>\$ 162</u>	<u>\$ 2,828</u>

Lessor

CPS Energy leases buildings to third parties with terms ranging from two to 19 years, which include options to extend the term. There were no receipts of variable or other lease payments as of fiscal year 2025. The total lease interest and revenue was \$1,342 for the year-ended January 31, 2025. In addition, the total leased asset receivable was \$5,279 and the corresponding deferred inflow of resources was \$9,648 as of January 31, 2025.

San Antonio Water System (SAWS)**Leases**

Effective January 1, 2022, SAWS adopted GASB Statement No. 87, *Leases*. This Statement covers leases where the entity is the lessee and the lessor. SAWS has agreements for each type. SAWS reviewed all the leases where SAWS is the lessee and determined these leases are not material to the financials. As a result, SAWS did not record any lease liabilities or deferred outflows. SAWS examined all agreements where SAWS is the lessor and recorded seven leases that are material to the financials and have been included in the Statement of Net Position.

Note 14 Leases and SBITAs (Continued)**San Antonio Water System (SAWS) (Continued)****Leases (Continued)**

Six of these leases are for rental of space on various water towers which allows cell phone providers to attach transmitter equipment and many include space on the ground for the installation of support equipment. The seventh lease is for acreage at one of the SAWS' water treatment plants for the installation of solar panel equipment for the production of electricity. Once a lease is complete, the lessee is responsible for removing all equipment. The remaining terms of the leases range from four to 20 years inclusive of any anticipated renewal options. These leases were recorded at the net present value of all future payments. None of the lessor agreements are a principal part of SAWS' ongoing operations nor are they subject to paragraph 58 of GASB Statement No. 87, which includes disclosures for leases of assets that are investments, certain regulated leases, sublease transactions, sale-leaseback transactions, and lease-leaseback transactions. During fiscal year 2024, SAWS recognized \$324 as lease revenue and \$115 in interest revenue.

Subscription-Based Information Technology Arrangements (SBITAs)**Primary Government (City)**

Per GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), a SBITA is defined as a contract that conveys control of the right-to-use another entity's information technology software, alone or in combination with tangible capital assets, for a specified period of time. The contractual right-to-use must be for a period of greater than one year in an exchange or exchange-like transaction.

SBITAs are recognized as a subscription liability and subscription asset. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges. The subscription liability is recorded in the Statement of Net Position as either current or noncurrent portion of long-term obligations. The subscription asset is initially measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The asset is amortized as an outflow of resources over the subscription term and is recorded in the Statement of Net Position as subscription assets, net.

Governmental Activities

The City has entered into SBITAs such as software for various desktop and server subscriptions, cloud backup services, document management, computer-aided dispatch, performance measurement, strategic planning, and benchmarking. The following table is a summary of the SBITA activities for the year-ended September 30, 2025:

	October 1, 2024	Additions	Deletions	September 30, 2025
Subscription Assets				
SBITAs	\$ 112,681	\$ 19,453	\$ (2,494)	\$ 129,640
Total	\$ 112,681	\$ 19,453	\$ (2,494)	\$ 129,640
Accumulated Amortization				
SBITAs	\$ (23,061)	\$ (21,903)	\$ 1,916	\$ (43,048)
Total	\$ (23,061)	\$ (21,903)	\$ 1,916	\$ (43,048)
SBITA Asset, Net	\$ 89,620	\$ (2,450)	\$ (578)	\$ 86,592

Note 14 Leases and SBITAs (Continued)**Subscription-Based Information Technology Arrangements (SBITAs) (Continued)****Primary Government (City) (Continued)**

As of September 30, 2025, the principal and interest requirements to maturity for SBITA liability are as follows:

Year-Ending September 30,	Principal	Interest	Total
2026	\$ 18,370	\$ 2,771	\$ 21,141
2027	19,956	2,236	22,192
2028	9,639	1,775	11,414
2029	8,303	1,429	9,732
2030	7,688	1,101	8,789
2031-2035	21,692	1,218	22,910
Total	<u>\$ 85,648</u>	<u>\$ 10,530</u>	<u>\$ 96,178</u>

Business-Type Activities

The City has entered into SBITAs such as software for airport flight management, cloud backup services, and computer-aided design. The following table is a summary of the SBITA activities for the year-ended September 30, 2025:

	October 1, 2024	Additions	Deletions	September 30, 2025
Subscription Assets				
SBITAs	\$ 10,973	\$ 2,807	\$ (6,870)	\$ 6,910
Total	<u>\$ 10,973</u>	<u>\$ 2,807</u>	<u>\$ (6,870)</u>	<u>\$ 6,910</u>
Accumulated Amortization				
SBITAs	\$ (3,688)	\$ (2,033)	\$ 3,387	\$ (2,334)
Total	<u>\$ (3,688)</u>	<u>\$ (2,033)</u>	<u>\$ 3,387</u>	<u>\$ (2,334)</u>
SBITA Asset, Net	<u>\$ 7,285</u>	<u>\$ 774</u>	<u>\$ (3,483)</u>	<u>\$ 4,576</u>

As of September 30, 2025, the principal and interest requirements to maturity for SBITA liability are as follows:

Year-Ending September 30,	Principal	Interest	Total
2026	\$ 1,149	\$ 159	\$ 1,308
2027	883	151	1,034
2028	424	39	463
2029	361	31	392
2030	382	25	407
2031-2035	1,692	27	1,719
Total	<u>\$ 4,891</u>	<u>\$ 432</u>	<u>\$ 5,323</u>

Note 14 Leases and SBITAs (Continued)**Subscription-Based Information Technology Arrangements (SBITAs) (Continued)****CPS Energy**

CPS Energy accounts for subscriptions in accordance with GASB Statement No. 96, *Subscription Based Information Technology Agreements*, in which the subscription asset and subscription liability are included in the Statement of Net Position. The subscription assets are recorded as subscription assets, net and the subscription liability are recorded as either current or noncurrent portion of long-term obligations.

The following table summarizes SBITA activities for the year ended January 31, 2025:

	February 1, 2024	Additions	Deletions	January 31, 2025
Subscription Assets				
SBITAs	\$ 48,227	\$ 14,091	\$ (7,852)	\$ 54,466
Total	\$ 48,227	\$ 14,091	\$ (7,852)	\$ 54,466
Amortization				
SBITAs	\$ (18,853)	\$ (16,189)	\$ 7,852	\$ (27,190)
Total	\$ (18,853)	\$ (16,189)	\$ 7,852	\$ (27,190)
SBITAs, net	\$ 29,374	\$ (2,098)	\$ -	\$ 27,276

The following table summarizes future principal and interest payments related to SBITA payments as of January 31, 2025:

Year Ended January 31,	Principal	Interest	Total
2026	\$ 7,741	\$ 335	\$ 8,076
2027	3,409	85	3,494
2028	14		14
Total	\$ 11,164	\$ 420	\$ 11,584

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Note 14 Leases and SBITAs (Continued)**Subscription-Based Information Technology Arrangements (SBITAs) (Continued)****San Antonio Water System (SAWS)**

Effective January 1, 2023, SAWS implemented GASB Statement No. 96, *Subscription Based Information Technology Agreements*. SAWS has various contracts with information technology vendors for cloud-based software. The terms of the SBITA contracts range from four to five years, including options to extend that are considered to be reasonably certain.

Both the subscription asset and subscription liability are included in the Statement of Net Position. The subscription assets are recorded as subscription assets, net and the subscription liability are recorded as either current or noncurrent portion of long-term obligations.

The following table summarizes SBITA activities for the year ended December 31, 2024:

	January 1, 2024	Additions	Deletions	December 31, 2024
Subscription Assets				
SBITAs	\$ 6,892	\$ -	\$ -	\$ 6,892
Total	\$ 6,892	\$ -	\$ -	\$ 6,892
Amortization				
SBITAs	\$ (1,691)	\$ (1,936)	\$ -	\$ (3,627)
Total	\$ (1,691)	\$ (1,936)	\$ -	\$ (3,627)
SBITAs, net	\$ 5,201	\$ (1,936)	\$ -	\$ 3,265

The following table lists all future payments under the SBITAs as of December 31, 2024:

Year Ended December 31,	Principal	Interest	Total
2025	1,359	20	1,379
2026	1,787	12	1,799
2027	1,155	4	1,159
Total	\$ 4,301	\$ 36	\$ 4,337

Note 15 Other Obligations**Primary Government (City)*****Pollution Remediation Obligation***

The City follows the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*.

The general nature of existing pollution that has been identified on City property is consistent with City operations of acquiring properties for infrastructure and improvement development. Under most circumstances, the triggering event relevant to the City is the voluntary commencement of activities to clean up the pollution. Costs were estimated using the expected cash flow technique prescribed under GASB Statement No. 49 utilizing information provided by the City's respective departments which included previous knowledge of clean-up costs, existing contracts, etc. Depending on the length of time it takes the City to remediate the pollution, costs may be different from those estimated below as a result of market rate changes, price changes, improvements to technology, or changes in applicable laws or regulations.

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Liabilities	\$ 2,052	\$ 516	\$ (794)	\$ 1,774
Construction in Progress	\$ 350	\$ -	\$ (120)	\$ 230
Business-Type Activities:				
Liabilities	\$ 1,274	\$ -	\$ -	\$ 1,274

The Governmental Activities' liabilities were a result of cost estimates to clean existing pollution found on land acquired by the City's Public Works Department for the construction of streets, drainage, facility improvements and parks. Any net change in the Governmental Activities pollution remediation liability that was not capitalized under Construction in Progress was expensed under the City's general government, public safety, and public works activities.

The City foresees receiving \$97 in recoveries from third parties for the costs associated with cleaning up these pollution obligations.

The business-type liability was a result of cost estimates to clean existing pollution found on land acquired by the Airport System for the construction of airport structures. As the City acquired this property in the early 1940s, the liability did not meet the criteria to be capitalized, and as such was expensed in fiscal year 2009. The City had no additional pollution remediation costs in business-type activities in fiscal year 2025.

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 (Continued)**Primary Government (City) (Continued)****Asset Retirement Obligations (Continued)**

The governmental activities include 36 fuel storage tanks and two oil tanks with useful lives of 40 years (not reported in thousands). The storage tanks have regulatory requirements to be met for removal or permanent closure after retirement under the Texas Administrative Code. The associated retirement costs are being amortized utilizing straight-line method over the average estimated remaining useful life of the storage tanks. At September 30, 2025, the ARO liability related to the storage tanks was \$2,088.

The business-type activities include seven fuel storage tanks with useful lives of 40 years, three above ground oil tanks with useful lives of 40 years and one X-ray machine with a useful life of ten years. Additionally, the City has the following assets with 30-year useful lives; two above ground aqueous film forming foam (AFFF) product storage tanks, piping systems and underground AFFF waste collection tanks, one underground AFFF storage tank and piping system, and one automobile fuel piping system and dispensers (not reported in thousands). The storage tanks have regulatory requirements to be met for removal or permanent closure after retirement under the Texas Administrative Code. The Airport X-ray machine also has special requirements for the decommissioning/sanitizing of the equipment when it is retired. The associated retirement costs are being amortized utilizing straight-line method over the average estimated remaining useful life of the assets. At September 30, 2025, the ARO liability related to these assets was \$840.

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Liabilities	\$ 2,088	\$ -	\$ -	\$ 2,088
Business-Type Activities:				
Liabilities	\$ 786	\$ 54	\$ -	\$ 840

CPS Energy**Pollution Remediation Obligation**

GASB Statement No. 49 requires that a liability be recognized for expected outlays for remediating existing pollution when certain triggering events occur. The general nature of existing pollution that has been identified at CPS Energy sites is consistent with that experienced within the electric and gas utilities industry. Under most circumstances, the triggering event most relevant to CPS Energy is the voluntary commencement of activities to clean up pollution.

Under Federal Energy Regulatory Commission guidance, reserves have been established for dismantling and closure costs. In fiscal year 2008, in preparation for implementation of GASB Statement No. 49, a portion of those reserves were reclassified to remediation and dismantling reserve accounts reported on the Statement of Net Position within other liabilities. When a triggering event occurs, those reserves will be reclassified as a pollution remediation liability also reported within other liabilities.

The pollution remediation liability was \$2,800 as of January 31, 2025. Costs were estimated using the expected cash flow technique prescribed under GASB Statement No. 49, utilizing information provided by CPS Energy's environmental staff and consultants.

Note 15 Other Obligations (Continued)**CPS Energy (Continued)*****Asset Retirement Obligations***

CPS Energy accounts for AROs by recognizing the obligations as a liability based on the best estimate of the current value of outlays expected to be incurred once the assets are retired. Asset retirement obligations recognized under GASB Statement No. 83 were estimated utilizing information provided by CPS Energy's environmental and engineering staff, external consultants, and costs based on an external cost study for decommissioning.

GASB Statement No. 83 requires the AROs be adjusted for the effects of inflation or deflation at least annually and to evaluate factors to determine if one or more factors is expected to significantly increase or decrease the estimated outlays. In addition to the AROs, CPS Energy has recorded associated deferred outflows of resources that are being amortized over the remaining useful life of the respective asset groups. The following asset groups have been included in the ARO reflected on the Statement of Net Position:

- **STP Units 1 and 2** – CPS Energy is one of three participants in STP, currently a two-unit nuclear power plant located in Matagorda County, Texas. The Code of Federal Regulations (CFR) provides the main decommissioning requirements mandated by the NRC 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 2023 and estimates costs in 2023 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. 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, 2025, the ARO related to STP Units 1 and 2 was \$1,063,561.
- **Vaults** - CPS Energy has approximately 205 underground vaults with useful lives of 46 years (vault count not reported in thousands). The vaults have regulatory requirements to be met prior to removal and after retirement under the CFR and TCEQ. Methods and assumptions to determine the associated liability were based on an internal calculation of cost per square foot of each 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, 2025, the ARO related to the vaults was \$12,838.
- **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, 2025, the ARO related to the storage tanks \$6,319.

Note 15 Other Obligations (Continued)**CPS Energy (Continued)*****Other***

CPS Energy has two Long-Term Service Agreements (LTSA) with General Electric (GE) for two of its combined-cycle power plants, Arthur Von Rosenberg (AVR) and Rio Nogales.

- **AVR** – In 2007, CPS Energy entered into a 20-year LTSA with GE to provide maintenance services and select replacement parts for the AVR power plant. In September 2015, the contract was amended primarily to add a provision for the advance purchase from GE of three new sets of Advanced Gas Path (AGP) parts. There was no remaining obligation on the AVR LTSA as of January 31, 2025.
- **Rio Nogales** – In March 2017, the existing Rio Nogales power plant LTSA contract was amended primarily to add a provision for the advance purchase of four new sets of AGP parts from GE. The balance of the Rio Nogales LTSA obligation as of January 31, 2025, totaled \$5,571 of which \$2,343 and \$3,228 were reported on the Statement of Net Position as a current and noncurrent liability, respectively.

San Antonio Water System (SAWS)***Pollution Remediation Obligation***

SAWS had no material pollution remediation liabilities at December 31, 2024.

Asset Retirement Obligation

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 \$50,969 at December 31, 2024. The following asset groups have been included in the ARO liability reflected in the Statement of Net Position.

Wastewater Treatment Plants (WTPs) – SAWS operates three WTPs in its service area, and also maintains Mitchell Lake, which was previously classified as a WTP. Due to the environmentally sensitive nature and ongoing wetlands project at the plant, the remaining life and the cost to decommission this site are not reasonably estimable and are not included in the ARO liability. The average remaining useful life of the other WTPs is 46 years. The TCEQ requires that a WTP be decommissioned once no longer in service. The cost for decommissioning the other three plants was \$49,124 at December 31, 2024. The cost was determined using data from various 2006 contracts relating to the decommissioning of the Salado Creek WTP. The cost includes a 10.0% design allowance. The contract data was inflated to 2024 dollars.

Note 15 Other Obligations (Continued)**San Antonio Water System (SAWS) (Continued)*****Asset Retirement Obligations (Continued)***

Underground Storage Tanks (USTs) – SAWS maintains eight USTs across its service area for servicing fleet vehicles. Texas State Law, 30 Texas Administrative Code Chapter 334, requires that USTs be removed from the ground when they are no longer in use. The cost to remove these USTs from the ground is estimated to be \$983 at December 31, 2024. The cost was determined using data from a 2020 SAWS contract to remove two USTs at the SAWS' Van Dyke Service Center. The cost includes a 10.0% design allowance. During 2024, 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 TCEQ, SAWS has an obligation to plug the injection wells once the wells are no longer in service. These wells became operational in 2016 and have a remaining useful life of 41 years based on SAWS experience with other wells throughout the system. The cost to plug these wells was estimated to be \$862 at December 31, 2024. The liability was based on an engineer's estimate from 2022 and 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 cost includes a 10.0% design allowance.

The following table summarizes the ARO activity for 2024.

Beginning Balance				Ending Balance
January 1, 2024	Additions	Deletions		December 31, 2024
\$ 50,729	\$ 345	\$ (105)	\$	50,969

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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 \$1,250,000 per occurrence. The deductible for specific perils and coverages are:

- \$1,000 flat deductible per occurrence for freeze;
- 3.0% per unit of insurance subject to \$500 minimum per occurrence for hail;
- \$250 per occurrence for water damage;
- 3.0% per unit of insurance subject to \$500 minimum per occurrence for wind damage;
- \$1,000 per occurrence for flood zones A & V (inclusive of all 100 year exposures);
- \$500 unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, streetlights, traffic signals, meters, roadways or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs;
- \$250 earthquake shock: If the stated deductible is a flat dollar amount, the deductible will apply on a per occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply per occurrence on a per unit basis, as defined in the policy form, subject to the minimum deductible per occurrence; and
- \$25 per police vehicle, except \$50 for all police vehicles valued under \$250; \$100 for All Riot Control Vehicles (RCV) of \$250 to \$750; \$250 for All Vehicles with RCV in excess of \$750 per occurrence for off-premises vehicle physical damage. If off-premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a per occurrence basis, unless otherwise stated. If off-premises coverage is not included, on-premises/in-yard coverage is subject to the all risk (basic) deductible.

Obligations for claims under these programs are accrued in the City's Self-Insurance Program's – Insurance Reserve Fund based on the City's estimates of the aggregate liability for claims made and claims incurred but not reported. The departments are assessed contributions to cover expenditures. No settlements exceeded insurance coverage in each of the past three years.

Starting in fiscal year 2023, the City has cyber liability insurance from Arch Specialty Insurance Company. The cyber liability insurance covers the financial costs associated with a breach and cyber extortion that exceed the deductible of \$500. The purchase of this insurance policy mitigates the risk to the City's Self-Insurance Program's – Insurance Reserve Fund in the event a large catastrophic claim occurs. No settlements exceeded insurance coverage in each of the past three years.

Note 16 Risk Financing (Continued)**Primary Government (City) (Continued)*****Workers' Compensation***

As of May 1, 2013, the City is self-insured for workers' compensation claims. The City utilizes a third-party administrator to adjust its claims. In fiscal year 2023, the City purchased workers' compensation stop loss insurance from CHUBB ACE American Insurance Company. The stop loss insurance covers civilian compensation claims that exceed \$2,000 and uniformed claims that exceed \$5,000. The purchase of the stop loss insurance mitigates the risk to the City's Self-Insurance Program's – Workers' Compensation Fund in the event a large catastrophic claim occurs. No settlements exceeded insurance coverage since it was first purchased in fiscal year 2020.

Obligations for claims are accrued in the City's Self-Insurance Program's – Workers' Compensation Fund based on the City's estimates of the aggregate liability for claims made and claims incurred but not reported. The departments are assessed contributions to cover expenditures.

Health Benefits Stop Loss Insurance

Since 2018, the City has purchased medical claims stop loss insurance. In calendar year 2024, the City purchased medical claims stop loss insurance from BCBS that continued through 2025. The stop loss insurance covers civilian and uniformed active employees, non-Medicare eligible retirees, and eligible dependents for claims paid exceeding \$1,200 per claimant. The purchase of the stop loss insurance mitigates the risk to the City's Self Insurance Program's – Employee Health Benefits Fund and the Fiduciary Retiree Health Care Fund in the event a large catastrophic claim occurs.

Employee Health Benefits

The City offers employees and their eligible dependents a comprehensive employee benefits program including medical, dental, vision, and basic and supplemental life insurance. Employees may also participate in healthcare or dependent care spending accounts. The City's health program is self-insured, and the City's vision plan is fully-insured. The City offers two dental plans that are both fully-insured. Obligations for benefits are accrued in the City's Self-insurance Program's – Employee Health Benefits Fund based upon the City's estimates of the aggregate liability for unpaid benefits.

Retiree Health Benefits

The City offers medical coverage for its retirees and their dependents. The City offers both self-insured and fully-insured plans to participating employees who are eligible to retire from the TMRS Pension Plan immediately following severance from the City. Self-funded obligations for benefits are accrued in the City's Retiree Health Care Fund (a fiduciary fund of the City) based upon the City's estimates of the aggregate liability for unpaid benefits. The City additionally determined and accrued OPEB liabilities based on an actuarial assessment of historical self-funded claims data performed and reviewed annually. Current year unpaid benefit liabilities for retirees are netted against the OPEB liability as additional contributions.

Note 16 Risk Financing (Continued)**Primary Government (City) (Continued)*****Unemployment Compensation Program***

The Unemployment Compensation Program provides a central account for payment of unemployment compensation claims. As of the fiscal year-end, claims were being administered externally and are paid to the Texas Workforce Commission on a reimbursement basis. All costs incurred are recorded on a claim paid basis in the City's Self-Insurance Program's – Employee Health Benefits Fund.

Extended Sick Leave Program

The Extended Sick Leave Program is used to pay benefits associated with short-term disability, long-term disability and continued long-term disability. Benefits are administered by the City. Actual costs are incurred when extended leave is taken. Short-term and long-term disability is funded by the employee's department. Continued long-term disability is funded out of the City's Self-Insurance Program's – Employee Health Benefits Fund and is reimbursed by the employee's department.

Employee Wellness Program

The Employee Wellness Program supports a culture of wellness and provides employees and their family members with the necessary tools to achieve and maintain a healthy lifestyle, while positively impacting medical claim trends. The City offers a variety of programs including personalized onsite and telephonic health coaching, smoking cessation, and health education sessions. 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 2025, the City contributed \$721 towards employees' Flexible Spending or Health Savings accounts. In June 2022, the City opened the City Tower Fitness Center which is available to all full-time, part-time, and temporary City employees. This facility was carefully designed to provide an inclusive, inviting, and comprehensive space intended to appeal to all employees regardless of their current fitness level. The Employee Wellness Program is reported in the City's Self-Insurance Program's – Employee Health Benefits Fund.

Claims Liability

The liability for the City's Self-Insurance Program's – Employee Health Benefits Insurance Program is based on the estimated aggregate amount outstanding at the Statement of Net Position date for unpaid benefits. Liabilities for the City's Self-Insurance Programs' – Insurance Reserve and Workers' Compensation Programs are reported when it is probable that a loss has occurred as of the Statement of Net Position date, and the amount of the loss can be reasonably estimated. These liabilities include allocable loss adjustment expenses, specific incremental claim adjustment expenses such as the cost of outside legal counsel, and a provision for claims that have been incurred but not reported (IBNR). Unallocated claim adjustment expenses have not been included in the calculation of the outstanding claims liability, as management of the City feels it would not be practical or cost beneficial. In addition, based on the difficulty in determining a basis for estimating potential recoveries and the immateriality of prior amounts, no provision for subrogation or salvage has been included in the calculation of the claims' liability. The claims liability reported in the accompanying financial statements for both the Insurance Reserve and Workers' Compensation Programs is based on a 4.0% discount rate due to the multi-year life cycle to close out these claims and the average historical, as well as forecasted, yield on the City's investments.

Note 16 Risk Financing (Continued)**Primary Government (City) (Continued)****Claims Liability (Continued)**

The following is a summary of changes in claims liability for the City's Insurance Reserve, Employee Health Benefits, and Workers' Compensation Programs Funds for the fiscal years as indicated:

<u>Programs/Funds</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 2024	\$ 38,526	\$ 13,438	\$ 668	\$ (11,988)	\$ 40,644
Fiscal Year 2025	40,644	16,186	1,544	(14,666)	43,708
Employee Health Benefits ¹ :					
Fiscal Year 2024	\$ 8,467	\$ 54,980	\$ 111,423	\$ (164,021)	\$ 10,849
Fiscal Year 2025	10,849	58,192	132,493	(188,102)	13,432
Workers' Compensation:					
Fiscal Year 2024	\$ 36,160	\$ 6,426	\$ 2,528	\$ (6,825)	\$ 38,289
Fiscal Year 2025	38,289	5,410	3,187	(8,513)	38,373

¹ Fiscal Year 2025 fund financial claims expense reflects an additional \$458 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 \$1,500,000 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 claims exceeded insurance coverage and there were no decreases in coverage in fiscal year 2025.

Actuarial studies are performed periodically to assess the adequacy of CPS Energy insurance reserve retentions. Actuarial valuations include nonincremental claims expenses. An actuarial study was completed in fiscal year 2025.

The remaining balance under the Property Reserves (Environmental) column in the table below at January 31, 2025, 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 2024	\$ 19,310	\$ 12,691	\$ -	\$ 32,001
Fiscal Year 2025	32,001	(172)		31,829
Property Reserves (Insurance):				
Fiscal Year 2024	\$ 5,859	\$ 4,700	\$ -	\$ 10,559
Fiscal Year 2025	10,559	(2,632)		7,927
Employee and Public Liability Claims:				
Fiscal Year 2024	\$ 19,709	\$ 6,477	\$ (6,334)	\$ 19,852
Fiscal Year 2025	19,852	2,035	(3,455)	18,432

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 October 31, 2022, 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, 2025, the total fair value of outstanding hedge instruments was a net asset of \$47,803. Fuel hedging instruments with a fair value of \$7,373 and \$37,758 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 \$18,369 and \$35,507 are classified as a component of other noncurrent assets and other noncurrent liabilities, respectively.

All hedging derivative instruments were evaluated for effectiveness as of January 31, 2025. 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 \$90,471 at January 31, 2025. No deferred Inflow of resources related to fuel hedges were reported as of January 31, 2025.

In fiscal year 2025, 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 losses totaling \$3,326, which was recognized as a reduction to investment income.

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Note 16 Risk Financing (Continued)**CPS Energy (Continued)**

Following is information related to CPS Energy's outstanding fuel hedging derivative instruments, using the referenced index of Henry Hub. For Type of Transaction on the below table, Houston Ship Channel is presented as HSC, and Western Area Hub Association is presented as WAHA:

Fuel Derivative Instrument Transactions as of January 31, 2025					
Type of Transaction	Duration	Volumes in MMBtu	Fair Value	Changes in Fair Value	
Long Natural Gas Swap	Feb 2025 - Dec 2025	6,456,417	\$ 3,039	\$	5,638
Short Natural Gas Swap	Feb 2025 - Feb 2025	2,011,000	50		(1,823)
Long Natural Gas Call Option	Feb 2025 - Jan 2028	91,132,862	21,474		26,412
Short Natural Gas Call Option	Feb 2025 - Apr 2026	773,446	(173)		74
Long HSC Basis Swap	Feb 2025 - May 2025	462,085	(3)		45
Short HSC Basis Swap	Feb 2025 - Feb 2025	1,591,000	524		524
Long HSC Gas Daily Swap	Feb 2025 - Sep 2025	27,320,150			
Long WAHA Basis Swap	Feb 2025 - Jan 2028	83,933,975	(74,892)		(71,702)
Short WAHA Basis Swap	Feb 2025 - Apr 2026	2,967,165	2,178		2,525
Long WAHA Gas Daily Swap	Feb 2025 - Feb 2025	3,136,000			
			<u>\$ (47,803)</u>	<u>\$</u>	<u>(38,307)</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, 2025, 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 2025, the HSC price was \$3.55 per MMBtu, the WAHA price was \$2.89 per MMBtu and the Henry Hub price was \$3.51 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 investment gains or losses on the sale of PCRRs and CRRs for fiscal year 2025.

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, 2025			
	Level 1	Level 2	Level 3	Total
Liabilities				
Financial Instruments				
Current fuel hedges	\$ 40,239	\$ 134	\$ -	\$ 40,373
Noncurrent fuel hedges	34,995	38		35,033
Total financial instruments	<u>\$ 75,234</u>	<u>\$ 172</u>	<u>\$ -</u>	<u>\$ 75,406</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 \$800 of medical claims per person during 2024.

Note 16 Risk Financing (Continued)**San Antonio Water System (SAWS) (Continued)**

SAWS is exposed to various risks of financial loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. SAWS is self-administered and self-insured for the first \$2,000 of each workers' compensation and general liability claim, and is fully self-insured for automobile liability. Claims that exceed the self-insured retention limit for workers' compensation and general liability are covered through SAWS' Comprehensive Commercial Insurance Program (CCIP). Additionally, under the CCIP, SAWS maintains deductible programs for public officials and employment practices liability, fiduciary liability, pollution legal liability, drone liability, cyber liability, and crime with varying deductibles. Property coverage is on a replacement cost basis with a deductible of \$250 per occurrence. Settled claims during the last three years have not exceeded the insurance coverage in any year.

The claims liability for health care benefits and other risks, including incurred but not reported claims, is based on the estimated ultimate cost of settling the claims. Changes in the liability amount for the last two fiscal years were as follows:

San Antonio Water System Schedule of Changes in Claims Liability					
Year-Ended	Balance at Beginning of Fiscal Year	Estimates	Claims and Payments	Balance at End of Fiscal Year	Estimated Due Within One Year
December 31, 2023	\$ 8,513	\$ 21,709	\$ (21,284)	\$ 8,938	\$ 8,938
December 31, 2024	8,938	22,059	(22,975)	8,022	8,022

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, 2024, \$54,895 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 \$2,310 at December 31, 2024. This value is based on Level 2 inputs in the fair value hierarchy using the zero-coupon valuation method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These net payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

The swap agreement meets the criteria of an effective hedge under GASB Statement No. 53 and therefore qualifies for hedge accounting treatment. Since the fair value is negative, the fair value is recorded as a noncurrent liability. Changes in the swap's fair value are recorded as a deferred outflow of resources and included on the Statement of Net Position. At the time the Series 2003 Bonds were redeemed in 2008, the fair value of the swap was negative \$6,179. The deferred outflow at the time of redemption was included in the carrying value of the Series 2003 Bonds and resulted in a loss on redemption of \$6,179. This loss is included in the deferred charge on bond refunding on the Statement of Net Position and is being amortized over the remaining life of the Series 2003 Bonds. The unamortized deferred charge on bond refunding related to the swap was \$1,318 at December 31, 2024.

Credit Risk — As of December 31, 2024, 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, was rated 'Aa2' by Moody's Ratings, 'AA-' by Standard & Poor's Global Ratings, and 'AA' by Fitch Ratings as of December 31, 2024. 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 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, 2024, \$54,895 of outstanding commercial paper with current maturities of approximately 35 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, 2024, 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
2025	\$ 5,070	\$ 1,752	\$ 288	\$ 7,110
2026	5,305	1,574	259	7,138
2027	5,540	1,388	229	7,157
2028	5,795	1,194	197	7,186
2029	6,060	991	163	7,214
2030-2033	27,125	1,742	287	29,154
Total	<u>\$ 54,895</u>	<u>\$ 8,641</u>	<u>\$ 1,423</u>	<u>\$ 64,959</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, 2025:

Interfund Transfers		
	Transfers In From Other Funds	Transfers Out To Other Funds
General Fund:		
Debt Service Fund	\$ -	\$ 1,824
Categorical Grant In-Aid		5,522
Nonmajor Governmental Funds	15,815	68,502
Airport System	335	
Solid Waste Management	1,376	60
Nonmajor Enterprise Funds	3,018	4,644
Internal Service Funds		10,656
Total General Fund	\$ 20,544	\$ 91,208
Debt Service Fund:		
General Fund	1,824	
Nonmajor Governmental Funds	17,092	
Internal Service Funds	2,153	
Total Debt Service Fund	\$ 21,069	\$ -
Categorical Grant In-Aid:		
General Fund	5,522	
Nonmajor Governmental Funds		5,524
Internal Service Funds	47	337
Total Categorical Grant In-Aid	\$ 5,569	\$ 5,861
2022 General Obligation Bonds:		
Nonmajor Governmental Funds		149,715
Total 2022 General Obligation Bonds	\$ -	\$ 149,715
Nonmajor Governmental Funds:		
General Fund	68,502	15,815
Debt Service Fund		17,092
Categorical Grant In-Aid	5,524	
2022 General Obligation Bonds	149,715	
Nonmajor Governmental Funds	402,491	402,491
Solid Waste Management		39
Nonmajor Enterprise Funds	114	250
Internal Service Funds	4,629	694
Total Nonmajor Governmental Funds	\$ 630,975	\$ 436,381
Airport System:		
General Fund		335
Internal Service Funds		683
Total Airport System	\$ -	\$ 1,018
Solid Waste Management:		
General Fund	60	1,376
Nonmajor Governmental Funds	39	
Internal Service Funds		662
Total Solid Waste Management	\$ 99	\$ 2,038
Nonmajor Enterprise Funds:		
General Fund	4,644	3,018
Nonmajor Governmental Funds	250	114
Nonmajor Enterprise Funds	173	173
Internal Service Funds	133	
Total Nonmajor Enterprise Funds	\$ 5,200	\$ 3,305
Internal Service Funds:		
General Fund	10,656	
Debt Service Fund		2,153
Categorical Grant In-Aid	337	47
Nonmajor Governmental Funds	694	4,629
Airport System	683	
Solid Waste Management	662	
Nonmajor Enterprise Funds		133
Internal Service Funds	2,433	2,433
Total Internal Service Funds	\$ 15,465	\$ 9,395
Total	\$ 698,921	\$ 698,921

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 15.0% of the Hotel Occupancy Tax (HOT) collections 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.

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Note 18 Fund Balance Classifications

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented in the following table. Please see the definitions of the various fund balance classifications in Note 1 Summary of Significant Accounting Policies.

	General Fund	Debt Service Fund	COVID-19 Funds	Categorical Grant IN-AID	2022 General Obligation Bonds	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:							
Nonspendable:							
<u>In nonspendable form:</u>							
Materials and Supplies	\$ 10,875	\$ -	\$ 5	\$ 786	\$ -	\$ 874	\$ 12,540
Prepaid, Deposits and Other	1,756		2,269			2,851	6,876
<u>Legally or contractually intact:</u>							
Permanent Fund Corpus						7,223	7,223
Total Nonspendable	<u>\$ 12,631</u>	<u>\$ -</u>	<u>\$ 2,274</u>	<u>\$ 786</u>	<u>\$ -</u>	<u>\$ 10,948</u>	<u>\$ 26,639</u>
Restricted:							
Convention and Tourism						4,043	4,043
Debt Service		37,827				9,031	46,858
Drainage - Capital Projects					49,497	79,165	128,662
Economic Development & Opportunity						75,541	75,541
Education						10,877	10,877
Environmental						328	328
Fire Protection						1,394	1,394
Health Services						31,071	31,071
Law Enforcement						8,945	8,945
Library						1,397	1,397
Municipal Facilities - Capital Projects					74,441	61,123	135,564
Other Capital Projects					75,001	107,313	182,314
Other Purposes						73	73
Parks - Capital Projects					84,047	16,369	100,416
Parks & Recreation						36,141	36,141
Social Services						110	110
Streets - Capital Projects					107,551	155,655	263,206
Urban Redevelopment and Housing						4,578	4,578
Welfare						1,668	1,668
Total Restricted	<u>\$ -</u>	<u>\$ 37,827</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 390,537</u>	<u>\$ 604,822</u>	<u>\$ 1,033,186</u>
Committed:							
Convention and Tourism						159,761	159,761
Economic Development & Opportunity	15,300						15,300
Environmental	16,433						16,433
Fire Protection	2,049						2,049
General Government	37,280						37,280
Health Services	3,751		50,504				54,255
Law Enforcement	8,729					588	9,317
Other - Capital Projects						1,680	1,680
Other Purposes						13,089	13,089
Parks & Recreation	1,771					23,116	24,887
Public Works	69,981						69,981
Streets - Capital Projects	5,713					120	5,833
Urban Redevelopment and Housing	11,516					12,620	24,136
Welfare	3,396					4	3,400
Total Committed	<u>\$ 175,919</u>	<u>\$ -</u>	<u>\$ 50,504</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 210,978</u>	<u>\$ 437,401</u>
Assigned:							
Economic Development & Opportunity						790	790
Other Purposes	2						2
Total Assigned	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 790</u>	<u>\$ 792</u>
Unassigned	381,082		(13,713)	(78,675)		(22,689)	266,005
Total Fund Balance	<u>\$ 569,634</u>	<u>\$ 37,827</u>	<u>\$ 39,065</u>	<u>\$ (77,889)</u>	<u>\$ 390,537</u>	<u>\$ 804,849</u>	<u>\$ 1,764,023</u>

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	COVID-19 Funds	Categorical Grant In-Aid	Nonmajor Governmental Funds	Total Governmental Funds
\$ 152,019	\$ 68,153	\$ 17,875	\$ 481,090	\$ 719,137

The City followed the established General Fund Financial Policies approved by City Council in fiscal year 2025:

- Maintain a minimum General Fund ending balance of 15.0% of revenues;
 - The City maintains 10.0% of the adopted General Fund revenues as a Budgeted Financial Reserve. 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, 2025, was \$161,745 and is presented in the General Fund's 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 2025, \$208,401, or 12.7% of budgeted revenues, was reserved for a two-year balanced budget plan and is presented in the General Fund's 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.
- Maintain Public Safety below 66.0% of the General Fund budget;
- Manage structural balance in the General Fund;
- Maintain a two-year budget plan for the General Fund;
- Maintain a \$3,000 contingency in the Capital Budget;
- Address Internal Fund deficits within 3 to 5 years;
- Annually review the impact of the State imposed 3.5% Property Tax Cap on service delivery and provide a recommendation on whether to adjust the Property Tax Rate;
- Annually review property tax relief with a focus on homeowners;
- Annually review and periodically adjust fees and charges to provide for cost recovery, inflation, consumer relief, and/or alignment with policy goals;

Note 18 Fund Balance Classifications (Continued)

- Annually assess the City's payment from CPS Energy to determine the portion, if any, deemed to be unusual, out of the ordinary, and one-time in nature, and make recommendations for that amount taking into consideration factors such as the City's overall financial position, impact on service delivery, benefit to the community, and responsible ownership.
 - City Payment from Off-System Sales – Revenue from off-system sales is capped at \$10,000 annually with any City Payment from off-system sales above \$10,000 reserved in a CPS Energy Capital Reserve Fund, with any shortfall in the City payment base budget at year-end deducted from the Fund to determine the amount eligible to be transferred to CPS Energy for resiliency and reliability initiatives;
 - City Payment Base Budget – City Payment in excess of 10.0% over the City's adopted City Payment base budget (adopted budget plus 10.0%) allocated to the following authorized purposes based upon percentages to be determined by the City: CPS Energy resiliency and reliability projects; and the City's Resiliency Energy Efficiency and Sustainability Fund (REES).

In accordance with the financial policy, the City assessed its City Payment from CPS Energy as part of the fiscal year 2026 budget process. After consideration of the factors noted above, the City's fiscal year 2026 Adopted Budget and its two-year budget plan include the retention by the City of amounts to be deposited into the Capital Reserve Fund to address City budget challenges through fiscal year 2027. The City will continue to assess and make recommendations related to City Payment from CPS Energy on an annual basis based upon the City's financial policies.

The City followed the established Hotel Occupancy Tax (HOT) Funds Financial Policies approved by City Council in fiscal year 2025:

- Reserve \$15,000 in the HOT Operating Contingency Fund to smooth out fluctuations in HOT revenues and address unanticipated operational related expenses;
- Reserve \$46,600 in the HOT Lease Payment Contingency Fund to be utilized by the City to manage changing economic conditions in conjunction with other financial strategies and can be used to make lease payments; and
- Reserve residual funds in the Redemption and Capital Reserve Fund. The City may utilize the fund to exercise its voluntary call options and defease a portion of the outstanding debt or fund one-time improvements such as improvements to the convention center facility or sales and marketing programs.

The City followed the established Airport Capital Improvements Fund (CIF) Financial Policies approved by City Council in fiscal year 2025:

- Rolling Debt Service Coverage - reserve \$44,000 which is the equivalent to 25.0% of the anticipated Airport Terminal Development debt service;
- Operating Contingency Fund - reserve six months of Airport Operation and Maintenance Expenses which equaled \$54,687 for fiscal year 2025; and
- Capital Renewal and Replacement Contingency Fund - reserve \$10,000 to provide for unforeseen breakdowns, accidents or emergencies that require immediate repair or replacement of equipment without disrupting operations or causing undue financial strain.

Note 19 Deficits in Fund Balances / Net Position**Capital Projects Funds**

As of September 30, 2025, a deficit fund balance is reported in the General Obligation Projects Fund in the amount of \$4,621, the Certificates of Obligation Projects Fund in the amount of \$6,467 and the Improvement Projects Fund in the amount of \$7,094, due to timing of funding. These project deficits will be funded from the proceeds of future bond issuances. To maintain the ability to reimburse these costs from tax-exempt bond proceeds, the City annually approves a reimbursement resolution covering projects within the Adopted Capital Budget to comply with Internal Revenue Service requirements.

Grant Funds

As of September 30, 2025, a deficit fund balance is reported in the Categorical Grant In-Aid in the amount of \$77,889. These deficits are primarily due to deferred inflow accruals to be recognized in future periods.

Enterprise Funds

As of September 30, 2025, deficit net positions are reported in the Solid Waste Management Fund and Development Services Fund in the amounts of \$42,124 and \$24,416, 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, 2025, a deficit net position is reported for the Information Services Fund in the amount of \$41,382 and for Capital Management Service Fund (CMS) in the amount of \$24,722. 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, 2025, deficit net positions are reported for Self-Insurance Programs - Insurance Reserve Fund, and Employee Health Benefits Fund in the amount of \$8,513 and \$1,095, respectively. The Insurance Reserve deficit is primarily due to an increasing trend in reserves for both general and auto liability claims and their associated actuarial accrual. The Employee Health Benefits deficit is primarily due to increases in reserve estimates driven by payment delays for disputed and negotiated claims. These deficits will be addressed through assessments within the next three to five years in accordance with the City's financial policy.

Discretely Presented Component Unit Funds**Brooks**

As of September 30, 2025, a deficit net position is reported for Brooks in the amount of \$3,120. The deficit is primarily related to a restatement in fiscal year 2021 of \$30,770 to correct accounting for two leases originally recorded as sale-type leases that did not meet the criteria; the conveyance of \$3,508 of infrastructure assets transferred to the City in fiscal year 2023; and increased expenditures of \$1,111 for additional campus development in fiscal year 2024. Brooks' management expects to recover the deficit net position through continued development of its campus resulting in increased property sale and/or lease revenue opportunities as well as significant long-term prepaid leases that will be recognized as revenue over their respective terms. In addition, Brooks is reviewing the restructuring of its debt to reduce interest expenses.

Note 20 Other Disclosures**Primary Government (City)*****Donor Restricted Endowment***

The City has five Permanent Funds: Carver Cultural Center Endowment, City Cemeteries, William C. Morris Endowment, Boza Becica Endowment, and Southern Edwards Plateau Endowment. The City is only allowed to spend interest proceeds generated from the principal amount for each of these funds. The City's endowments' spending policy for authorizing and spending investment income is a total return policy. Income will include not only interest and dividends, but also include increases and/or decreases in the fair value of the endowed assets, if applicable. Fair value fluctuations are included as an integral part of investment returns. The net position from these endowment funds are reported in the government-wide financial statements.

The Carver Cultural Center Endowment Fund generated \$15 in investment earnings. These earnings can be used for the Carver Community Cultural Center's operating program or reinvestment expenses (as detailed in the grant agreement). This fund is managed in accordance with the Uniform Prudent Management of Institutional Funds Act, which is codified as Section 163.001 in the Texas Property Code. The principal portion of the fund came from a \$334 one-time grant from the National Endowment for the Arts.

The City Cemeteries Fund generated \$219 in investment earnings to be expended for specified purposes. Chapter 713 of the Texas Health and Safety Code governs what expenditures the City may incur when spending the interest income. Per Chapter 713, the revenue can be spent for the maintenance and care of the graves, lots, and burial places, and to beautify the entire cemetery. The principal amount of this fund is increased each year by sales of lots from the San Jose Cemetery. The principal is required to be retained in perpetuity. The principal balance was \$4,959 in fiscal year 2025.

The William C. Morris Endowment Fund generated \$13 in investment earnings. These earnings are used on an annual basis to enhance educational programming and services for children provided at the City libraries. The earnings of the funds will be expended in accordance with the spending policy of the Library's Board of Directors or Trustees. The principal portion of the fund was provided by the \$313 endowment.

The Boza Becica Endowment Fund generated \$22 in investment earnings. These earnings will be used for the acquisition of books and materials for the San Antonio Public Library in accordance with the terms and conditions of the Last Will and Testament of Boza Becica. The principal balance of \$514 is required to be retained in perpetuity.

The Southern Edwards Plateau Endowment Fund generated \$64 in investment earnings. This fund is managed in accordance with the Endangered Species Act of 1973, which is codified as Section 83.005 in the Texas Parks and Wildlife Code Chapter 83. These earnings will be used to fund management and monitoring of the preserves in support of the Southern Edwards Plateau Habitat Conservation Plan. The principal amount of this fund is increased each year by outside donations and transfers from the Development Services Fund. The principal is required to be retained in perpetuity. The principal balance was \$1,103 in fiscal year 2025.

Note 20 Other Disclosures (Continued)**Primary Government (City) (Continued)*****Service Concession Arrangements***

The City has a fixed term Service Concession Arrangement (SCA) agreement with Mission Park to operate and manage the City cemeteries. Mission Park pays the City 40.0% of burial plot sales and 10.0% of revenue from services, merchandise, and products for the life of the contract (ending December 2035 with an option to renew). All capital improvements become property of the City, and the City retains ownership of the property after the contract expires. All permanent improvements of material nature have to be approved by the City. The City approves the rates and services Mission Park will provide. Mission Park collects all fees and pays the City its portion. The assets include 84 acres acquired at a value of \$1,820. The City received an upfront payment of \$130 in fiscal year 2011. In fiscal year 2025, the City received \$384 in variable payment revenue from Mission Park. No receivables or deferred inflow of resources are recorded under GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, as of September 30, 2025.

The City has a SCA agreement with MGA-SA (ending May 2027 with option to renew). In the agreement, MGA-SA manages the City's golf courses and in return retains all funding to cover operations and improvements. All permanent structures existing on the golf courses and those added during the term of the agreement are property of the City. The City determines and/or approves of the services provided to the public. The assets include eight golf courses valued at \$70,254. MGA-SA collects all fees and pays the City loan payments due on outstanding debt issued by the City for the purpose of golf course improvements. In fiscal year 2025, the City received \$1,708 in loan payments from MGA-SA. No receivables or deferred inflow of resources are recorded under GASB Statement No. 94 as of September 30, 2025.

The City has a SCA agreement with Go Rio San Antonio, LLC (Go Rio) in which Go Rio operates and manages the river cruises using City owned barges. Go Rio pays the City 51.0% of river barge ticket sales and 15.0% of revenue from merchandise, food and beverage, advertising, and other ancillary services for the life of the contract (ending September 2030). 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 2025, the City received \$9,807 in variable payment revenue and \$795 in fixed payment revenue from Go Rio. The City has \$20,612 in receivables and \$19,342 in deferred inflow of resources recorded as of September 30, 2025.

The City has a SCA agreement with Landry's for operation of the Tower of the Americas. A revised contract was approved by City Council in December 2024, with an effective date of January 1, 2025 through September 30, 2031. 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 2025, the City received \$1,079 in variable payment revenue from Landry's. No receivables or deferred inflow of resources are recorded under GASB Statement No. 94 as of September 30, 2025.

Note 20 Other Disclosures (Continued)**Primary Government (City) (Continued)*****Service Concession Arrangements (Continued)***

The City has a SCA agreement with United Road Towing Inc. for operation of the City's Vehicle Storage Facilities, ending February 28, 2035. 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 2025, the City received \$7,595 in variable payment revenue from United Road Towing Inc. No receivables or deferred inflow of resources are recorded under GASB Statement No. 94 as of September 30, 2025.

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Note 21 Adjustments and Restatements**Primary Government (City)****GASB 101 Restatement**

GASB Statement No. 101, *Compensated Absences* requires the effects of the accounting change be reported retroactively by restating beginning net position for the cumulative effect of the adoption. The City adopted GASB Statement No. 101 in 2025 and has restated beginning net position as of October 1, 2024.

Blended Component Units

In fiscal year 2025, the City evaluated each of its blended component units to assess if their exclusion will mislead users. The City assessed financial materiality and benefit relationship of each blended component unit to determine the potential for misleading omissions. Based upon that evaluation, the City has removed certain blended component units previously reported by the City, as they are deemed to be financially immaterial to the City's financial reporting, and have adjusted beginning fund balances as of October 1, 2024, for their removal.

Summary of Governmental Activities and Governmental Funds Restatements

The table below reports the impact of the change in accounting principle and the change to financial reporting entity:

	Blended	Nonmajor Special	Total	
	Component Units	Revenue Funds	Governmental	Governmental
			Funds	Activities
Fund Balance or Net Position, as previously reported:	\$ 210,318	\$ 1,026,091	\$ 2,089,186	\$ 2,914,087
Change in Accounting Principle - GASB 101				(35,201)
Change to Financial Reporting Entity:				
San Antonio Early Childhood Education Municipal Development Corp.	(130,243)	(130,243)	(130,243)	(146,092)
City of San Antonio Council Aides Corporation	(396)	(396)	(396)	(138)
San Antonio Economic Development Corporation	(1,761)	(1,761)	(1,761)	(2,586)
San Antonio Education Facilities Corporation	(293)	(293)	(293)	(293)
San Antonio Health Facilities Development Corporation	(7)	(7)	(7)	(7)
San Antonio Industrial Development Authority	(29)	(29)	(29)	(29)
Urban Renewal Agency of the City of San Antonio	(2,452)	(2,452)	(2,452)	(2,452)
Visit San Antonio	(9,944)	(9,944)	(9,944)	(10,896)
Fund Balance or Net Position as Restated or Adjusted, October 1, 2024	\$ 65,193	\$ 880,966	\$ 1,944,061	\$ 2,716,393

The financial statements of Prosper West San Antonio were not included in the prior year reporting entity and therefore did not require adjustment.

Note 21 Adjustments and Restatements (Continued)**Primary Government (City) (Continued)****Enterprise Funds and Business-Type Activities**

The Enterprise Funds and Business-Type Activities' restatement for GASB statement No. 101 is as follows:

	Airport System	Solid Waste Management	Nonmajor Enterprise Funds	Total
Beginning Net Position, as previously reported	\$ 589,547	\$ (47,872)	\$ 9,406	\$ 551,081
Change in Accounting Principle - GASB 101	(1,223)	(632)	(433)	(2,288)
Net Position as Restated, October 1, 2024	<u>\$ 588,324</u>	<u>\$ (48,504)</u>	<u>\$ 8,973</u>	<u>\$ 548,793</u>

	Business-Type Activities
Beginning Net Position, as previously reported	\$ 535,879
Change in Accounting Principle - GASB 101	(2,288)
GASB 101 - Internal Services Fund Allocation	(145)
Net Position as Restated, October 1, 2024	<u>\$ 533,446</u>

Discretely Presented Component Units

In fiscal year 2025, the City evaluated each of its discretely presented component units, to assess if their exclusion will mislead users. The City assessed financial materiality and benefit relationship of each discretely presented component unit to determine the potential for misleading omissions. Based upon that evaluation, the City has removed certain discretely presented component units previously reported by the City, as they are deemed to be financially immaterial to the City's financial reporting and have adjusted beginning net position balances as of October 1, 2024.

San Antonio Energy Acquisition Public Facility Corporation, a Discretely Presented nonmajor component unit of the City, was also evaluated for materiality and was determined to be immaterial to the overall financial reporting. The Net Position is zero and does not require an adjustment of beginning net position.

The financial statements of San Antonio Housing Trust Finance Corporation, San Antonio Housing Trust Foundation, Inc., San Antonio Housing Trust Public Facility Corporation and San Antonio Housing Trust Reinvestment Corporation were not included in the prior year reporting entity and therefore did not require adjustment.

SAWS implemented GASB Statement No. 101, in its fiscal year ending December 31, 2024. Detailed impact of its implementation is presented on the next page.

Note 21 Adjustments and Restatements (Continued)**Primary Government (City) (Continued)****Discretely Presented Component Units (Continued)**

The table below reports the impact of the change in the financial reporting entity and the change in accounting principle:

	Discretely Presented Component Units
Net Position, as previously reported:	\$ 9,484,311
Change to Financial Reporting Entity:	
SABC Soccer Public Facility Corp.	(13,398)
Port Authority of San Antonio	(187,558)
Change in accounting principle:	
SAWS	(9,893)
Net Position as Restated or Adjusted, October 1, 2024	<u>\$ 9,273,462</u>

San Antonio Water System (SAWS)

GASB Statement No. 101 requires the effects of the accounting change be applied retroactively by restating the financial statements. SAWS adopted GASB Statement No. 101 in its fiscal year 2024, and accordingly, has restated amounts of the affected balances within the financial statements for the fiscal year ending December 31, 2023, as follows:

	As Originally Reported	As Restated	Effects of Change
Statement of Net Position			
Current Liabilities to be paid from Unrestricted			
Assets			
Compensated Absences	\$ 7,547	\$ 11,436	\$ 3,889
Noncurrent Liabilities			
Compensated Absences	9,237	15,241	6,004
Total Liabilities and Deferred Outflows of Resources	<u>4,840,845</u>	<u>4,850,738</u>	<u>9,893</u>
Net Position			
Unrestricted	664,651	654,758	(9,893)
Total Net Position	<u>\$ 4,928,304</u>	<u>\$ 4,918,411</u>	<u>\$ (9,893)</u>

Note 22 Subsequent Events**Primary Government (City)*****Proposition A and B***

On November 5, 2025, Bexar County voters had the opportunity to vote on Proposition A and B. The two Propositions passed. Proposition A raised Bexar County's hotel occupancy tax from 1.75% to 2.0%, to fund a \$197,000 redevelopment of Frost Bank Center, Freeman Coliseum, and the stock show and rodeo grounds (the Coliseum Complex). Its long-term goal is to turn the East Side of San Antonio into a year-round rodeo and event destination. Proposition B authorized funding for approximately \$311,000 for construction and development for a new arena for the San Antonio Spurs basketball team. Hotel occupancy tax will increase from 16.7% to 17.0%, and the short-term motor vehicle rental tax will remain at 5.0%.

Sports and Entertainment District Property Acquisition

On January 15, 2026, City Council approved an ordinance which: a) authorized the submission of an offer to buy approximately 5.7 acres from the General Services Administration (GSA); and b) authorized the acceptance of a contribution from the San Antonio Spurs of \$30 million plus closing costs of up to \$120,000 to be utilized by the City to acquire this property from the GSA. Based upon the preliminary plan of finance and non-binding term sheet executed with the Spurs, this property will be the site of future guaranteed mixed-use development which supports the financing for a new NBA arena for the Spurs.

General Election Resolution for City Council

On December 18, 2025, City Council passed a resolution to move its City Council elections from May in odd-numbered years to November in odd-numbered years. The State of Texas Senate Bill 1494 allows governing bodies of a political subdivision that held its elections other than the November election date to change the date, if a resolution is passed by its governing body by December 31, 2025. The Councilmember's terms for current sitting members will continue to serve in holdover status after June 2029, until their successors are duly elected; this is a one-time adjustment extending Council terms for the transition.

Collective Bargaining Agreement

On January 30, 2026, the City and the San Antonio Police Officers Association (SAPOA) began collective bargaining negotiations. The two parties will have a 60-day review period to negotiate in good faith to agree on a new contract. A new agreement would potentially take effect when the current CBA expires on September 30, 2026.

Stormwater Long Term Debt

On October 23, 2025, the City's Stormwater Bonds were downgraded by Standard & Poor's Global Ratings (S&P) from "AA+" to "AA" with a negative outlook. S&P noted that the downgrade was a result of reduced Stormwater System liquidity which was due to increased capital spending on Stormwater projects without corresponding budget adjustments including drainage fees or expenditures. As of September 30, 2025, the City had \$24,510 Stormwater Revenue Bonds outstanding.

Note 22 Subsequent Events (Continued)**Primary Government (City) (Continued)*****Southwest Airlines***

Southwest Airlines filed suit against the City attempting to stop the execution of an Airline Lease and Use Agreement which set forth rental terms at the San Antonio International Airport and designated gate assignments for a new terminal scheduled for completion in 2028. Southwest contends that the City used arbitrary and capricious factors in deciding gating assignments, in violation of the Aviation Deregulation Act. Their request for temporary injunction was denied by the Federal Court. The City filed a motion to dismiss which was granted in August 2025. Plaintiff has appealed to the Fifth Circuit. Their briefing deadline is February 26, 2026. Plaintiff has also filed a complaint with the FAA. Currently, the decision date is March 8, 2026. That deadline may be extended by the FAA. The City and Southwest Airlines have engaged in discussions to determine if a resolution can be reached that is acceptable to all parties, including the signatory airlines.

Edwards Aquifer Protection Program Financing

On October 28, 2025, the City of San Antonio Municipal Facilities Corporation sold property acquired to protect the Edwards Aquifer to the City for \$30,000. The funding for the sale was through the issuance of City of San Antonio, Texas Combination Tax and Revenue Certificates of Obligation, Series 2025 issued on August 14, 2025. The proceeds from the sale were used redeem the Corporation's outstanding Revenue Notes, Series 2023 in the par amount of \$30,000. This is consistent with the funding plan for the Edwards Aquifer Protection Program which was approved by the City on September 17, 2020. That plan includes funding of approximately \$10,000 per year over 10 years for a total of \$100,000.

On March 5, 2026, City Council will consider the issuance of the City of San Antonio Municipal Facilities Corporation Contract Revenue Notes, Series 2026 (Revenue Notes), which will be issued to provide funding for land acquisitions for the Edwards Aquifer Protection Program. The issuance will provide funding up to \$30,000, with options of funding including \$10,000, \$20,000, and \$30,000. Closing and delivery of these funds are planned for March 19, 2026.

Airport System Long-Term Debt

On December 16, 2025, the City issued \$472,775 in Airport System Inferior Lien Revenue and Refunding Bonds, Series 2025 (AMT). The Bonds were issued to provide funding for interim financing for certain capital improvements for the Airport's Terminal Development Program and also refunded the outstanding 2023 Tax Notes in the amount of \$269,635, which previously provided interim financing for certain capital improvements for the Airport's Terminal Development Program. The 2023 Tax Notes were sold as ad valorem tax supported debt, but the debt service was paid with Airport revenues. The bonds have maturities between 2026 and 2036 with interest rate of 4.9%.

Note 22 Subsequent Events (Continued)**Primary Government (City) (Continued)*****Tax-Exempt Lease Purchase Agreement***

On February 19, 2026, City Council approved the 2026 Master Tax-Exempt Lease Purchase Agreement with JP Morgan Chase Bank, N.A. (JP Morgan). Proceeds will be used to purchase refuse containers for the Solid Waste Management Department (Solid Waste), and vehicles and other equipment for the Fire Department. Financing terms are for seven years at an interest rate of 3.5%. Lease payments for Solid Waste purchases will be made from the department's budget, in the total amount of \$6,251; \$5,483 for principal and \$768 for interest. Lease payments for the Fire Department purchases will be made from the General Fund, for the total amount of \$3,609; \$3,165 for principal and \$444 for interest.

Airport Terminal Development Program

On December 11, 2025, the City approved an amendment to the Construction Manager at Risk (CMAR) contract with Hensel Phelps Construction Co., which was originally approved in December 2023, to establish a Guaranteed Maximum Price (GMP) of \$1,310 for the construction of the new Terminal and enabling projects at the Airport. Under the CMAR contract, Hensel Phelps is constructing the new Terminal C which features 18 gates, including 3 for international service, more than 850,000 square feet of new terminal space, 42,000 square feet of concessions space, and 29,000 square feet of club lounge space (square feet not reported in thousands).

CPS Energy***Long-Term Debt***

On November 19, 2025, CPS Energy issued \$1,394,670 of Taxable New Series 2025A Revenue Refunding Bonds. Proceeds were used to refund \$190,000, \$107,200, \$125,000, \$125,000, \$125,000, and \$115,000 par value of the Taxable Commercial Paper New Sub Series A-1, New Series B, New Series C, New Sub Series D-1, New Series E, and New Series F, respectively. Proceeds were also used to refund \$100,000 and \$500,000 par value of the Taxable Flexible Rate Revolving Note Series A and the Taxable Flexible Rate Revolving Note Series B, respectively. The true interest cost for this issue, which has maturities in 2029 through 2034, and 2042 through 2050, is 5.54%.

On November 19, 2025, CPS Energy issued \$615,720 of Series 2025A Variable-Rate Junior Lien Revenue and Refunding Bonds. Bond proceeds are partially being used to fund construction projects and were partially used to refund \$134,870 and \$127,770 par value of the Series 2018 Variable-Rate Junior Lien Revenue Refunding Bonds, and the Series 2020 Variable-Rate Junior Lien Revenue Refunding Bonds, respectively. Reflecting stepped interest rate provisions applicable to the bonds, the true interest cost for this issue, which has maturities in 2042 through 2049, and 2051 through 2055, is 5.9%. The bonds were issued as multi-modal variable-rate instruments with initial term rates of 3.1% and a stepped rate of 7.0%, which is only applicable if the bonds are not remarketed before their expiration date.

Note 22 Subsequent Events (Continued)**CPS Energy (Continued)*****Long-Term Debt (Continued)***

Also on November 19, 2025, CPS Energy issued \$345,740 of New Series 2025B Revenue Refunding Bonds. Proceeds, including the \$38,543 premium associated with the bonds, were used to refund \$160,815 par value of the New Series 2015 Senior Lien Revenue Refunding Bonds, and \$220,835 par value of the New Series 2015 Revenue Bonds, respectively. The refunding transaction, resulted in net present value debt service savings of \$20,478, or 5.4% of the par amount of the bonds being refunded. The true interest cost for this issue, which has maturities in 2027 through 2039, is 2.9%.

On January 13, 2026, CPS Energy issued \$603,005 of New Series 2026A Senior Lien Revenue Refunding Bonds. Bond proceeds, including the \$84,673 premium associated with the bonds, were used to refund \$375,000 par value of the Taxable New Series 2009C Revenue Bonds (Direct Subsidy – Build America Bonds) and \$280,000 par value of the Taxable New Series 2010A Revenue Bonds (Direct Subsidy – Build America Bonds). The true interest cost for this issue, which has maturities in 2033 through 2041 is 3.5%.

On February 12, 2026, CPS Energy issued \$672,425 of Series 2026A Variable-Rate Junior Lien Revenue Refunding Bonds. Proceeds were used to refund \$400,000, \$10,000, \$42,800, \$55,000, and \$10,000 par value of the Tax-Exempt Commercial Paper Series A, New Sub Series A-1, New Series B, New Sub Series D-1, and New Series F, respectively. Proceeds were also used to refund \$150,000 par value of the Extendible Municipal Commercial Paper. Reflecting stepped interest rate provisions applicable to the bonds, the true interest cost for this issue, which has maturities in 2051 through 2055, is 6.0%. The bonds were issued as multi-modal variable-rate instruments with initial term rates of 2.9% and a stepped rate of 7.0%, which is only applicable if the bonds are not remarketed before their expiration date.

Other

On September 16, 2025, CPS Energy and Proenergy announced an agreement for CPS Energy to purchase Proenergy's four natural gas power generation facilities with an aggregate electric capacity of approximately 1,632 MW for \$1,387,200, subject to customary net working capital adjustments. These assets include peaking natural gas plants and are located in the Southeast Zone of the Electric Reliability Council of Texas (ERCOT) market in Harris, Brazoria, and Galveston Counties. The acquired assets are dual-fuel capable, providing CPS Energy future optionality to transition to a hydrogen fuel blend that would enable reduced carbon emissions. On September 25, 2025, CPS Energy finalized the acquisition through the issuance of short term debt which was converted to long-term obligations through the November 19, 2025 bond issuance.

San Antonio Water System (SAWS)***Long-Term Debt***

On February 18, 2025, SAWS will issue \$181,225 City of San Antonio, Texas Water System Junior Lien Revenue, Series 2025A (No Reserve Fund). The proceeds from the sale of the bonds will be used to (i) refund a portion of SAWS' outstanding bonds and to (ii) pay for costs of issuance. The true interest rate is 3.6%, with yields ranging from 2.9% to 3.5%, with a coupon rate of 5.0%.

Note 22 Subsequent Events (Continued)**San Antonio Water System (SAWS) (Continued)*****Long-Term Debt (Continued)***

On February 25, 2025, SAWS will issue \$89,160 City of San Antonio, Texas Water System Revenue Refunding Bonds, Series 2025B. The proceeds from the sale of the bonds will be used to (i) refund a portion of SAWS' outstanding bonds and to (ii) pay for costs of issuance. The true interest rate is 3.6%, with yields ranging from 2.9% to 3.6%, with a coupon rate of 5.0%.

On October 22, 2025, SAWS issued \$150,895 City of San Antonio, Texas Water System Subordinate Lien Revenue Bonds, Series 2025D. The proceeds from the sale of the bonds will be for the purposes of (i) building, improving, extending, enlarging, equipping, and repairing SAWS' capital infrastructure and to (ii) pay for costs of issuance. The true interest rate is 3.3%, with yield of 3.2%, with a coupon rate of 3.3%.

On October 28, 2025, SAWS issued \$293,260 City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2025C. The proceeds from the sale of the bonds were used to (i) refund a portion of SAWS' outstanding bonds, (ii) building, improving, extending, enlarging, equipping, and repairing SAWS' capital infrastructure and to (iii) pay for costs of issuance. The true interest rate is 3.9%, with yields ranging from 2.2% to 4.4%, with a coupon rate of 5.0%.

PDG

On December 8, 2025, SAWS issued \$26,865 City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2025E (TWDB SWIFT). The proceeds from the sale of the bonds will be for the purposes of (i) building, improving, extending, enlarging, equipping, and repairing SAWS' capital infrastructure and to (ii) pay for costs of issuance. The true interest rate is 2.9%, with yields ranging from 1.7% to 3.4%, with coupon rates ranging from 1.74% to 3.4%.

On March 16, 2026, SAWS will issue \$11,755 City of San Antonio, Texas Water System Junior Lien Revenue Bonds, Series 2025(X) (TWDB DWSRF). The proceeds from the sale of the bonds will be for the purposes of compliance with the EPA's Lead and Copper Rules, specifically service line inventory. Terms of the agreement with TWDB allow 51.0% of the loan to be forgiven if eligible expenses are incurred making the expected borrowed funds to be \$5,760. The loan will be interest free.

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REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule - (Unaudited)**General Fund****Year-Ended September 30, 2025**

(In Thousands)

	2025			
	BUDGETED AMOUNTS		BUDGETARY	VARIANCE WITH
	ORIGINAL	FINAL	BASIS ACTUAL	FINAL BUDGET
Resources (Inflows):				
Taxes	\$ 931,223	\$ 915,631	\$ 915,302	\$ (329)
Licenses and Permits	13,065	11,527	11,549	22
Intergovernmental	15,838	14,208	14,906	698
Revenues from Utilities	489,575	526,636	527,712	1,076
Charges for Services	76,796	79,102	80,093	991
Fines and Forfeits	10,072	10,517	10,272	(245)
Miscellaneous	15,572	17,271	18,981	1,710
Investment Earnings	21,826	24,128	24,734	606
Transfers from Other Funds	16,819	19,598	20,544	946
Amounts Available for Appropriation	\$ 1,590,786	\$ 1,618,618	\$ 1,624,093	\$ 5,475
Charges to Appropriations (Outflows):				
General Government	121,119	132,115	130,744	1,371
Public Safety	988,787	1,001,153	999,573	1,580
Public Works	81,401	114,060	112,868	1,192
Health Services	81,087	84,978	84,276	702
Culture and Recreation	165,574	164,166	163,705	461
Urban Redevelopment and Housing	40,449	48,106	44,990	3,116
Welfare	58,196	63,549	62,133	1,416
Economic Development and Opportunity	16,124	19,837	19,346	491
Environmental	11,635	17,059	14,832	2,227
Transfers to Other Funds	87,264	177,923	155,334	22,589
Total Charges to Appropriations:	\$ 1,651,636	\$ 1,822,946	\$ 1,787,801	\$ 35,145
Surplus (Deficiency) of Resources Over (Under)				
Charges to Appropriations	(60,850)	(204,328)	(163,708)	40,620
Fund Balance Allocation	60,850	204,328	163,708	(40,620)
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	\$ 1,624,093
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(20,544)
Amortized lease revenue, reported in accordance with GASB 87, are revenues for financial reporting purposes but are not inflows of budgetary resources	(349)
Net value of investments revenue, reported in accordance with GASB 31, are revenues for financial reporting purposes but are not inflows of budgetary resources	(1,728)

Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds**\$ 1,601,472****Uses/Outflows of Resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 1,787,801
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	(152,019)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(91,208)
Lease Right-to-use Asset expenditures, reported in accordance with GASB 87, are expenditures for financial reporting purposes but are not outflows of budgetary resources	1,611
Subscription Right-to-use Asset expenditures, reported in accordance with GASB 96, are expenditures for financial reporting purposes but are not outflows of budgetary resources	2,178

Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds**\$ 1,548,363****General Fund Budgetary Information**

The City Charter establishes requirements for the adoption of budgets and budgetary control. Under provisions of the Charter, expenditures of each City department and activity within individual funds cannot legally exceed the final budget approved by the City Council. Amendments to line items within a departmental budget may be initiated by Department Directors.

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Pension and Other Postemployment Benefit 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									
	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015
Total Pension Liability										
Service Cost	\$ 82,977	\$ 76,026	\$ 67,906	\$ 60,570	\$ 59,600	\$ 58,786	\$ 55,964	\$ 53,965	\$ 51,329	\$ 47,521
Interest Cost	173,422	164,733	154,986	146,526	140,724	134,394	128,149	122,010	115,882	114,257
Differences Between Expected and Actual Experience	20,049	22,767	26,867	17,753	(16,719)	(16,405)	(3,125)	(1,637)	1,226	(8,192)
Changes of Assumptions		(19,183)				10,121				4,540
Benefit Payments, including Refunds of Employee Contributions	(123,818)	(114,397)	(104,420)	(101,939)	(94,347)	(92,696)	(87,070)	(81,702)	(76,256)	(74,742)
Net Change in Total Pension Liability	\$ 152,630	\$ 129,946	\$ 145,339	\$ 122,910	\$ 89,258	\$ 94,200	\$ 93,918	\$ 92,636	\$ 92,181	\$ 83,384
Total Pension Liability - Beginning	2,589,628	2,459,682	2,314,343	2,191,433	2,102,175	2,007,975	1,914,057	1,821,421	1,729,240	1,645,856
Total Pension Liability - Ending (a)	\$ 2,742,258	\$ 2,589,628	\$ 2,459,682	\$ 2,314,343	\$ 2,191,433	\$ 2,102,175	\$ 2,007,975	\$ 1,914,057	\$ 1,821,421	\$ 1,729,240
Plan Fiduciary Net Position										
Contributions - Employer	\$ 74,708	\$ 66,253	\$ 56,128	\$ 49,827	\$ 47,351	\$ 46,687	\$ 44,278	\$ 41,828	\$ 36,327	\$ 35,915
Contributions - Employee	32,225	30,391	27,162	24,213	23,795	24,060	22,783	21,922	20,830	20,027
Net Investment Income (Loss)	201,269	203,000	(139,796)	224,308	123,098	220,290	(44,654)	183,805	85,229	1,888
Benefit Payments, including Refunds of Employee Contributions	(123,818)	(114,397)	(104,420)	(101,939)	(94,347)	(92,696)	(87,070)	(81,702)	(76,256)	(74,742)
Administrative Expense	(1,294)	(1,293)	(1,211)	(1,039)	(797)	(1,246)	(864)	(953)	(963)	(1,150)
Other	(30)	(9)	1,445	7	(31)	(37)	(45)	(48)	(52)	(57)
Net Change in Plan Fiduciary Net Position	\$ 183,060	\$ 183,945	\$ (160,692)	\$ 195,377	\$ 99,069	\$ 197,058	\$ (65,572)	\$ 164,852	\$ 65,115	\$ (18,119)
Plan Fiduciary Net Position - Beginning	1,940,809	1,756,864	1,917,556	1,722,179	1,623,110	1,426,052	1,491,624	1,326,772	1,261,657	1,279,776
Plan Fiduciary Net Position - Ending (b)	\$ 2,123,869	\$ 1,940,809	\$ 1,756,864	\$ 1,917,556	\$ 1,722,179	\$ 1,623,110	\$ 1,426,052	\$ 1,491,624	\$ 1,326,772	\$ 1,261,657
City's Net Pension Liability - Ending (a) - (b)	\$ 618,389	\$ 648,819	\$ 702,818	\$ 396,787	\$ 469,254	\$ 479,065	\$ 581,923	\$ 422,433	\$ 494,649	\$ 467,583
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.45%	74.95%	71.43%	82.86%	78.59%	77.21%	71.02%	77.93%	72.84%	72.96%
Covered Payroll	\$ 537,066	\$ 506,499	\$ 452,404	\$ 403,257	\$ 396,539	\$ 399,366	\$ 379,417	\$ 365,112	\$ 346,584	\$ 333,714
City's Net Pension Liability as a Percentage of Covered Payroll	115.14%	128.10%	155.35%	98.40%	118.34%	119.96%	153.37%	115.70%	142.72%	140.11%

Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended September 30, 2016 through September 30, 2025.

Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: In 2019, TMRS adopted the 2019 Municipal Retirees of Texas Mortality Tables for post-retirement and the PUB (10) mortality tables for pre-retirement, 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									
	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015 ¹
Total Pension Liability										
Service Cost	\$ 87,592	\$ 85,145	\$ 80,097	\$ 78,637	\$ 78,579	\$ 75,880	\$ 73,354	\$ 71,161	\$ 74,771	\$ 96,631
Interest Cost	342,935	322,506	302,041	293,337	283,106	271,542	259,758	246,848	233,943	277,002
Change of Benefit Terms	12,648									
Differences Between Expected and Actual Experience	6,104	117,765	133,147	(16,681)	(26,279)	(7,535)	50,057	(27,776)	(47,670)	(20,698)
Changes of Assumptions					16,194					148,315
Benefit Payments, including Refunds of Employee Contributions	(261,068)	(231,124)	(244,979)	(228,416)	(192,671)	(173,494)	(172,692)	(156,137)	(152,296)	(179,787)
Net Change in Total Pension Liability	\$ 188,211	\$ 294,292	\$ 270,306	\$ 126,877	\$ 158,929	\$ 166,393	\$ 210,477	\$ 134,096	\$ 108,748	\$ 321,463
Total Pension Liability - Beginning	4,773,074	4,478,782	4,208,476	4,081,599	3,922,670	3,756,277	3,545,800	3,411,704	3,302,956	2,981,493
Total Pension Liability - Ending (a)	\$ 4,961,285	\$ 4,773,074	\$ 4,478,782	\$ 4,208,476	\$ 4,081,599	\$ 3,922,670	\$ 3,756,277	\$ 3,545,800	\$ 3,411,704	\$ 3,302,956
Plan Fiduciary Net Position										
Contributions - Employer	\$ 95,246	\$ 89,741	\$ 88,371	\$ 86,324	\$ 85,693	\$ 81,016	\$ 78,312	\$ 75,916	\$ 75,958	\$ 94,816
Contributions - Employee	47,622	44,870	44,303	43,213	42,846	40,508	39,182	37,958	37,978	47,408
Net Investment Income (Loss)	323,099	437,251	(448,808)	521,575	390,028	449,067	(122,694)	407,278	242,007	(1,919)
Benefit Payments, including Refunds of Employee Contributions	(261,068)	(231,125)	(244,979)	(228,415)	(192,671)	(173,494)	(172,692)	(156,137)	(152,296)	(179,787)
Administrative Expense	(3,741)	(3,617)	(3,333)	(2,963)	(3,389)	(3,565)	(3,480)	(3,034)	(2,795)	(3,677)
Net Change in Plan Fiduciary Net Position	\$ 201,158	\$ 337,120	\$ (564,446)	\$ 419,734	\$ 322,507	\$ 393,532	\$ (181,372)	\$ 361,981	\$ 200,852	\$ (43,159)
Plan Fiduciary Net Position - Beginning	3,923,604	3,586,484	4,150,930	3,731,196	3,408,689	3,015,157	3,196,529	2,834,548	2,633,696	2,676,855
Plan Fiduciary Net Position - Ending (b)	\$ 4,124,762	\$ 3,923,604	\$ 3,586,484	\$ 4,150,930	\$ 3,731,196	\$ 3,408,689	\$ 3,015,157	\$ 3,196,529	\$ 2,834,548	\$ 2,633,696
City's Net Pension Liability - Ending (a) - (b)	\$ 836,523	\$ 849,470	\$ 892,298	\$ 57,546	\$ 350,403	\$ 513,981	\$ 741,120	\$ 349,271	\$ 577,156	\$ 669,260
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	83.14%	82.20%	80.08%	98.63%	91.42%	86.90%	80.27%	90.15%	83.08%	79.74%
Covered Payroll	\$ 386,538	\$ 364,207	\$ 359,607	\$ 350,758	\$ 347,776	\$ 328,796	\$ 318,038	\$ 308,101	\$ 308,263	\$ 384,807
City's Net Pension Liability as a Percentage of Covered Payroll	216.41%	233.24%	248.13%	16.41%	100.76%	156.32%	233.03%	113.36%	187.23%	173.92%

Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended December 31, 2015 through December 31, 2024.

¹ The Fire and Police Pension Fund changed their fiscal year-end to December 31 effective fiscal year 2015, and therefore the City was required to change its measurement date from September 30 to December 31. These amounts reflect 15 months of pension information.

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: The HB2649/SB1207 provision increased the minimum death benefit from 50% to 75% of average salary for all widows whose spouses died prior to termination or retirement. The change was retroactive to include survivors of any pre-retirement non-line-of-duty death after September 1, 2005 but before September 1, 2023 and was payable prospective only.

Change of Assumptions: There have been on changes in actuarial assumptions in the last two fiscal years.

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 Health 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									
	1/31/2024	1/31/2023	1/31/2022	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total Pension Liability										
Service Cost	\$ 42,481	\$ 40,271	\$ 41,129	\$ 35,403	\$ 36,861	\$ 37,175	\$ 32,569	\$ 31,547	\$ 30,183	\$ 32,591
Interest Cost	166,928	155,015	150,633	148,068	143,079	137,954	132,861	128,991	122,800	117,802
Effect of plan changes		(12)								
Differences Between Expected and Actual Experience	106,920	394	2,174	(846)	(2,685)	(19,385)	6,025	(18,647)	19,691	(35,634)
Changes of Assumptions	48,543	51,083	(9,825)	28,832	(4,940)	(10,129)	77,574			38,296
Benefit Payments	(130,541)	(123,427)	(114,484)	(106,825)	(101,037)	(96,969)	(93,550)	(91,230)	(91,293)	(84,319)
Net Change in Total Pension Liability	\$ 234,331	\$ 123,324	\$ 69,627	\$ 104,632	\$ 71,278	\$ 48,646	\$ 155,479	\$ 50,661	\$ 81,381	\$ 68,736
Total Pension Liability - Beginning	2,357,824	2,234,500	2,164,873	2,060,241	1,988,963	1,940,317	1,784,838	1,734,177	1,652,796	1,584,060
Total Pension Liability - Ending (a)	\$ 2,592,155	\$ 2,357,824	\$ 2,234,500	\$ 2,164,873	\$ 2,060,241	\$ 1,988,963	\$ 1,940,317	\$ 1,784,838	\$ 1,734,177	\$ 1,652,796
Plan Fiduciary Net Position										
Contributions - Employer	\$ 56,717	\$ 58,986	\$ 62,100	\$ 56,025	\$ 73,435	\$ 58,700	\$ 46,200	\$ 44,500	\$ 46,000	\$ 55,800
Contributions - Employee	16,133	14,970	14,054	13,890	14,758	13,363	13,039	12,144	11,563	12,140
Net Investment Income (Loss)	191,059	(64,655)	244,563	187,600	169,004	(48,316)	246,772	207,196	(52,945)	85,520
Benefit Payments	(130,541)	(123,427)	(114,484)	(106,825)	(101,037)	(96,969)	(93,550)	(91,230)	(91,293)	(84,319)
Administrative Expense	(540)	(474)	(487)	(510)	(476)	(391)	(389)			
Net Change in Plan Fiduciary Net Position	\$ 132,828	\$ (114,600)	\$ 205,746	\$ 150,180	\$ 155,684	\$ (73,613)	\$ 212,072	\$ 172,610	\$ (86,675)	\$ 69,141
Plan Fiduciary Net Position - Beginning	2,007,845	2,122,445	1,916,699	1,766,519	1,610,835	1,684,448	1,472,376	1,299,766	1,386,441	1,317,300
Plan Fiduciary Net Position - Ending (b)	\$ 2,140,673	\$ 2,007,845	\$ 2,122,445	\$ 1,916,699	\$ 1,766,519	\$ 1,610,835	\$ 1,684,448	\$ 1,472,376	\$ 1,299,766	\$ 1,386,441
Net Pension Liability - Ending (a) - (b)	\$ 451,482	\$ 349,979	\$ 112,055	\$ 248,174	\$ 293,722	\$ 378,128	\$ 255,869	\$ 312,462	\$ 434,411	\$ 266,355
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.58%	85.16%	94.99%	88.54%	85.74%	80.99%	86.81%	82.49%	74.95%	83.88%
Covered Payroll	\$ 308,095	\$ 304,482	\$ 293,669	\$ 286,959	\$ 282,302	\$ 271,449	\$ 254,241	\$ 242,477	\$ 235,360	\$ 256,236
Net Pension Liability as a Percentage of Covered Payroll	146.54%	114.94%	38.16%	86.48%	104.05%	139.30%	100.64%	128.86%	184.57%	103.95%

Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended January 31, 2016 through January 31, 2025.

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: Changes of benefit terms reflect the effect of changes in the Employee's Contribution Accumulation rate during fiscal year 2017 from 5.75% to 5.50%, fiscal year 2020 from 5.50% to 5.25%, and fiscal year 2024 from 5.25% to 5.00%.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate during fiscal year 2019 and 2022 and changes to the mortality improvement scale during each period; and a change in the earnings progression during fiscal year 2024; fiscal year 2025 amounts reflect the effects of the 2023 experience study updates; fiscal year 2022 amounts reflect the effects of the 2020 experience study updates, including updating to the Pri-2012 Mortality Table; fiscal year 2019 amounts reflect the effect of the 2017 experience study updates.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended									
	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability										
Service Cost	\$ 7,456	\$ 6,318	\$ 6,068	\$ 6,233	\$ 5,733	\$ 5,551	\$ 5,332	\$ 4,979	\$ 4,810	\$ 4,379
Interest Cost	18,041	17,061	16,200	15,448	14,670	13,952	13,268	12,623	12,480	11,960
Differences Between Expected and Actual Experience	1,846	2,221	1,214	(189)	499	240	54	29	(1,311)	(1,717)
Changes of Assumptions	(1,985)				211				433	
Benefit Payments	(11,847)	(11,442)	(10,261)	(10,294)	(9,392)	(8,960)	(8,332)	(8,186)	(7,337)	(7,461)
Net Change in Total Pension Liability	\$ 13,511	\$ 14,158	\$ 13,221	\$ 11,198	\$ 11,721	\$ 10,783	\$ 10,322	\$ 9,445	\$ 9,075	\$ 7,161
Total Pension Liability - Beginning	269,472	255,314	242,093	230,895	219,174	208,391	198,069	188,624	179,549	172,388
Total Pension Liability - Ending (a)	\$ 282,983	\$ 269,472	\$ 255,314	\$ 242,093	\$ 230,895	\$ 219,174	\$ 208,391	\$ 198,069	\$ 188,624	\$ 179,549
Plan Fiduciary Net Position										
Contributions - Employer	\$ 5,267	\$ 4,510	\$ 4,450	\$ 4,440	\$ 4,095	\$ 4,059	\$ 3,852	\$ 3,609	\$ 3,953	\$ 3,721
Contributions - Employee	4,377	3,717	3,569	3,660	3,412	3,291	3,149	2,935	2,892	2,722
Net Investment Income (Loss)	26,711	(18,429)	29,401	16,073	28,632	(5,773)	23,639	10,909	239	8,818
Benefit Payments, including Refunds of Employee Contributions	(11,847)	(11,442)	(10,261)	(10,294)	(9,392)	(8,960)	(8,332)	(8,186)	(7,337)	(7,461)
Administrative Expense	(170)	(159)	(136)	(104)	(162)	(111)	(123)	(123)	(146)	(92)
Other	(1)	190	1	(4)	(5)	(6)	(6)	(7)	(7)	(8)
Net Change in Plan Fiduciary Net Position	\$ 24,337	\$ (21,613)	\$ 27,024	\$ 13,771	\$ 26,580	\$ (7,500)	\$ 22,179	\$ 9,137	\$ (406)	\$ 7,700
Plan Fiduciary Net Position - Beginning	231,030	252,643	225,619	211,848	185,268	192,768	170,589	161,452	161,858	154,158
Plan Fiduciary Net Position - Ending (b)	\$ 255,367	\$ 231,030	\$ 252,643	\$ 225,619	\$ 211,848	\$ 185,268	\$ 192,768	\$ 170,589	\$ 161,452	\$ 161,858
Net Pension Liability - Ending (a) - (b)	\$ 27,616	\$ 38,442	\$ 2,671	\$ 16,474	\$ 19,047	\$ 33,906	\$ 15,623	\$ 27,480	\$ 27,172	\$ 17,691
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	90.24%	85.73%	98.95%	93.20%	91.75%	84.53%	92.50%	86.13%	85.59%	90.15%
Covered Payroll	\$ 145,906	\$ 123,985	\$ 118,981	\$ 121,984	\$ 113,750	\$ 109,703	\$ 104,960	\$ 97,818	\$ 96,389	\$ 90,721
Net Pension Liability as a Percentage of Covered Payroll	18.93%	31.01%	2.24%	13.51%	16.74%	30.91%	14.88%	28.09%	28.19%	19.50%

Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended December 31, 2015 through December 31, 2024.

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, the long term rate of return was reduced from 7.00% to 6.75%. In 2015, mortality rates were updated to reflect updated historical data.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended									
	1/1/2024	1/1/2023	1/1/2022	1/1/2021	1/1/2020	1/1/2019	1/1/2018	1/1/2017	1/1/2016	1/1/2015
Total Pension Liability										
Service Cost	\$ 4,689	\$ 4,933	\$ 5,036	\$ 5,187	\$ 5,464	\$ 5,629	\$ 5,859	\$ 5,724	\$ 5,004	\$ 5,204
Interest Cost	18,414	17,869	17,026	16,403	16,282	15,101	14,354	13,680	12,596	11,709
Change of Benefit Terms									4,339	
Differences Between Expected and Actual Experience	3,994	(1,814)	2,224	(66)	1,700	1,926	(1,394)	712	555	(622)
Changes of Assumptions	3		413	(1,063)	(1,534)	4,653	1,152	5,532	(405)	2,771
Benefit Payments	(12,401)	(11,654)	(10,669)	(10,090)	(9,358)	(8,615)	(7,974)	(7,283)	(6,318)	(5,796)
Net Change in Total Pension Liability	\$ 14,699	\$ 9,334	\$ 14,030	\$ 10,371	\$ 12,554	\$ 18,694	\$ 11,997	\$ 18,365	\$ 15,771	\$ 13,266
Total Pension Liability - Beginning	295,551	286,217	272,187	261,816	249,262	230,568	218,571	200,206	184,435	171,169
Total Pension Liability - Ending (a)	\$ 310,250	\$ 295,551	\$ 286,217	\$ 272,187	\$ 261,816	\$ 249,262	\$ 230,568	\$ 218,571	\$ 200,206	\$ 184,435
Plan Fiduciary Net Position										
Contributions - Employer	\$ 6,136	\$ 7,000	\$ 6,136	\$ 9,131	\$ 9,131	\$ 7,923	\$ 7,982	\$ 7,367	\$ 7,890	\$ 10,339
Contributions - Employee	2,290	2,165	2,219	2,095	2,528	2,434	2,484	2,533	2,357	
Net Investment Income (Loss)	31,598	(43,417)	34,840	31,582	38,722	(7,767)	30,741	6,971	1,215	15,695
Benefit Payments	(12,401)	(11,654)	(10,669)	(10,090)	(9,358)	(8,615)	(7,974)	(7,283)	(6,318)	(5,796)
Administrative Expense	(290)	(264)	(293)	(294)	(309)	(360)	(380)	(195)	(17)	
Net Change in Plan Fiduciary Net Position	\$ 27,333	\$ (46,170)	\$ 32,233	\$ 32,424	\$ 40,714	\$ (6,385)	\$ 32,853	\$ 9,393	\$ 5,127	\$ 20,238
Plan Fiduciary Net Position - Beginning	260,948	307,118	274,885	242,461	201,747	208,132	175,279	165,886	160,759	140,521
Plan Fiduciary Net Position - Ending (b)	\$ 288,281	\$ 260,948	\$ 307,118	\$ 274,885	\$ 242,461	\$ 201,747	\$ 208,132	\$ 175,279	\$ 165,886	\$ 160,759
Net Pension Liability (Asset) - Ending (a) - (b)	\$ 21,969	\$ 34,603	\$ (20,901)	\$ (2,698)	\$ 19,355	\$ 47,515	\$ 22,436	\$ 43,292	\$ 34,320	\$ 23,676
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	92.92%	88.29%	107.30%	100.99%	92.61%	80.94%	90.27%	80.19%	82.86%	87.16%
Covered Payroll	\$ 69,346	\$ 68,883	\$ 75,822	\$ 74,643	\$ 76,320	\$ 78,348	\$ 79,417	\$ 83,493	\$ 85,299	\$ 83,812
Net Pension Liability (Asset) as a Percentage of Covered Payroll	31.68%	50.23%	(27.57%)	(3.61%)	25.36%	60.65%	28.25%	51.85%	40.23%	28.25%

Amounts presented are determined as of the measurement date of the net pension liability (asset) for fiscal years-ended December 31, 2015 through December 31, 2024.

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, 2023 is based on a rollforward of the January 1, 2023 actuarial valuation.

Benefit Changes: In 2015, the normal form of distribution changed and a mandatory employee contribution of 3.00% of payroll was instituted. Effective June 1, 2014, the defined benefit plan was frozen to new entrants.

Changes of assumptions: In 2020, retirement age assumptions were changed to reflect more recent experience. In 2019, the mortality assumption was updated to the public retirement plans mortality tables published by the Society of Actuaries (SOA). In 2017 through 2023, 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.

Required Supplementary Schedule – (Unaudited)

SAWS District Special Project Retirement Income Plan (DSPRP)

Schedule of Changes in Net Pension (Asset) Liability and Related Ratios

Last Ten Fiscal Years

	Measurement Period Ended									
	1/1/2024	1/1/2023	1/1/2022	1/1/2021	1/1/2020	1/1/2019	1/1/2018	1/1/2017	1/1/2016	1/1/2015
Total Pension Liability										
Service Cost	\$ 124	\$ 201	\$ 209	\$ 241	\$ 245	\$ 257	\$ 108	\$ 71	\$ 124	\$ 123
Interest Cost	397	426	420	409	371	388	424	418	446	424
Differences Between Expected and Actual Experience	(305)	(285)	(62)	375	(466)	(622)	101	(381)	18	153
Changes of Assumptions		36			219	6	15	224		
Benefit Payments	(356)	(371)	(378)	(408)	(330)	(485)	(776)	(324)	(261)	(230)
Net Change in Total Pension Liability	\$ (140)	\$ 7	\$ 189	\$ 617	\$ 39	\$ (456)	\$ (128)	\$ 8	\$ 327	\$ 470
Total Pension Liability - Beginning	6,962	6,955	6,766	6,149	6,110	6,566	6,694	6,686	6,359	5,889
Total Pension Liability - Ending (a)	\$ 6,822	\$ 6,962	\$ 6,955	\$ 6,766	\$ 6,149	\$ 6,110	\$ 6,566	\$ 6,694	\$ 6,686	\$ 6,359
Plan Fiduciary Net Position										
Contributions - Employer	\$ 134	\$ 138	\$ 175	\$ 400	\$ 400	\$ 400	\$ 315	\$ 280	\$ 308	\$ 414
Net Investment Income (Loss)	924	(1,034)	1,049	998	1,049	(75)	764	306	18	394
Benefit Payments, including Refunds of Employee Contributions	(356)	(371)	(378)	(408)	(330)	(485)	(776)	(324)	(261)	(230)
Administrative Expense	(6)	(5)	(7)	(6)	(6)	(7)	(7)	(8)	(6)	(11)
Net Change in Plan Fiduciary Net Position	\$ 696	\$ (1,272)	\$ 839	\$ 984	\$ 1,113	\$ (167)	\$ 296	\$ 254	\$ 59	\$ 567
Plan Fiduciary Net Position - Beginning	7,203	8,475	7,636	6,652	5,539	5,706	5,410	5,156	5,097	4,530
Plan Fiduciary Net Position - Ending (b)	\$ 7,899	\$ 7,203	\$ 8,475	\$ 7,636	\$ 6,652	\$ 5,539	\$ 5,706	\$ 5,410	\$ 5,156	\$ 5,097
Net Pension Liability (Asset) - Ending (a) - (b)	\$ (1,077)	\$ (241)	\$ (1,520)	\$ (870)	\$ (503)	\$ 571	\$ 860	\$ 1,284	\$ 1,530	\$ 1,262
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	115.79%	103.46%	121.85%	112.86%	108.18%	90.65%	86.90%	80.82%	77.12%	80.15%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Amounts presented are determined as of the measurement date of the net pension liability (asset) for fiscal years-ended December 31, 2015 through December 31, 2024.

Required Supplementary Schedule – (Unaudited)
SAWS District Special Project Retirement Income Plan (DSPRP)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

The plan was frozen in 2008. Therefore, current and future wages have no impact on net pension liability (asset).

Total pension liability (asset) at December 31, 2024, is based on a rollforward of the January 1, 2024 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 2023, the investment rate of return was decreased to 5.75%. In 2020, the investment rate of return was changed to 6.25%. In 2023, the improvement mortality scale was changed to MP-2021. In 2022, the mortality improvement scale was updated to MP-2020. In 2019, the mortality improvement scale was updated to MP-2018. In 2018, the mortality improvement scale was based on MP-2017. In 2017, the mortality table was changed from 1994 GAR projected to 2002 to the RP-2014 table using the MP-2016 improvement scale. In 2017, the investment rate of return was modified from 7.00% to 6.50%.

Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	\$ 35,942	\$ 35,942		\$ 340,660	10.55%
2017	40,374	40,374		361,009	11.18%
2018	43,631	43,631		375,931	11.61%
2019	45,943	45,943		393,916	11.66%
2020	47,311	47,311		398,863	11.86%
2021	48,180	48,180		393,758	12.24%
2022	56,305	56,305		454,555	12.39%
2023	63,995	63,995		495,336	12.92%
2024	72,984	72,984		532,319	13.71%
2025	77,755	77,755		548,823	14.17%

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	21 years (longest amortization ladder)
Asset Valuation Method	Ten-year smoothed fair value; 12.00% soft corridor

Actuarial assumptions:

Inflation Rate	2.50%
Salary Increases	3.60% to 11.85% including inflation.
Investment Rate of Return	6.75% including inflation, net of pension plan investment expense.
Retirement Age	Experience-based table rates that vary by age. Last updated for the 2023 valuation pursuant to an experience study of the period ending 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103.00% and female rates are multiplied by 105.00%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB (10) mortality tables, with the 110.00% of the Public Safety table used for males and the 100.00% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021. (with immediate convergence).

Other Information:

Notes	Granted 70.00% ad hoc COLA. Effective 6/1/2021 plan was opened to current and future City of San Antonio Council Aides Corporation employees.

Required Supplementary Schedule – (Unaudited)

Fire and Police Pension Fund

Schedule of Contributions – Pensions

Last Ten Fiscal Years

Year-Ended September 30,	Statutorily Determined Contribution	Contributions in Relation to the Statutorily Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll ¹	Contributions as a Percentage of Covered Payroll
2016	\$ 74,414	\$ 74,414		\$ 301,993	24.64%
2017	75,039	75,039		320,955	24.64%
2018	77,488	77,488		313,951	24.64%
2019	79,973	79,973		324,430	24.64%
2020	84,775	84,775		343,799	24.64%
2021	85,545	85,545		347,112	24.64%
2022	90,949	90,949		369,110	24.64%
2023	88,561	88,561		359,326	24.64%
2024	92,853	92,853		376,554	24.64%
2025	100,511	100,511		407,683	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	20.96 years remaining as of January 1, 2024.
Asset Valuation Method	Five-year smoothed fair 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 Health 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	General 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
2016	\$ 46,001	\$ 46,000	\$ 1	\$ 256,236	17.95%
2017	44,532	44,500	32	235,360	18.91%
2018	46,234	46,200	34	242,477	19.05%
2019	58,657	58,700	(43)	254,241	23.09%
2020	53,435	73,435	(20,000)	271,449	27.05%
2021	56,025	56,025		282,302	19.85%
2022	62,050	62,100	(50)	286,959	21.64%
2023	58,986	58,986		293,669	20.09%
2024	56,717	56,717		304,482	18.63%
2025	72,774	72,774		308,095	23.62%

Amounts presented are determined as of the measurement date of the net pension liability (asset) for fiscal years-ended January 31, 2016 through January 31, 2025.

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	24 years
Asset Valuation Method	Fair value gains/losses recognized over five years.

Actuarial assumptions:

Inflation Rate	2.33% for fiscal year 2025, 2.30% for fiscal year 2024, 2.20% for fiscal year 2023 and 2022; and 3.00% for previous years presented per year, compounded annually.
Salary Increases	Average, including inflation: 5.68% for fiscal year 2025, 5.65% for fiscal year 2024, 5.54% for fiscal years 2023 and 2022, 5.36% for fiscal year 2021 and 2020, 4.72% for fiscal year 2019, 4.66% for fiscal year 2018, 4.78% for fiscal year 2017, 5.01% for fiscal year 2016.
Investment Rate of Return	7.00% per year, compounded annually, for fiscal year 2025 through 2022, 7.25% for fiscal years 2021 through 2019, 7.50% for fiscal year 2018 and 2017, 7.75% for prior years.
Cost-of-living Increases	1.50% for fiscal year 2025, 1.25% for fiscal year 2024 through 2022, 1.50% for previous years presented per year.
Mortality	Mortality rates were based on the Pri-2012 Mortality Table projected forward (fully generational) with MP-2021 for fiscal year 2025 and 2024, MP-2020 for 2023, Pri-2012 Mortality Table projected forward (fully generational) with MP-2019 for fiscal year 2022, 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 fiscal year 2016.
Other Information	In fiscal year 2020, an additional \$20,000 was contributed to the pension plan in excess of the actuarially determined contribution. There were no changes in benefit terms, in the size or composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 3,672	\$ 3,953	\$ (281)	\$ 96,389	4.10%
2016	3,609	3,609		97,818	3.69%
2017	3,852	3,852		104,960	3.67%
2018	4,059	4,059		109,703	3.70%
2019	4,095	4,095		113,750	3.60%
2020	4,440	4,440		121,984	3.64%
2021	4,450	4,450		118,981	3.74%
2022	4,510	4,510		123,902	3.64%
2023	5,267	5,267		145,905	3.61%
2024	6,312	6,312		162,260	3.89%

Amounts presented are determined as of the measurement date of the net pension liability (asset) for fiscal years-ended December 31, 2014 through December 31, 2024.

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 2024, the remaining amortization period is 22 years. In 2015 the amortization period was 30 years.
Asset Valuation Method	Ten-year smoothed fair value; 12.00% soft corridor

Actuarial assumptions:

Inflation Rate	In fiscal year 2015, the inflation rate was changed to 2.50%.
Salary Increases	3.50% to 11.50% for fiscal year 2020 to 2024, 3.50% to 10.50% for fiscal year 2015 to 2019. All percentages 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 vary by age. Last updated for the fiscal year 2023 valuation pursuant to an experience study of the period fiscal year 2022.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103% and female rates are multiplied by 105%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement PUB (10) mortality tables, with the 110% of the Public Safety table used for males and the 100% General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

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
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	9,131	(1,408)	74,643	12.23%
2021	6,136	6,136		75,822	8.09%
2022	4,428	7,000	(2,572)	68,883	10.16%
2023	4,412	6,136	(1,724)	69,346	8.85%
2024	6,053	6,053		71,444	8.47%

Amounts presented are determined as of the measurement date of the net pension liability (asset) for fiscal years-ended December 31, 2015 through December 31, 2024.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contributions are determined as of January 1 of the year in which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Remaining Amortization Period	Unfunded Liability at December 31, 2023 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.
Amortization Method	Equal annual installments.
Asset Valuation Method	Four-year smoothed fair value.

Actuarial assumptions:

Inflation Rate	2.40% for fiscal year 2024, 2.25% for fiscal year 2023 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 participants. Previously, scale based on 2011-2013 SAWS experience.
Investment Rate of Return	6.25% for fiscal years 2024 to 2020; In 2017, the rate was changed from 6.75% to 6.50%, net of pension expense, including inflation.
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. 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 2024, 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, 2024 valuation was based on MP-2021, the most recent MI scale published in October 2021. In 2022, the improvement scale was changed to MP-2021. In 2021, the improvement scale was changed to MP-2020. In 2020, the improvement scale was changed to MP-2019. In 2019, the mortality assumption was updated to the public retirement plans mortality tables published by the SOA. In 2018 and 2017, the mortality assumption was updated for the latest improvement scale. In 2016, the mortality table was changed to use adjusted RP-2014 mortality with scale MP-2016 based on data published by the SOA in 2015. Previously, the IRS Prescribed Generational Mortality table was used.

Required Supplementary Schedule – (Unaudited)
SAWS District Special Project Retirement Income Plan (DSPRP)
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 274	\$ 308	\$ (34)	N/A	N/A
2016	279	280	(1)	N/A	N/A
2017	315	315		N/A	N/A
2018	247	400	(153)	N/A	N/A
2019	388	400	(12)	N/A	N/A
2020	290	400	(110)	N/A	N/A
2021	138	175	(37)	N/A	N/A
2022		138	(138)	N/A	N/A
2023	84	134	(50)	N/A	N/A
2024	2	2		N/A	N/A

Amounts presented are determined as of the measurement date of the net pension liability (asset) for fiscal years-ended December 31, 2015 through December 31, 2024.

Required Supplementary Schedule – (Unaudited)
SAWS District Special Project Retirement Income Plan (DSPRP)
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contributions are determined as of January 1 of the year in which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Unit Credit
Amortization Method	Rolling level-amortization over a declining period.
Remaining Amortization Period	In 2023, the amortization period was changed to ten years. 2022: five years; 2021: six years; 2020: seven years; 2019: eight years; 2018: nine years; 2017: ten years; 2016: 11 years; 2015: 12 years
Asset Valuation Method	Fair value with smoothing

Actuarial assumptions:

Inflation Rate	3.00% for fiscal year 2023; 2.25% for fiscal years 2022 to 2020; 2.50% for fiscal year 2019; 2.75% for fiscal year 2015.
Salary Increases	Earned benefits frozen in 2008.
Investment Rate of Return	5.75% for fiscal year 2023; 6.25% for fiscal years 2022 to 2020; 6.50% for fiscal year 2017; Previously 7.00%, net of pension plan investment expense, including inflation was used.
Retirement Age	Normal retirement age – the earlier of (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	PUB-2010 General Table projected on a fully generational basis using mortality improvement scale MP-2021. In 2022, the improvement scale was updated to MP-2020. In 2019, the mortality projection scale was updated to MP-2018. In 2018, the mortality projection scale was based on MP-2017. In 2017, the table was changed to the RP-2014 table using 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							
	9/30/2025	9/30/2024	9/30/2023	9/30/2022 ¹	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability								
Service Cost	\$ 9,684	\$ 7,847	\$ 8,203	\$ 12,177	\$ 17,533	\$ 12,294	\$ 16,893	\$ 11,665
Interest Cost	9,495	9,692	10,696	7,157	10,402	10,653	13,464	11,999
Differences Between Expected and Actual Experience	(43,698)	(7,276)	(35,635)	(792)	(217,862)	(36,898)	(12,617)	
Changes of Assumptions	28,636	(9,534)		(56,399)	47,648	83,865	78,030	(32,771)
Benefit Payments	(8,903)	(9,343)	(7,593)	(7,607)	(5,938)	(5,874)	(7,111)	(7,439)
Net Change in Total OPEB Liability	\$ (4,786)	\$ (8,614)	\$ (24,329)	\$ (45,464)	\$ (148,217)	\$ 64,040	\$ 88,659	\$ (16,546)
Total OPEB Liability - Beginning	<u>232,140</u>	<u>240,754</u>	<u>265,083</u>	<u>310,547</u>	<u>458,764</u>	<u>394,724</u>	<u>306,065</u>	<u>322,611</u>
Total OPEB Liability - Ending (a)	<u>\$ 227,354</u>	<u>\$ 232,140</u>	<u>\$ 240,754</u>	<u>\$ 265,083</u>	<u>\$ 310,547</u>	<u>\$ 458,764</u>	<u>\$ 394,724</u>	<u>\$ 306,065</u>
Plan Fiduciary Net Position								
Contributions - Employer	\$ 8,788	\$ 7,085	\$ 6,320	\$ 6,666	\$ 5,938	\$ 5,874	\$ 7,111	\$ 7,439
Contributions - Employee	1,524	1,536	1,534	1,599				
Net Investment Income (loss)	328	436	241	(61)				
Benefit Payments, including Refunds of Employee Contributions	(7,607)	(9,343)	(7,593)	(7,607)	(5,938)	(5,874)	(7,111)	(7,439)
Administrative Expense	(38)	(43)	(22)	(24)				
Other				5,333				
Net Change in Plan Fiduciary Net Position	\$ 2,995	\$ (329)	\$ 480	\$ 5,906	\$ -	\$ -	\$ -	\$ -
Plan Fiduciary Net Position - Beginning	<u>6,057</u>	<u>6,386</u>	<u>5,906</u>					
Plan Fiduciary Net Position - Ending (b)	<u>\$ 9,052</u>	<u>\$ 6,057</u>	<u>\$ 6,386</u>	<u>\$ 5,906</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
City's Net/Total OPEB Liability - Ending (a) - (b)	<u>\$ 218,302</u>	<u>\$ 226,083</u>	<u>\$ 234,368</u>	<u>\$ 259,177</u>	<u>\$ 310,547</u>	<u>\$ 458,764</u>	<u>\$ 394,724</u>	<u>\$ 306,065</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	3.98%	2.61%	2.65%	2.23%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	\$ 548,823	\$ 532,335	\$ 495,336	\$ 454,555	\$ 393,758	\$ 398,863	\$ 393,916	\$ 375,931
City's Net Pension Liability as a Percentage of Covered Employee Payroll	39.78%	42.47%	47.31%	57.02%	78.87%	115.02%	100.21%	81.42%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net or total OPEB liability for fiscal years-ended September 30, 2018 through September 30, 2025.

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 2025, the reinstatement rate for current opt-out retirees was decreased from 10.00% to 5.00%. In fiscal year 2024, the City's participation rate was decreased from 60.00% to 50.00%. In fiscal year 2025, the discount rate was updated from 4.00% to 3.00%; 2022 it 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 reflect the 2023 Texas Municipal Retirement System Actuarial Valuation tables. 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 updated to 8.50% for pre-Medicare and 7.50% 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							
	12/31/2024	12/31/2023	12/31/2022*	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total OPEB Liability								
Service Cost	\$ 27,905	\$ 25,994	\$ 29,107	\$ 28,869	\$ 29,001	\$ 26,077	\$ 25,345	\$ 24,289
Interest Cost	82,690	78,173	78,680	78,094	78,948	72,602	71,055	68,947
Differences Between Expected and Actual Experience	25,029	8,671	26,011	2,387	14,616	28,124	2,169	(5,165)
Changes of Assumptions	18,067	9,066	(88,239)	(59,131)	(99,032)	28,936	(43,489)	(25,344)
Benefit Payments	(64,250)	(54,490)	(45,070)	(39,850)	(31,348)	(33,146)	(35,821)	(33,560)
Net Change in Total OPEB Liability	\$ 89,441	\$ 67,414	\$ 489	\$ 10,369	\$ (7,815)	\$ 122,593	\$ 19,259	\$ 29,167
Total OPEB Liability - Beginning	1,184,955	1,117,541	1,117,052	1,106,683	1,114,498	991,905	972,646	943,479
Total OPEB Liability - Ending (a)	\$ 1,274,396	\$ 1,184,955	\$ 1,117,541	\$ 1,117,052	\$ 1,106,683	\$ 1,114,498	\$ 991,905	\$ 972,646
Plan Fiduciary Net Position								
Contributions - Employer	\$ 50,324	\$ 47,832	\$ 45,073	\$ 42,030	\$ 39,480	\$ 35,234	\$ 30,892	\$ 27,242
Contributions - Employee	25,158	23,920	22,533	21,012	19,727	17,605	15,442	13,616
Net Investment Income (loss)	48,566	23,910	(43,970)	59,256	55,638	19,867	(21,629)	25,294
Benefit Payments, including Refunds of Employee Contributions	(64,250)	(54,490)	(45,070)	(39,849)	(31,348)	(33,146)	(35,821)	(33,560)
Administrative Expense	(5,565)	(5,180)	(4,095)	(3,794)	(3,464)	(3,056)	(3,070)	(2,660)
Other Contributions - Retirees	2,284	2,262	1,920	1,545	1,513	1,571	1,817	1,829
Net Change in Plan Fiduciary Net Position	\$ 56,517	\$ 38,254	\$ (23,609)	\$ 80,200	\$ 81,546	\$ 38,075	\$ (12,369)	\$ 31,761
Plan Fiduciary Net Position - Beginning	578,893	540,639	564,248	484,060	402,514	364,439	376,808	345,047
Plan Fiduciary Net Position - Ending (b)	\$ 635,410	\$ 578,893	\$ 540,639	\$ 564,260	\$ 484,060	\$ 402,514	\$ 364,439	\$ 376,808
City's Net Pension Liability - Ending (a) - (b)	\$ 638,986	\$ 606,062	\$ 576,902	\$ 552,792	\$ 622,623	\$ 711,984	\$ 627,466	\$ 595,838
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	49.86%	48.85%	48.38%	50.51%	43.74%	36.12%	36.74%	38.74%
Covered-Employee Payroll	\$ 337,831	\$ 489,882	\$ 359,326	\$ 369,110	\$ 347,776	\$ 328,795	\$ 318,038	\$ 308,101
City's Net OPEB Liability as a Percentage of Covered-Employee Payroll	189.14%	123.72%	160.55%	149.76%	179.03%	216.54%	197.29%	193.39%

*The 12/31/2022 beginning of year Plan Fiduciary Net Position was restated following the submission of the 12/31/2021 GASB 74 disclosure.

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended December 31, 2017 through December 31, 2024.

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									
	1/31/2024	1/31/2023	1/31/2022	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total OPEB Liability										
Service Cost	\$ 5,780	\$ 4,302	\$ 4,905	\$ 3,772	\$ 4,300	\$ 4,466	\$ 3,376	\$ 3,435	\$ 3,319	\$ 3,207
Interest Cost	21,478	17,092	18,604	17,089	17,624	18,032	17,182	18,176	17,601	17,050
Changes in Plan Benefits							415	(19,185)		
Differences Between Expected and Actual Experience	59,849	(29,153)	26,691	(11,592)	(19,010)	1,763		475		
Changes of Assumptions	4,516	(970)	(385)	(5,962)	(4,246)	(2,190)	9,657			
Benefit Payments	(20,113)	(18,104)	(11,915)	(13,398)	(12,475)	(11,390)	(12,197)	(14,001)	(12,756)	(13,275)
Net Change in Total OPEB Liability	\$ 71,510	\$ (26,833)	\$ 37,900	\$ (10,091)	\$ (13,807)	\$ 10,681	\$ 18,433	\$ (11,100)	\$ 8,164	\$ 6,982
Total OPEB Liability - Beginning	251,091	277,924	240,024	250,115	263,922	253,241	234,808	245,908	237,744	230,762
Total OPEB Liability - Ending (a)	\$ 322,601	\$ 251,091	\$ 277,924	\$ 240,024	\$ 250,115	\$ 263,922	\$ 253,241	\$ 234,808	\$ 245,908	\$ 237,744
Plan Fiduciary Net Position										
Contributions - Employer	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,500	\$ 8,806	\$ 3,200
Contributions - Employee							7,156	6,802	6,734	6,024
Medicare Part D Payment	996	985	977	924	842	872	998	933	976	933
Earnings (Loss) on Plan Assets	29,593	(10,701)	41,220	26,613	30,260	(10,571)	41,718	38,949	(9,765)	12,536
Benefit Payments	(20,113)	(18,104)	(11,915)	(13,398)	(12,475)	(11,390)	(19,353)	(20,804)	(19,490)	(19,299)
Administrative Expense	(1,328)	(1,300)	(1,251)	(1,297)	(1,150)	(1,223)	(1,346)	(1,621)	(1,456)	(1,137)
Net Change in Plan Fiduciary Net Position	\$ 9,148	\$ (29,120)	\$ 29,031	\$ 12,842	\$ 17,477	\$ (22,312)	\$ 29,173	\$ 32,759	\$ (14,195)	\$ 2,257
Plan Fiduciary Net Position - Beginning	297,739	326,859	297,828	284,986	267,509	289,821	260,648	227,889	242,084	239,827
Plan Fiduciary Net Position - Ending (b)	\$ 306,887	\$ 297,739	\$ 326,859	\$ 297,828	\$ 284,986	\$ 267,509	\$ 289,821	\$ 260,648	\$ 227,889	\$ 242,084
Net OPEB (Asset) Liability - Ending (a) - (b)	\$ 15,714	\$ (46,648)	\$ (48,935)	\$ (57,804)	\$ (34,871)	\$ (3,587)	\$ (36,580)	\$ (25,840)	\$ 18,019	\$ (4,340)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	95.13%	118.58%	117.61%	124.08%	113.94%	101.36%	114.44%	111.00%	92.67%	101.83%
Covered-employee Payroll	\$ 272,200	\$ 273,551	\$ 263,640	\$ 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	5.77%	(17.05%)	(18.56%)	(22.44%)	(13.68%)	(1.47%)	(16.03%)	(11.72%)	8.06%	(1.79%)

Amounts presented are determined as of the measurement date of the net OPEB liability (asset) for fiscal years-ended January 31, 2016 through January 31, 2025.

Required Supplementary Schedule – (Unaudited)**CPS Energy – Health Plan****Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios****Last Ten Fiscal Years (Continued)****Notes to Schedule:**

Benefit Changes: Changes in plan deductibles were updated accordingly for each period; Fiscal year 2019 amounts reflect updates to the HRA contributions; Fiscal year 2021 amounts reflect the addition of the HSA contributions.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate during fiscal years 2019 and 2022 and changes to the mortality improvement scale during each period, and a change in the earnings progression during fiscal year 2024, fiscal year 2025 amounts reflect the effects of the 2023 experience study updates. fiscal year 2022 amounts reflect the effects of the 2020 experience study updates, including updating to the Pri-2012 Mortality Table; fiscal year 2019 amounts reflect the effects of the 2017 experience study updates.

Required Supplementary Schedule – (Unaudited)

CPS Energy – Life Plan

Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios

Last Ten Fiscal Years

	Measurement Period Ended									
	1/31/2024	1/31/2023	1/31/2022	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total OPEB Liability										
Service Cost	\$ 632	\$ 586	\$ 614	\$ 517	\$ 511	\$ 473	\$ 349	\$ 336	\$ 325	\$ 313
Interest Cost	3,729	3,688	3,612	3,400	3,308	3,284	3,432	3,256	3,244	3,228
Differences Between Expected and Actual Experience	800	561	252	4,766	840	(936)		2,378		
Changes of Assumptions	1,252	820	985	4,044	309	594	(457)			
Benefit Payments	(5,125)	(4,204)	(4,255)	(3,987)	(3,895)	(4,028)	(3,813)	(3,469)	(3,358)	(3,313)
Net Change in Total OPEB Liability	\$ 1,288	\$ 1,451	\$ 1,208	\$ 8,740	\$ 1,073	\$ (613)	\$ (489)	\$ 2,501	\$ 211	\$ 228
Total OPEB Liability - Beginning	58,659	57,208	56,000	47,260	46,187	46,800	47,289	44,788	44,577	44,349
Total OPEB Liability - Ending (a)	\$ 59,947	\$ 58,659	\$ 57,208	\$ 56,000	\$ 47,260	\$ 46,187	\$ 46,800	\$ 47,289	\$ 44,788	\$ 44,577
Plan Fiduciary Net Position										
Contributions - Employer	\$ -	\$ 925	\$ 900	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions - Employee	1,270	1,131	1,156	1,077	1,053	1,030	1,000	972	930	911
Earnings (Loss) on Plan Assets	4,733	(1,950)	6,526	4,031	5,702	(2,135)	8,066	6,936	(2,102)	2,460
Benefit Payments	(5,125)	(4,204)	(4,255)	(3,987)	(3,895)	(4,028)	(3,813)	(3,469)	(3,358)	(3,313)
Administrative Expense	(14)	(17)	(26)	(25)	(30)	(28)	(30)	(27)	(21)	(16)
Net Change in Plan Fiduciary Net Position	\$ 864	\$ (4,115)	\$ 4,301	\$ 1,096	\$ 2,830	\$ (5,161)	\$ 5,223	\$ 4,412	\$ (4,551)	\$ 42
Plan Fiduciary Net Position - Beginning	53,872	57,987	53,686	52,590	49,760	54,921	49,698	45,286	49,837	49,795
Plan Fiduciary Net Position - Ending (b)	\$ 54,736	\$ 53,872	\$ 57,987	\$ 53,686	\$ 52,590	\$ 49,760	\$ 54,921	\$ 49,698	\$ 45,286	\$ 49,837
Net OPEB (Asset) Liability - Ending (a) - (b)	\$ 5,211	\$ 4,787	\$ (779)	\$ 2,314	\$ (5,330)	\$ (3,573)	\$ (8,121)	\$ (2,409)	\$ (498)	\$ (5,260)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	91.31%	91.84%	101.36%	95.87%	111.28%	107.74%	117.35%	105.09%	101.11%	111.80%
Covered-employee Payroll	\$ 272,200	\$ 273,551	\$ 263,640	\$ 257,608	\$ 254,996	\$ 244,010	\$ 218,003	\$ 210,631	\$ 198,704	\$ 191,984
Net OPEB (Asset) Liability as a Percentage of Covered-Employee Payroll	1.91%	1.75%	(0.30%)	0.90%	(2.09%)	(1.46%)	(3.73%)	(1.14%)	(0.25%)	(2.74%)

Amounts presented are determined as of the measurement date of the net OPEB (asset) liability for fiscal years-ended January 31, 2016 through January 31, 2025.

Required Supplementary Schedule – (Unaudited)**CPS Energy – Life Plan****Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios****Last Ten Fiscal Years (Continued)****Notes to Schedule:**

Benefit Changes: There were no changes in benefit terms, in the size or composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate during fiscal years 2019 and 2022 and changes to the mortality improvement scale during each period, and a change in the earnings progression during fiscal year 2024. Fiscal year 2025 amounts reflect the effects of the 2023 experience study updates; fiscal year 2022 amounts reflect the effects of the 2020 experience study updates, including updating to the Pri-2012 Mortality Table; fiscal year 2019 amounts reflect the effects of the 2017 experience study updates.

Required Supplementary Schedule – (Unaudited)

CPS Energy – Disability Plan

Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios

Last Ten Fiscal Years

	Measurement Period Ended									
	1/31/2024	1/31/2023	1/31/2022	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total OPEB Liability										
Service Cost	\$ 720	\$ 680	\$ 712	\$ 557	\$ 580	\$ 620	\$ 516	\$ 527	\$ 509	\$ 492
Interest Cost	469	490	457	384	402	475	473	455	448	426
Differences Between Expected and Actual Experience	(648)	468	(665)	(156)	(673)	(656)		255		
Changes of Assumptions	145	142	(4)	1,993	11	189	94			
Benefit Payments	(949)	(1,049)	(1,230)	(1,142)	(977)	(880)	(1,012)	(974)	(775)	(559)
Net Change in Total OPEB Liability	\$ (263)	\$ 731	\$ (730)	\$ 1,636	\$ (657)	\$ (252)	\$ 71	\$ 263	\$ 182	\$ 359
Total OPEB Liability - Beginning	7,094	6,363	7,093	5,457	6,114	6,366	6,295	6,032	5,850	5,491
Total OPEB Liability - Ending (a)	<u>\$ 6,831</u>	<u>\$ 7,094</u>	<u>\$ 6,363</u>	<u>\$ 7,093</u>	<u>\$ 5,457</u>	<u>\$ 6,114</u>	<u>\$ 6,366</u>	<u>\$ 6,295</u>	<u>\$ 6,032</u>	<u>\$ 5,850</u>
Plan Fiduciary Net Position										
Contributions - Employer	\$ 602	\$ 559	\$ 726	\$ 614	\$ 769	\$ 1,000	\$ 1,300	\$ 700	\$ 175	\$ 175
Contributions - Employee	327	287	276	276	291	274	265	260	248	211
Earnings (Loss) on Plan Assets	544	(191)	782	539	603	(205)	627	501	(158)	177
Benefit Payments	(949)	(1,049)	(1,230)	(1,142)	(977)	(880)	(1,012)	(974)	(775)	(559)
Administrative Expense	(12)	(12)	(17)	(21)	(14)	(19)	(18)	(15)	(14)	(18)
Net Change in Plan Fiduciary Net Position	\$ 512	\$ (406)	\$ 537	\$ 266	\$ 672	\$ 170	\$ 1,162	\$ 472	\$ (524)	\$ (14)
Plan Fiduciary Net Position - Beginning	6,635	7,041	6,504	6,238	5,566	5,396	4,234	3,762	4,286	4,300
Plan Fiduciary Net Position - Ending (b)	<u>\$ 7,147</u>	<u>\$ 6,635</u>	<u>\$ 7,041</u>	<u>\$ 6,504</u>	<u>\$ 6,238</u>	<u>\$ 5,566</u>	<u>\$ 5,396</u>	<u>\$ 4,234</u>	<u>\$ 3,762</u>	<u>\$ 4,286</u>
Net OPEB (Asset) Liability - Ending (a) - (b)	<u>\$ (316)</u>	<u>\$ 459</u>	<u>\$ (678)</u>	<u>\$ 589</u>	<u>\$ (781)</u>	<u>\$ 548</u>	<u>\$ 970</u>	<u>\$ 2,061</u>	<u>\$ 2,270</u>	<u>\$ 1,564</u>
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	104.63%	93.53%	110.66%	91.70%	114.31%	91.04%	84.76%	67.26%	62.37%	73.26%
Covered-employee Payroll	\$ 281,449	\$ 276,105	\$ 268,773	\$ 260,739	\$ 259,520	\$ 251,482	\$ 224,137	\$ 216,558	\$ 212,904	\$ 205,704
Net OPEB (Asset) Liability as a Percentage of Covered-Employee Payroll	(0.11%)	0.16%	(0.25%)	0.23%	(0.30%)	0.22%	0.43%	0.95%	1.07%	0.76%

Amounts presented are determined as of the measurement date of the net OPEB (asset) liability for fiscal years-ended January 31, 2016 through January 31, 2025.

Required Supplementary Schedule – (Unaudited)**CPS Energy – Disability Plan****Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios****Last Ten Fiscal Years (Continued)****Notes to Schedule:**

Benefit Changes: Fiscal year 2019 reflects updates for the 2017 amendment to the minimum benefit, eligibility requirement, and maximum age for benefit receipt tiered schedule.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate during fiscal years 2019 and 2022 and changes to the mortality improvement scale during each period, and a change in the earnings progression during fiscal year 2024. Fiscal year 2025 amounts reflect the effects of the 2023 experience study updates; fiscal year 2022 amounts reflect the effects of the 2020 experience study updates, including updating to the Pri-2012 Mortality Table; fiscal year 2019 amounts reflect the effects of the 2017 experience study updates.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Other Post Employment Benefit Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended						
	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total OPEB Liability							
Service Cost	\$ 845	\$ 1,170	\$ 1,712	\$ 1,750	\$ 1,913	\$ 2,220	\$ 2,428
Interest Cost	3,869	5,099	7,491	7,688	9,112	9,429	9,221
Changes of benefit terms	6,943		(32,517)				
Differences Between Expected and Actual Experience	6,296	(14,196)	(5,859)	(8,867)	(18,580)	(11,970)	(3,358)
Changes of Assumptions	5,898	(7,173)	(3,799)	2,089	(3,237)	2,817	(351)
Benefit Payments	(4,310)	(4,200)	(5,342)	(6,141)	(6,311)	(7,808)	(6,209)
Net Change in Total OPEB Liability	\$ 19,541	\$ (19,300)	\$ (38,314)	\$ (3,481)	\$ (17,103)	\$ (5,312)	\$ 1,731
Total OPEB Liability - Beginning	63,181	82,481	120,795	124,276	141,379	146,691	144,960
Total OPEB Liability - Ending (a)	\$ 82,722	\$ 63,181	\$ 82,481	\$ 120,795	\$ 124,276	\$ 141,379	\$ 146,691
Plan Fiduciary Net Position							
Contributions - Employer	\$ 5,160	\$ 9,300	\$ 10,442	\$ 13,641	\$ 13,811	\$ 15,308	\$ 13,709
Contributions - Employee							
Net Investment Income (Loss)	16,479	(18,870)	12,260	13,747	13,264	(3,164)	7,127
Benefit Payments	(4,310)	(4,200)	(5,342)	(6,141)	(6,311)	(7,808)	(6,209)
Administrative Expense	(169)	(170)	(177)	(187)	(175)	(159)	(144)
Net Change in Plan Fiduciary Net Position	\$ 17,160	\$ (13,940)	\$ 17,183	\$ 21,060	\$ 20,589	\$ 4,177	\$ 14,483
Plan Fiduciary Net Position - Beginning	107,580	121,520	104,337	83,277	62,688	58,511	44,028
Plan Fiduciary Net Position - Ending (b)	\$ 124,740	\$ 107,580	\$ 121,520	\$ 104,337	\$ 83,277	\$ 62,688	\$ 58,511
Net OPEB (Asset) Liability - Ending (a) - (b)	\$ (42,018)	\$ (44,399)	\$ (39,039)	\$ 16,458	\$ 40,999	\$ 78,691	\$ 88,180
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	150.79%	170.27%	147.33%	86.38%	67.01%	44.34%	39.89%
Covered-employee Payroll	\$ 66,975	\$ 62,161	\$ 65,898	\$ 67,557	\$ 68,894	\$ 71,520	\$ 79,417
Net OPEB (Asset) Liability as a Percentage of Covered-Employee Payroll	(62.74%)	(71.43%)	(59.24%)	24.36%	59.51%	110.03%	111.03%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB (asset) liability for fiscal year-end December 31, 2018 through December 31, 2024.

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, 2024 is based on a rollforward of the January 1, 2024 actuarial valuation.

Benefit Changes: SAWS changed Medicare Advantage providers in 2022. The new contract provides coverage at no charge to the employer or employee for three years. After three years, the cost is expected to be nominal.

Changes of assumptions: For 2022 to 2024, the MP-2021 mortality table was used. 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. In 2024 the Trust began reimbursing SAWS for the under 65 retiree medical expenses and life insurance premiums.

Required Supplementary Schedule – (Unaudited)**City of San Antonio****Schedule of Contributions – OPEB****Last Ten Fiscal Years**

Year-Ended September 30,	Statutorily Determined Contribution	Contributions in Relation to the Statutorily Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2018	\$ 7,439	\$ 7,439	\$ -	\$ 375,931	1.98%
2019	7,111	7,111		393,916	1.81%
2020	5,874	5,874		398,863	1.47%
2021	5,938	5,938		393,758	1.51%
2022	25,088	6,666	18,422	454,555	1.47%
2023	24,135	6,320	17,815	495,336	1.28%
2024	23,394	7,085	16,309	532,335	1.33%
2025	23,870	8,788	15,083	548,823	1.60%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the total OPEB (asset) liability for fiscal years-ended September 30, 2018 through September 30, 2025.

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 11.5 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	10.5 years
Asset Valuation Method	Fair Value

Actuarial assumptions:

Discount Rate	3.00% per annum (EOY)
Healthcare and Prescription Cost Trend Rates	Pre-65 Select 8.50% and Ultimate 4.00%; Post-65 Select 5.25% and Ultimate 4.00%; Stop Loss Fees Select 8.50% and Ultimate 4.00%; Administrative Fees Select 4.00% and Ultimate 4.00%
Salary Increase Rate	3.50% per annum
Inflation	2.60%
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%
2023	47,419	47,419		359,326	13.20%
2024	49,725	49,725		489,882	10.15%
2025	48,477	48,477		509,349	9.52%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability (asset) for fiscal years-ended December 31, 2017 through December 31, 2024.

Required Supplementary Schedule – (Unaudited)
Retiree Health & Wellness San Antonio Fire and Police Fund
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Statutorily determined contribution is using a January valuation date as of the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Period	15 years
Amortization Method	For purposes of determining the minimum required contribution, the unfunded actuarial accrued liability (UAAL) is amortized as a level percentage of covered payroll. Total covered payroll is assumed to increase at a rate of 3.5% per year. The UAAL is amortized over a period of 30 years, open period, beginning on the valuation date.
Asset Valuation Method	Adjusted fair value gains/losses spread over a five-year period.

Actuarial Assumptions:

Discount Rate	7.00%
Inflation	2.75%
Initial Trend Date	6.25%
Ultimate Trend Date	4.25%
Years to Ultimate	Four
Salary Increases	Varies with service
Mortality	Based on the PUB-2010 Mortality Tables projected generationally with scale MP-2021.

Actuarially Determined Contribution Amounts for Fiscal Year 2025 (not in thousands):

Biweekly Contributions:	
Active Members	\$231.58
City per Active Member	\$463.17
Monthly Contributions:	
Retirees with Less Than 30 Years of Service	\$501.76
Dependent Children	\$350.00

Required Supplementary Schedule – (Unaudited)

CPS Energy – Health Plan

Schedule of Contributions – OPEB

Last Ten Fiscal Years

Year-Ended January 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	\$ -	\$ 8,806	\$ (8,806)	\$ 215,964	4.10%
2017		8,500	(8,500)	223,523	3.80%
2018				220,522	0.00%
2019				228,240	0.00%
2020				244,010	0.00%
2021				254,996	0.00%
2022				257,608	0.00%
2023				263,640	0.00%
2024				273,551	0.00%
2025				272,200	0.00%

Amounts presented are determined as of the measurement date of the net OPEB liability (asset) for fiscal years-ended January 31, 2016 through January 31, 2025.

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 dollar; layered periods
Remaining Amortization Period	N/A
Asset Valuation Method	Fair value gains/losses recognized over five years.

Actuarial assumptions:

Inflation	2.33% for fiscal year 2025, 2.30% for fiscal year 2024, 2.20% for fiscal year 2023 and 2022; 3.00% for fiscal year 2021; 2.30% for fiscal year 2020 and 3.00% previous years presented per year, compounded annually.
Investment Rate of Return	7.00% per year, compounded annually, for fiscal year 2025 through 2022, 7.25% for fiscal years 2021 through 2019, 7.50% for fiscal year 2018 and 2017, 7.75% for previous years.
Healthcare and Prescription Cost Trend Rates	6.40% initial, decreasing to an ultimate rate of 3.70% for fiscal year 2025; 5.50% initial, decreasing to an ultimate rate of 3.70% for fiscal year 2024; 5.60% initial, decreasing to an ultimate rate of 3.70% for fiscal year 2023; 6.70% initial, decreasing to an ultimate rate of 3.80% for fiscal year 2022; 5.80% initial, decreasing to an ultimate rate of 4.00% for fiscal year 2021; 8.70% initial, decreasing to an ultimate rate of 4.10% for fiscal year 2020; 7.00% initial, decreasing to an ultimate rate of 5.00% for fiscal years 2019 and 2018; 7.50% initial, decreasing to an ultimate of 5.00% for fiscal years 2017 and 2016.
Salary Increases	Projected average annual base salary increases from 3.33% to 11.61% for fiscal year 2025, 3.30% to 11.58% for fiscal year 2024, 3.20% to 11.47% for fiscal year 2023 and 2022; 3.10% to 11.60% for fiscal years 2021 through 2019; 4.00% to 9.50% for previous years.
Mortality	Based on Pri-2012 Employee/Retiree mortality table (headcount weighted) projected with mortality improvement scale MP-2021 for fiscal years 2025 and 2024; Pri-2012 Employee/Retiree mortality table (headcount weighted) projected with mortality improvement scale MP-2020 and mortality improvement scale MP-2019 for fiscal years 2023 and 2022, respectively; Gender specific RP-2014 mortality table adjusted backwards to 2006 with mortality improvement scale MP-2014 and projected with mortality improvement scale MP-2018 and mortality improvement scale MP-2017 for fiscal year 2021 and 2020, respectively; Gender specific RP-2016 Combined Healthy, with No Collar Adjustment, with MP-2016 mortality improvement scale for fiscal year 2019; Gender specific RP-2000 Combined Healthy, with No Collar Projected Adjustment, projected to 2020 using Scale BB and 95% participation for males/85% participation for females for fiscal year 2018; and Gender specific RP-2000 Combined Healthy, with No Collar Adjustment, projected to 2020 using Scale BB for fiscal years 2017 and 2016.
Other Information	Changes in plan deductibles were updated accordingly for each period; Fiscal year 2019 amounts reflect updates to the Health Reimbursement Arrangement contributions; Fiscal year 2021 amounts reflect the addition of the Health Savings Account contributions.

Required Supplementary Schedule – (Unaudited)

CPS Energy – Life Plan

Schedule of Contributions – OPEB

Last Ten Fiscal Years

Year-Ended January 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	\$ 561	\$ -	\$ 561	\$ 191,984	0.00%
2017	145		145	198,704	0.00%
2018	515		515	210,631	0.00%
2019	435		435	218,003	0.00%
2020				244,010	0.00%
2021				254,996	0.00%
2022	924	900	24	257,608	0.35%
2023	925	925		263,640	0.35%
2024				273,551	0.00%
2025	333	333		272,200	0.12%

Amounts presented are determined as of the measurement date of the net OPEB liability (asset) for fiscal years-ended January 31, 2016 through January 31, 2025.

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	N/A
Asset Valuation Method	Fair value gains/losses recognized over five years.

Actuarial assumptions:

Inflation	2.33% for fiscal year 2025, 2.30% for fiscal year 2024, 2.20% for fiscal year 2023 and 2022; 3.00% for fiscal year 2021; 2.30% for fiscal year 2020 and 3.00% previous years presented per year, compounded annually.
Investment Rate of Return	7.00% per year compounded annually for fiscal year 2025 through 2022; 7.25% for fiscal years 2021 through 2019, 7.50% for previous years.
Salary Increases	Projected average annual base salary increases from 3.33% to 11.61% for fiscal year 2025; 3.30% to 11.58% for fiscal year 2024; 3.20% to 11.47% for fiscal year 2023 and 2022; 5.36% average for fiscal years 2021 and 2020; 4.54% average, including inflation for fiscal year 2019; 4.78% average, including inflation, in prior years.
Mortality	Based on Pri-2012 Employee/Retiree mortality table (headcount weighted) projected forward (fully generational) with mortality improvement scale MP-2021 for fiscal years 2025 and 2024; Pri-2012 Employee / Retiree mortality table (headcount weighted) projected forward (fully generational) with mortality improvement scale MP-2020 and mortality improvement scale MP-2019 for fiscal years 2023 and 2022; Gender specific RP-2014 mortality table adjusted backwards to 2006 with mortality improvement scale MP-2014 and projected with mortality improvement scale MP-2018, with employee rates before termination and healthy annuitant rates after termination for fiscal year 2021; Gender specific RP-2014 mortality table adjusted backwards to 2006 with mortality improvement scale MP-2014 and projected with mortality improvement scale MP-2017, with employee rates before termination and healthy annuitant rates after termination and fiscal year 2020; Gender specific RP-2016 Combined Healthy, with No Collar Adjustment, with MP-2016 mortality improvement scale for fiscal year 2019; Gender specific RP-2000 Combined Healthy, with No Collar Adjustment, projected to 2020 using Scale B for fiscal year 2018; Gender specific RP-2000 Combined Healthy, with No Collar Adjustment, projected to 2020 using Scale BB for fiscal years 2017 and 2016.
Other Information	There were no other changes in benefit terms, in the size of composition of the population covered by the benefit terms that significantly affected trends from year to year in the amounts reported above.

Required Supplementary Schedule – (Unaudited)

CPS Energy – Disability Plan

Schedule of Contributions – OPEB

Last Ten Fiscal Years

Year-Ended January 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	\$ 793	\$ 175	\$ 618	\$ 205,704	0.09%
2017	886	700	186	212,904	0.33%
2018	1,035	1,300	(265)	216,558	0.60%
2019	1,045	1,000	45	224,137	0.45%
2020	769	769		251,482	0.31%
2021	614	614		259,520	0.24%
2022	726	726		260,739	0.28%
2023	559	559		268,773	0.21%
2024	602	602		276,105	0.22%
2025	243	243		281,449	0.09%

Amounts presented are determined as of the measurement date of the net OPEB liability (asset) for fiscal years-ended January 31, 2016 through January 31, 2025.

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	N/A
Asset Valuation Method	Fair value gains/losses recognized over five years.

Actuarial assumptions:

Inflation	2.33 % for fiscal year 2025, 2.30% for fiscal year 2024, 2.20% for fiscal year 2023 and 2022; 3.00% for fiscal year 2021; 2.30% for fiscal year 2020 and 3.00% for previous years presented per year, compounded annually.
Investment Rate of Return	7.00% per year, compounded annually for fiscal year 2025 through 2022; 7.25% for fiscal years 2021 through 2019; 7.50% for previous years.
Salary Increases	Projected average annual base salary increases from 3.33% to 11.61% for fiscal year 2025; 3.20% to 11.47% for fiscal year 2024 through 2022; 5.36% average for fiscal year 2021 and 2020; 4.72% average, including inflation for fiscal year 2019; 4.78% average, including inflation for previous years.
Mortality	Healthy mortality based on Pri-2012 Employee/Retiree mortality table (headcount weighted) projected forward (fully generational) with mortality improvement scale MP-2021 for fiscal years 2025 and 2024; Pri-2012 Employee / Retiree mortality table (headcount weighted) projected forward (fully generational) with mortality improvement scale MP-2020 for fiscal year 2023; Pri-2012 Employee/Retiree mortality (headcount weighted) projected forward (fully generational) with mortality improvement scale MP-2019 for fiscal year 2022; and The 1987 Commissioners Group Disabled Life Mortality Table for the previous years.
Other Information	Fiscal year 2019 reflects updates for the 2017 amendment to the minimum benefit, eligibility requirement, and maximum age for benefit receipt tiered schedule.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Other Post Employment Benefit Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2017	\$ 11,416	\$ 13,709	\$ (2,293)	\$ 79,417	17.26%
2018	11,392	15,308	(3,916)	78,348	19.54%
2019	10,407	13,811	(3,404)	68,894	20.05%
2020	6,339	13,641	(7,302)	67,557	20.19%
2021	3,706	10,442	(6,736)	65,898	15.85%
2022		9,300	(9,300)	62,161	14.96%
2023		5,160	(5,160)	66,975	7.70%
2024		150	(150)	66,260	0.23%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability (asset) for fiscal years-ended December 31, 2017 and December 31, 2024.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Other Post Employment Benefit Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes Actuarially determined contribution rates are calculated as of January 1, of the year in which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Actuarial Value of Assets	Fair Value
Remaining Amortization Period	10 years - Closed.

Actuarial assumptions:

Inflation	2.50% for 2024 to 2020; 2.40% for 2019; and 2.50% for 2018 and 2017.
Investment Rate of Return	In fiscal year 2024, the investment rate of return was changed to 5.50% from 6.25%
Salary Increases	Ranging from 3.75% to 9.0%, Varies by age.
Mortality	Mortality rates for the January 1, 2022 through 2024 valuation were based Pub-2010 General base rate mortality table projected to future years with historical and assumed mortality improvement rates that were issued by the SOA. PubG-2010 is the baseline mortality rate table underlying the SOA Pub-2010 experience study published in January 2019. The mortality improvement scale is based on MP-2021 published in October 2021. In 2021, the improvement table was changed to MP-2020. In 2020, the improvement table was changed to MP-2019. In 2019, the mortality tables were changed to the public retirement plans mortality tables published by the SOA. Previously, the RP-2014 mortality tables for Healthy Employee/Annuitant updated annually were used.
Healthcare Cost Trend Rates	Pre-65 initial trend is 6.75%; Post-65 trend is -2.00%. Ultimate trend rate 2024 – 4.04%; 2023 – 4.14%, 2022 – 2.94%, 2020 and 2021-4.04%, 2019 – 3.94%, 2018 – 3.84%, 2017 – 4.14%.

SUPPLEMENTARY INFORMATION - COMBINING FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

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. In November 2020 the sales tax was reallocated, to finance authorized programs related to job training.

EARLY EDUCATION DEVELOPMENT – to account for revenues and expenditures relating to a ⅛ cent sales tax to fund the Pre-K 4 SA education initiative created to provide high quality pre-kindergarten for 3-year-olds and 4-year-olds throughout the City.

READY TO WORK – to account for revenues and expenditures relating to a ⅛ cent sales tax to develop and implement programs for job training and increase access to quality jobs.

RIGHT OF WAYS – to account for funds used in the maintenance and improvement of right of ways. Financing is provided by street resurfacing charges.

SAN ANTONIO HOUSING TRUST – to account for funds utilized in programs administered by the San Antonio Housing Trust Foundation. Financing is provided from investment earnings that were designated from the sale of Roger's Cable System.

STORMWATER OPERATIONS – to account for the administrative and operational activities of the Stormwater Program. Financing is provided by a storm water fee.

TAX INCREMENT REINVESTMENT ZONE – to account for all revenues and expenditures associated with the operations of Tax Increment Reinvestment Zones (TIRZ) and the Tax Increment Financing Fund (TIF). Financing is provided by property taxes contributed from the City and other participating jurisdictions.

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

OTHER SPECIAL REVENUES (Continued)

PARKS ENVIRONMENTAL & SANITATION – to account for the administrative and operational activities of the Parks Environmental Program. Financing is provided by a parks environmental fee.

BLENDED COMPONENT UNITS

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 ¼ 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 ¼ cent sales tax approved by voters on November 3, 2020.

SAN ANTONIO EDUCATION FACILITIES CORPORATION (EFC) – was established in accordance with state laws for the purpose of aiding nonprofit institutions of higher education in providing educational, housing, and other related facilities.

SAN ANTONIO HEALTH FACILITIES DEVELOPMENT CORPORATION (HFDC) – was established in accordance with state laws for the purpose of acquiring, constructing, improving, providing, financing, and refinancing for any real, personal, or mixed property for health care, research, and education, and to assist in the maintenance of the public health.

SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY (IDA) – was established in accordance with state laws for the purpose of furthering the promotion and development of commercial, industrial, and manufacturing enterprises to promote and encourage employment and the public welfare.

MUNICIPAL GOLF ASSOCIATION – SAN ANTONIO (MGA-SA) – was established for the purpose of, and to act on behalf of the City in, operating and promoting its municipal golf facilities.

SAN ANTONIO TEXAS MUNICIPAL FACILITIES CORPORATION (TMFC) – was established to account for the financing for the acquisition and construction of a One Stop Development Services Center, a Fire and Police Emergency Dispatch Center, also known as the Public Safety Answering Point (PSAP) facility, the City Tower renovation for City employee offices, the redevelopment of two buildings at Brooks City Base, and funding for the Edwards Aquifer Protection Program for the City. Financing was derived from the sale of City of San Antonio, Texas Municipal Facilities Corporation Lease Revenue Bonds and Notes.

STARBRIGHT INDUSTRIAL DEVELOPMENT CORPORATION (SIDC) – was established to account for the purchase of the project site for the Toyota plant and finance other costs of the project site including site preparation and a training facility as provided in the Project Starbright Agreement. Financing was derived from the prior sale of City of San Antonio, Texas Starbright Industrial Development Corporation Contract Revenue Bonds.

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

BLENDED COMPONENT UNITS (Continued)

SAN ANTONIO ECONOMIC DEVELOPMENT CORPORATION (EDC) – was established to promote, assist, and enhance economic development activities for the City.

TEXAS PUBLIC FACILITIES CORPORATION (TPFC) – was established in accordance with state laws for the purpose of, and to act on the behalf of the City, to effectuate the buyout of its existing Hotel Revenue Bonds and funding for the expansion of the City's Convention Center through issuance of 2012 Lease Revenue Bonds and 2022 Lease Revenue Refunding and Improvement Bonds.

HEMISFAIR PARK AREA REDEVELOPMENT CORPORATION (HPARC) – was established by the City in August 2009 for the purpose of aiding and acting on behalf of the City to assist with acquiring property, planning, developing, constructing, managing, maintaining, and financing projects within Hemisfair Park and adjacent to or near Hemisfair Park.

URBAN RENEWAL AGENCY (OUR SA) – OUR SA is responsible for implementing the City's Urban Renewal Program. Financing is provided from the City as well as the sale of redeveloped real estate.

VISIT SAN ANTONIO (VSA) – was established to attract leisure visitors to the City, and attract and secure meetings, events, and conventions to the City, including but not limited to, the Henry B. Gonzalez Convention Center and other City-owned facilities.

CITY OF SAN ANTONIO COUNCIL AIDES CORPORATION (COUNCIL AIDES) – was established for the purpose of assisting council members with handling staff administration costs associated with their office members of the City Council of the City of San Antonio.

Capital Projects Funds

GENERAL OBLIGATION BONDS

GENERAL OBLIGATION BONDS – to account for financial resources to be used for the acquisition or construction of significant improvements to streets, bridges, drainage, city facilities, public safety, parks and recreation, and neighborhood improvements (housing), excluding those financed by proprietary-type funds and trust funds. Financing is derived by the sale of General Obligation Bonds.

PRE-2017 GENERAL OBLIGATION BONDS – consists of the bond elections held before 2017 for physical infrastructure development and improvement projects. The bond election covered projects within five areas: libraries, parks and recreation, drainage and flood control, public health facilities improvements, and street, bridge, pedestrian and related improvements.

2017 GENERAL OBLIGATION BONDS – a bond election held on May 6, 2017 approved \$850 million in physical infrastructure development and improvement projects. These projects were within six areas; streets and pedestrian, drainage improvements, library improvements, parks and recreation, public safety, and neighborhood improvements.

GENERAL OBLIGATION PROJECTS FUND – to account for the acquisition or construction of major capital improvements such as streets, drainage, municipal facilities, park improvements, and neighborhood improvements (housing), where funding is primarily derived from the sale of General Obligation Bonds.

Nonmajor Governmental Funds

Capital Project Funds (Continued)

CERTIFICATES OF OBLIGATION

CERTIFICATES OF OBLIGATION – to account for permanent public improvements and/or construction of municipal facilities, streets, drainage, emergency fire protection, and information technology projects. Financing is derived from the sale of Certificates of Obligation.

PRE-2020 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold between the years of 2006 to 2018 for acquisition, construction and improvement, of municipal facilities; library; streets and street lighting; drainage; sidewalks; parks and infrastructure; police; emergency fire protection projects; installation of upgrades in technology systems; and other pedestrian mobility enhancement improvements.

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; and public safety facilities.

2022 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2022 for improvements to municipal facilities; streets, sidewalks and drainage; parks and recreation; and funding for capital contingency.

2023 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2023 for public safety improvements; streets; parks and recreation; and information technology.

2024 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2024 for public safety improvements; municipal facilities; streets; parks and recreation; and information technology.

2025 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2025 for streets, drainage, and sidewalk improvements; municipal facilities; parks, and community civic centers; and information technology.

CERTIFICATES OF OBLIGATION PROJECTS FUND – to account for the acquisition or construction of major capital improvements such as streets, drainage; municipal facilities; park improvements, and information technology projects, where funding is primarily derived from the sale of Certificates of Obligation.

OTHER CAPITAL PROJECTS

EQUIPMENT ACQUISITION – to account for the lease financing of major or bulk capital assets for the City, including bunker gear, automated CPR devices, ambulatory equipment, enhanced vehicles, police interceptors, radar units, and other related equipment.

IMPROVEMENT PROJECTS – to account for special capital improvements designated by City Council. Financing is derived from contributions from other funds and notes payables issued.

MUNICIPAL DRAINAGE UTILITY SYSTEM – to account for financial resources to be used to finance the costs of drainage improvements, including the acquisition, construction, and repair of structures, equipment and facilities for the City's Municipal Drainage Utility System. Financing is derived from the prior sale of City of San Antonio, Texas Municipal Drainage Utility System Revenue Bonds.

TAX & REVENUE NOTES – to account for capital projects where funding is derived from the sale of short-term tax and revenue notes.

Nonmajor Governmental Funds

Permanent Funds

CARVER CULTURAL CENTER ENDOWMENT – to account for matching funds held by the City and grant funds previously awarded by the National Endowment for the Arts.

CITY CEMETERIES – to account for operation of the City’s burial park. Financing for operations is provided by user fees and investment earnings. The principal portion is required to be retained in the Fund’s Corpus.

WILLIAM C. MORRIS ENDOWMENT – to account for funds donated to the City by the estate of William C. Morris for the purpose of developing and sustaining the San Antonio Public Library’s programs for children.

BOZA BECICA ENDOWMENT – to account for funds donated to the City by the estate of Boza Becica for the purpose of developing and sustaining the San Antonio Public Library’s material purchases. The principal portion is required to be retained in the Fund’s Corpus.

SOUTHERN EDWARDS PLATEAU ENDOWMENT – to account for funds donated to the City by third parties for the purpose of developing and sustaining the Southern Edwards Plateau Habitat Conservation. Financing for operations is also provided by user fees and investment earnings. The principal portion is required to be retained in the Fund’s Corpus.

Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2025
(In Thousands)

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Assets:				
Cash and Cash Equivalents	\$ 58,115	\$ 39	\$ -	\$ 58,154
Investments	96,582	80		96,662
Receivables, Net	14,436	1		14,437
Lease Receivables	6,514			6,514
Due From Other Funds	8,907			8,907
Due From Other Governmental Agencies, Net	3,426			3,426
Restricted Assets:				
Cash and Cash Equivalents	120,060	160,210	2,213	282,483
Investments	194,045	240,084	5,919	440,048
Receivables, Net	159,843	3,812	203	163,858
Materials and Supplies, at Cost	874			874
Deposits	1			1
Prepaid Expenditures	2,850			2,850
Lease Receivables	36,114			36,114
Due From Other Governmental Agencies, Net	8,613	1,579		10,192
Total Assets	\$ 710,380	\$ 405,805	\$ 8,335	\$ 1,124,520
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Vouchers Payable	\$ 1,473	\$ -	\$ -	\$ 1,473
Accounts Payable - Other	8,907			8,907
Accrued Payroll	172			172
Liabilities Payable From Restricted Assets:				
Vouchers Payable	10,903	39,194	29	50,126
Accounts Payable - Other	13,481	24,721	1	38,203
Accrued Payroll	2,826	21	2	2,849
Compensated Absences	105			105
Unearned Revenue	1,005	5,896		6,901
Due To Other Funds	10,120	8,045	20	18,185
Due To Other Governmental Agencies	23,362			23,362
Total Liabilities	72,354	77,877	52	150,283
Deferred Inflows of Resources	169,116	272		169,388
Fund Balances:				
Nonspendable	3,725		7,223	10,948
Restricted	258,044	345,718	1,060	604,822
Committed	210,858	120		210,978
Assigned	790			790
Unassigned	(4,507)	(18,182)		(22,689)
Total Fund Balances	468,910	327,656	8,283	804,849
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 710,380	\$ 405,805	\$ 8,335	\$ 1,124,520

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds

Year-Ended September 30, 2025

(In Thousands)

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:				
Taxes:				
Property	\$ 54,670	\$ -	\$ -	\$ 54,670
General Sales and Use	127,784			127,784
Gross Receipts Business	1,582			1,582
Occupancy	115,717			115,717
Penalties and Interest on Delinquent Taxes	782			782
Intergovernmental	38,056	15,566		53,622
Charges for Services	168,221		384	168,605
Fines and Forfeits	370			370
Miscellaneous	52,303	408		52,711
Investment Earnings	20,095	14,337	333	34,765
Contributions	4,937	5,802		10,739
Total Revenues	584,517	36,113	717	621,347
Expenditures:				
Current:				
General Government	7,180			7,180
Public Safety	21,299	6,366		27,665
Public Works	75,657			75,657
Health Services	8,976			8,976
Sanitation	11,278			11,278
Welfare	464			464
Culture and Recreation	86,656		456	87,112
Convention and Tourism	78,393			78,393
Urban Redevelopment and Housing	28,754			28,754
Education	144,593			144,593
Economic Development and Opportunity	39,939			39,939
Environmental	276			276
Capital Outlay		515,003		515,003
Debt Service:				
Principal Retirement	29,726			29,726
Interest	30,651			30,651
Arbitrage	1,324	3,643		4,967
Issuance Costs	25	1,120		1,145
Leases:				
Principal Retirement	660			660
Interest	299			299
Subscription:				
Principal Retirement	544			544
Interest	21			21
Total Expenditures	566,715	526,132	456	1,093,303
Excess (Deficiency) of Revenues Over (Under) Expenditures	17,802	(490,019)	261	(471,956)
Other Financing Sources (Uses):				
Issuance of Long-Term Debt	899	188,306		189,205
Issuance of Lease Liabilities	81			81
Issuance of Subscription Liabilities	231			231
Premium on Long-Term Debt		11,728		11,728
Transfers In	135,626	495,349		630,975
Transfers Out	(184,867)	(251,514)		(436,381)
Total Other Financing Sources (Uses), Net	(48,030)	443,869		395,839
Net Change in Fund Balances	(30,228)	(46,150)	261	(76,117)
Fund Balances October 1, as previously reported	644,263	373,806	8,022	1,026,091
(Removal of Blended Component Unit)	(145,125)			(145,125)
Fund Balances October 1, as Adjusted	499,138	373,806	8,022	880,966
Fund Balances, September 30	\$ 468,910	\$ 327,656	\$ 8,283	\$ 804,849

Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
As of September 30, 2025
(In Thousands)

	GRANTS	OTHER SPECIAL REVENUES	BLENDED COMPONENT UNITS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
Assets:				
Cash and Cash Equivalents	\$ -	\$ 58,115	\$ -	\$ 58,115
Investments		96,582		96,582
Receivables, Net		14,436		14,436
Lease Receivables		6,514		6,514
Due From Other Funds		8,907		8,907
Due From Other Governmental Agencies, Net		3,426		3,426
Restricted Assets:				
Cash and Cash Equivalents	2,379	89,980	27,701	120,060
Investments	3,457	188,007	2,581	194,045
Receivables, Net	72,226	87,419	198	159,843
Materials and Supplies, at Cost		329	545	874
Deposits		1		1
Prepaid Expenditures		2,792	58	2,850
Lease Receivables	301	29,929	5,884	36,114
Due From Other Governmental Agencies, Net	6,497	2,116		8,613
Total Assets	<u>\$ 84,860</u>	<u>\$ 588,553</u>	<u>\$ 36,967</u>	<u>\$ 710,380</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits):				
Liabilities:				
Vouchers Payable	\$ -	\$ 1,473	\$ -	\$ 1,473
Accounts Payable - Other		8,907		8,907
Accrued Payroll		172		172
Liabilities Payable From Restricted Assets:				
Vouchers Payable	1,998	8,905		10,903
Accounts Payable - Other	482	10,517	2,482	13,481
Accrued Payroll	94	2,560	172	2,826
Compensated Absences		12	93	105
Unearned Revenue		971	34	1,005
Due To Other Funds	738	9,382		10,120
Due To Other Governmental Agencies	6	23,356		23,362
Total Liabilities	<u>3,318</u>	<u>66,255</u>	<u>2,781</u>	<u>72,354</u>
Deferred Inflows of Resources	<u>73,962</u>	<u>89,502</u>	<u>5,652</u>	<u>169,116</u>
Fund Balances (Deficits):				
Nonspendable		3,122	603	3,725
Restricted	9,037	221,866	27,141	258,044
Committed		210,858		210,858
Assigned			790	790
Unassigned	(1,457)	(3,050)		(4,507)
Total Fund Balances (Deficits)	<u>7,580</u>	<u>432,796</u>	<u>28,534</u>	<u>468,910</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 84,860</u>	<u>\$ 588,553</u>	<u>\$ 36,967</u>	<u>\$ 710,380</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, 2025

(In Thousands)

	GRANTS	OTHER SPECIAL REVENUES	BLENDED COMPONENT UNITS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
Revenues:				
Taxes:				
Property	\$ -	\$ 54,670	\$ -	\$ 54,670
General Sales and Use		127,784		127,784
Gross Receipts Business		1,582		1,582
Occupancy		115,717		115,717
Penalties and Interest on Delinquent Taxes		782		782
Intergovernmental	27,414	10,642		38,056
Charges for Services	229	139,820	28,172	168,221
Fines and Forfeits		370		370
Miscellaneous	976	51,203	124	52,303
Investment Earnings	423	17,211	2,461	20,095
Contributions	498	2,166	2,273	4,937
Total Revenues	29,540	521,947	33,030	584,517
Expenditures:				
Current:				
General Government		7,176	4	7,180
Public Safety	849	20,450		21,299
Public Works		75,657		75,657
Health Services		8,976		8,976
Sanitation		11,278		11,278
Welfare		464		464
Culture and Recreation		63,929	22,727	86,656
Convention and Tourism		78,393		78,393
Urban Redevelopment and Housing	25,738	3,016		28,754
Education		144,593		144,593
Economic Development and Opportunity		34,464	5,475	39,939
Environmental		276		276
Debt Service:				
Principal Retirement			29,726	29,726
Interest			30,651	30,651
Arbitrage			1,324	1,324
Issuance Costs			25	25
Leases:				
Principal Retirement		59	601	660
Interest		3	296	299
Subscription:				
Principal Retirement	66	478		544
Interest	1	20		21
Total Expenditures	26,654	449,232	90,829	566,715
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,886	72,715	(57,799)	17,802
Other Financing Sources (Uses):				
Issuance of Long-Term Debt			899	899
Issuance of Lease Liabilities		81		81
Issuance of Subscription Liabilities		231		231
Transfers In	95	78,129	57,402	135,626
Transfers Out	(235)	(147,471)	(37,161)	(184,867)
Total Other Financing Sources (Uses), Net	(140)	(69,030)	21,140	(48,030)
Net Change in Fund Balances	2,746	3,685	(36,659)	(30,228)
Fund Balances (Deficits) October 1, as previously reported	4,834	429,111	210,318	644,263
Change to Financial Reporting Entity (Removal of Blended Component Unit)			(145,125)	(145,125)
Fund Balances October 1, as Adjusted	4,834	429,111	65,193	499,138
Fund Balances, September 30	\$ 7,580	\$ 432,796	\$ 28,534	\$ 468,910

Combining Balance Sheet
Nonmajor Governmental Funds - Grants
As of September 30, 2025
(In Thousands)

	COMMUNITY DEVELOPMENT PROGRAM	CONFISCATED PROPERTY	HOME PROGRAM	TOTAL NONMAJOR GRANTS
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$ -	\$ 1,686	\$ 693	\$ 2,379
Investments	24	3,433		3,457
Receivables, Net	25,835	52	46,339	72,226
Lease Receivables	301			301
Due From Other Governmental Agencies, Net	4,784	13	1,700	6,497
Total Assets	<u>\$ 30,944</u>	<u>\$ 5,184</u>	<u>\$ 48,732</u>	<u>\$ 84,860</u>
Liabilities, Deferred Inflow of Resources and Fund Balances (Deficits):				
Liabilities:				
Liabilities Payable From Restricted Assets:				
Vouchers Payable	\$ 1,129	\$ 35	\$ 834	\$ 1,998
Accounts Payable - Other	322		160	482
Accrued Payroll	80	5	9	94
Due To Other Funds	738			738
Due To Other Governmental Agencies		6		6
Total Liabilities	<u>2,269</u>	<u>46</u>	<u>1,003</u>	<u>3,318</u>
Deferred Inflows of Resources	<u>27,511</u>		<u>46,451</u>	<u>73,962</u>
Fund Balances (Deficits):				
Nonspendable				
Restricted	2,569	5,138	1,330	9,037
Unassigned	(1,405)		(52)	(1,457)
Total Fund Balances (Deficits)	<u>1,164</u>	<u>5,138</u>	<u>1,278</u>	<u>7,580</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 30,944</u>	<u>\$ 5,184</u>	<u>\$ 48,732</u>	<u>\$ 84,860</u>

CITY OF SAN ANTONIO, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds - Grants

Year-Ended September 30, 2025

(In Thousands)

	COMMUNITY DEVELOPMENT PROGRAM	CONFISCATED PROPERTY	HOME PROGRAM	TOTAL NONMAJOR GRANTS
Revenues:				
Intergovernmental	\$ 14,790	\$ 840	\$ 11,784	\$ 27,414
Charges for Services	229			229
Miscellaneous	291		685	976
Investment Earnings	55	208	160	423
Contributions			498	498
Total Revenues	15,365	1,048	13,127	29,540
Expenditures:				
Current:				
Public Safety		849		849
Urban Redevelopment and Housing	14,247		11,491	25,738
Subscription:				
Principal Retirement		66		66
Interest		1		1
Total Expenditures	14,247	916	11,491	26,654
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,118	132	1,636	2,886
Other Financing Sources (Uses):				
Transfers In	64		31	95
Transfers Out	(171)		(64)	(235)
Total Other Financing Sources (Uses), Net	(107)		(33)	(140)
Net Change in Fund Balances	1,011	132	1,603	2,746
Fund Balances (Deficits) October 1,	153	5,006	(325)	4,834
Fund Balances (Deficits), September 30	\$ 1,164	\$ 5,138	\$ 1,278	\$ 7,580

Combining Balance Sheet

Nonmajor Governmental Funds - Other Special Revenues

As of September 30, 2025

(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	\$ -	\$ 58,115	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,115
Investments		96,582											96,582
Receivables, Net		14,436											14,436
Lease Receivables		6,514											6,514
Due From Other Funds		8,907											8,907
Due From Other Governmental Agencies, Net		3,426											3,426
Restricted Assets:													
Cash and Cash Equivalents	1,453	225	37,159	25	5,703	32	4,475	957	720	15,336	23,891	4	89,980
Investments	4,519	5,957	63,800	3,670	12,178	3,077	387	1,945	12,008	32,314	48,144	8	188,007
Receivables, Net	4,161	20,407	34,223	4,844	78	8,406	8,388	1,031	93	4,522	308	958	87,419
Materials and Supplies, at Cost		34	248							47			329
Deposits			1										1
Prepaid Expenditures			2,792										2,792
Lease Receivables		17,569	12,360										29,929
Due From Other Governmental Agencies		21	1,495					267			333		2,116
Total Assets	\$ 10,133	\$ 232,193	\$ 152,078	\$ 8,539	\$ 17,959	\$ 11,515	\$ 13,250	\$ 4,200	\$ 12,821	\$ 52,219	\$ 72,676	\$ 970	\$ 588,553
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits):													
Liabilities:													
Vouchers Payable	\$ -	\$ 1,473	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,473
Accounts Payable - Other		8,907											8,907
Accrued Payroll		172											172
Liabilities Payable From Restricted Assets:													
Vouchers Payable	159	1,550	5,264			1			400	827	704		8,905
Accounts Payable - Other	48	7,740	1,794			362	142	37		299	10	85	10,517
Accrued Payroll	99	463	324			836	63	77		497	21	180	2,560
Compensated Absences		1	7			3				1			12
Unearned Revenue		350	619			1	1						971
Due To Other Funds		4,600		4,307								475	9,382
Due To Other Governmental Agencies						10,312	13,044						23,356
Total Liabilities	306	25,256	8,008	4,307		11,515	13,250	114	400	1,624	735	740	66,255
Deferred Inflows of Resources		45,017	41,587	2,898					-				89,502
Fund Balances (Deficits):													
Nonspendable		34	3,041							47			3,122
Restricted	9,827	2,125	63,816	1,334	17,959			4,086		50,548	71,941	230	221,866
Committed		159,761	38,676						12,421				210,858
Unassigned			(3,050)										(3,050)
Total Fund Balances (Deficits)	9,827	161,920	102,483	1,334	17,959			4,086	12,421	50,595	71,941	230	432,796
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 10,133	\$ 232,193	\$ 152,078	\$ 8,539	\$ 17,959	\$ 11,515	\$ 13,250	\$ 4,200	\$ 12,821	\$ 52,219	\$ 72,676	\$ 970	\$ 588,553

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds - Other Special Revenues

Year-Ended September 30, 2025

(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	\$ -	\$ -	\$ 6,604	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 48,066	\$ -	\$ 54,670
General Sales and Use	25,392					51,196	51,196						127,784
Gross Receipts Business			1,582										1,582
Occupancy		81,441	10,947	23,329									115,717
Penalties and Interest on Delinquent Taxes		608		174									782
Intergovernmental		2,704	7,938										10,642
Charges for Services		49,992	11,151					4,415		62,601	50	11,611	139,820
Fines and Forfeits			370										370
Miscellaneous		1,346	7,108	1		38,456	3,689		502	101			51,203
Investment Earnings	562	6,157	4,188	211	848	19	141	113	545	1,869	2,558		17,211
Contributions			2,166										2,166
Total Revenues	25,954	142,248	52,054	23,715	848	89,671	55,026	4,528	1,047	64,571	50,674	11,611	521,947
Expenditures:													
Current:													
General Government			7,176										7,176
Public Safety			20,450										20,450
Public Works	10,091		14,929					4,186		46,451			75,657
Health Services			8,976										8,976
Sanitation												11,278	11,278
Welfare			464										464
Culture and Recreation		58,054	5,875										63,929
Convention and Tourism		67,275	11,116	2									78,393
Urban Redevelopment and Housing			2,616						400				3,016
Education						89,671	54,922						144,593
Economic Development and Opportunity			7,500								26,964		34,464
Environmental			276										276
Leases:													
Principal Retirement		14	39					1		5			59
Interest		1	2										3
Subscription:													
Principal Retirement	3	322								153			478
Interest		4								16			20
Total Expenditures	10,094	125,670	79,419	2		89,671	54,922	4,187	400	46,625	26,964	11,278	449,232
Excess of Revenues Over (Under) Expenditures	15,860	16,578	(27,365)	23,713	848		104	341	647	17,946	23,710	333	72,715
Other Financing Sources (Uses):													
Issuance of Lease Liabilities			81										81
Issuance of Subscription Liabilities		231											231
Transfers In		17,520	36,630	23,979									78,129
Transfers Out	(22,691)	(29,235)	(17,305)	(47,623)	(4,270)		(104)	(200)		(15,686)	(10,357)		(147,471)
Total Other Financing Sources (Uses), Net	(22,691)	(11,484)	19,406	(23,644)	(4,270)		(104)	(200)		(15,686)	(10,357)		(69,030)
Net Change in Fund Balances	(6,831)	5,094	(7,959)	69	(3,422)			141	647	2,260	13,353	333	3,685
Fund Balances October 1	16,658	156,826	110,442	1,265	21,381			3,945	11,774	48,335	58,588	(103)	429,111
Fund Balances, September 30	\$ 9,827	\$ 161,920	\$ 102,483	\$ 1,334	\$ 17,959	\$ -	\$ -	\$ 4,086	\$ 12,421	\$ 50,595	\$ 71,941	\$ 230	\$ 432,796

Combining Balance Sheet
Nonmajor Governmental Funds - Blended Component Units
As of September 30, 2025
(In Thousands)

	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	CITY OF SAN ANTONIO COUNCIL AIDES CORPORATION	TOTAL NONMAJOR BLENDED COMPONENT UNITS
Assets:														
Restricted Assets:														
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ -	\$ 5,140	\$ 11,109	\$ 289	\$ -	\$ 10,332	\$ 831	\$ -	\$ -	\$ -	\$ 27,701
Investments					56	7			23	2,574				2,581
Receivables, Net					545	37				82				198
Materials and Supplies, at Cost					30		3			25				545
Prepaid Expenditures										5,884				58
Lease Receivables														5,884
Total Assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,771</u>	<u>\$ 11,153</u>	<u>\$ 292</u>	<u>\$ -</u>	<u>\$ 10,355</u>	<u>\$ 9,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,967</u>
Liabilities, Deferred Inflows of Resources and Fund Balances:														
Liabilities:														
Liabilities Payable From Restricted Assets:														
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts Payable - Other					1,049				1,324	109				2,482
Accrued Payroll										172				172
Compensated Absences										93				93
Unearned Revenue										34				34
Total Liabilities					<u>1,049</u>				<u>1,324</u>	<u>408</u>				<u>2,781</u>
Deferred Inflows of Resources										<u>5,652</u>				<u>5,652</u>
Fund Balances:														
Nonspendable					575		3			25				603
Restricted					4,147	11,153	289		9,031	2,521				27,141
Assigned										790				790
Total Fund Balances					<u>4,722</u>	<u>11,153</u>	<u>292</u>		<u>9,031</u>	<u>3,336</u>				<u>28,534</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,771</u>	<u>\$ 11,153</u>	<u>\$ 292</u>	<u>\$ -</u>	<u>\$ 10,355</u>	<u>\$ 9,396</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 36,967</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Blended Component Units
Year-Ended September 30, 2025
(In Thousands)

	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	CITY OF SAN ANTONIO COUNCIL AIDES CORPORATION	TOTAL NONMAJOR BLENDED COMPONENT UNITS
Revenues:														
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for Services					25,814					2,358				28,172
Miscellaneous					12	3				109				124
Investment Earnings					145	799	28		1,356	133				2,461
Contributions										2,273				2,273
Total Revenues					25,971	802	28		1,356	4,873				33,030
Expenditures:														
Current:														
General Government						4								4
Culture and Recreation					22,727									22,727
Economic Development and Opportunity							4			5,471				5,475
Debt Service:														
Principal Retirement					1,346	21,615	1,135		5,630					29,726
Interest					235	5,327	523		24,566					30,651
Arbitrage									1,324					1,324
Issuance Costs						25								25
Leases:														
Principal Retirement					530					71				601
Interest					90					206				296
Total Expenditures					24,928	26,971	1,662		31,520	5,748				90,829
Excess (Deficiency) of Revenues Over (Under) Expenditures					1,043	(26,169)	(1,634)		(30,164)	(875)				(57,799)
Other Financing Sources (Uses):														
Issuance of Long-Term Debt					899	25,617			30,153					899
Transfers In						(12,513)	1,632		(22,939)					57,402
Transfers Out					(1,709)	(12,513)								(37,161)
Total Other Financing Sources, Net					(810)	13,104	1,632		7,214					21,140
Net Change in Fund Balances					233	(13,065)	(2)		(22,950)	(875)				(36,659)
Fund Balances October 1, as previously reported	130,243	293	7	29	4,489	24,218	294	1,761	31,981	4,211	2,452	9,944	396	210,318
Change to Financial Reporting Entity (Removal of Blended Component Unit)	(130,243)	(293)	(7)	(29)				(1,761)			(2,452)	(9,944)	(396)	(145,125)
Fund Balances October 1, as Adjusted					4,489	24,218	294		31,981	4,211				65,193
Fund Balances, September 30	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,722</u>	<u>\$ 11,153</u>	<u>\$ 292</u>	<u>\$ -</u>	<u>\$ 9,031</u>	<u>\$ 3,336</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,534</u>

Combining Balance Sheet
Nonmajor Governmental Funds - Capital Projects
As of September 30, 2025
(In Thousands)

	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION	OTHER CAPITAL PROJECTS	TOTAL CAPITAL PROJECTS
Assets:				
Cash and Cash Equivalents	\$ -	\$ -	\$ 39	\$ 39
Investments			80	80
Receivables, Net			1	1
Restricted Assets:				
Cash and Cash Equivalents	55,606	66,100	38,504	160,210
Investments	90,303	107,128	42,653	240,084
Receivables, Net	2,840	684	288	3,812
Due From Other Governmental Agencies, Net	1,312		267	1,579
Total Assets	\$ 150,061	\$ 173,912	\$ 81,832	\$ 405,805
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Liabilities Payable From Restricted Assets:				
Vouchers Payable	\$ 24,099	\$ 2,317	\$ 12,778	\$ 39,194
Accounts Payable - Other	11,974	2,907	9,840	24,721
Accrued Payroll	3	14	4	21
Unearned Revenue	1,494	303	4,099	5,896
Due To Other Funds		3,700	4,345	8,045
Total Liabilities	37,570	9,241	31,066	77,877
Deferred Inflows of Resources	270		2	272
Fund Balances:				
Restricted	116,842	171,138	57,738	345,718
Committed			120	120
Unassigned	(4,621)	(6,467)	(7,094)	(18,182)
Total Fund Balances	112,221	164,671	50,764	327,656
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 150,061	\$ 173,912	\$ 81,832	\$ 405,805

CITY OF SAN ANTONIO, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Capital Projects
Year-Ended September 30, 2025

(In Thousands)

	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION	OTHER CAPITAL PROJECTS	TOTAL CAPITAL PROJECTS
Revenues:				
Intergovernmental	\$ 12,174	\$ 184	\$ 3,208	\$ 15,566
Miscellaneous			408	408
Investment Earnings	6,791	5,378	2,168	14,337
Contributions	5,802			5,802
Total Revenues	24,767	5,562	5,784	36,113
Expenditures:				
Current:				
Public Safety			6,366	6,366
Capital Outlay	233,106	41,539	240,358	515,003
Debt Service:				
Arbitrage	2,307	642	694	3,643
Issuance Costs	15	830	275	1,120
Total Expenditures	235,428	43,011	247,693	526,132
(Deficiency) of Revenues (Under) Expenditures	(210,661)	(37,449)	(241,909)	(490,019)
Other Financing Sources (Uses):				
Issuance of Long-Term Debt		126,345	61,961	188,306
Premium on Long-Term Debt		9,927	1,801	11,728
Transfers In	219,643	35,395	240,311	495,349
Transfers Out	(63,091)	(130,041)	(58,382)	(251,514)
Total Other Financing Sources (Uses), Net	156,552	41,626	245,691	443,869
Net Change in Fund Balances	(54,109)	4,177	3,782	(46,150)
Fund Balances, October 1	166,330	160,494	46,982	373,806
Fund Balances, September 30	\$ 112,221	\$ 164,671	\$ 50,764	\$ 327,656

Combining Balance Sheet

Nonmajor Governmental Funds - General Obligation Bonds

As of September 30, 2025

(In Thousands)

	PRE-2017 GENERAL OBLIGATION BONDS	2017 GENERAL OBLIGATION BONDS	GENERAL OBLIGATION PROJECTS FUND	TOTAL GENERAL OBLIGATION BONDS
Assets:				
Restricted Assets:				
Cash and Cash Equivalents	\$ 5,161	\$ 23,110	\$ 27,335	\$ 55,606
Investments	11,794	78,509		90,303
Receivables, Net	75	500	2,265	2,840
Due From Other Governmental Agencies, Net			1,312	1,312
Total Assets	<u>\$ 17,030</u>	<u>\$ 102,119</u>	<u>\$ 30,912</u>	<u>\$ 150,061</u>
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits):				
Liabilities:				
Liabilities Payable From Restricted Assets:				
Vouchers Payable	\$ -	\$ -	\$ 24,099	\$ 24,099
Accounts Payable - Other		2,307	9,667	11,974
Accrued Payroll			3	3
Unearned Revenue			1,494	1,494
Total Liabilities		<u>2,307</u>	<u>35,263</u>	<u>37,570</u>
Deferred Inflows of Resources			<u>270</u>	<u>270</u>
Fund Balances (Deficits):				
Restricted	17,030	99,812		116,842
Unassigned			(4,621)	(4,621)
Total Fund Balances (Deficits)	<u>17,030</u>	<u>99,812</u>	<u>(4,621)</u>	<u>112,221</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	<u>\$ 17,030</u>	<u>\$ 102,119</u>	<u>\$ 30,912</u>	<u>\$ 150,061</u>

CITY OF SAN ANTONIO, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - General Obligation Bonds
Year-Ended September 30, 2025

(In Thousands)

	PRE-2017 GENERAL OBLIGATION BONDS	2017 GENERAL OBLIGATION BONDS	GENERAL OBLIGATION PROJECTS FUND	TOTAL GENERAL OBLIGATION BONDS
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 12,174	\$ 12,174
Investment Earnings	869	5,922		6,791
Contributions			5,802	5,802
Total Revenues	<u>869</u>	<u>5,922</u>	<u>17,976</u>	<u>24,767</u>
Expenditures:				
Capital Outlay			233,106	233,106
Debt Service:				
Arbitrage		2,307		2,307
Issuance Costs		15		15
Total Expenditures		<u>2,322</u>	<u>233,106</u>	<u>235,428</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>869</u>	<u>3,600</u>	<u>(215,130)</u>	<u>(210,661)</u>
Other Financing Sources (Uses):				
Transfers In			219,643	219,643
Transfers Out	(5,711)	(57,380)		(63,091)
Total Other Financing Sources (Uses), Net	<u>(5,711)</u>	<u>(57,380)</u>	<u>219,643</u>	<u>156,552</u>
Net Change in Fund Balances	<u>(4,842)</u>	<u>(53,780)</u>	<u>4,513</u>	<u>(54,109)</u>
Fund Balances (Deficits), October 1	<u>21,872</u>	<u>153,592</u>	<u>(9,134)</u>	<u>166,330</u>
Fund Balances (Deficits), September 30	<u>\$ 17,030</u>	<u>\$ 99,812</u>	<u>\$ (4,621)</u>	<u>\$ 112,221</u>

Combining Balance Sheet
Nonmajor Governmental Funds - Certificates of Obligation
As of September 30, 2025
(In Thousands)

	PRE-2020 CERTIFICATES OF OBLIGATION	2020 CERTIFICATES OF OBLIGATION	2021 CERTIFICATES OF OBLIGATION	2022 CERTIFICATES OF OBLIGATION	2023 CERTIFICATES OF OBLIGATION	2024 CERTIFICATES OF OBLIGATION	2025 CERTIFICATES OF OBLIGATION	CERTIFICATES OF OBLIGATION PROJECTS FUND	TOTAL CERTIFICATES OF OBLIGATION
Assets:									
Restricted Assets:									
Cash and Cash Equivalents	\$ 14,337	\$ 465	\$ 1,234	\$ 2,281	\$ 209	\$ 8,502	\$ 36,940	\$ 2,132	\$ 66,100
Investments	11,757	1,074	2,513	10,811	425	21,308	59,240		107,128
Receivables, Net	75	7	16	69	3	136	378		684
Total Assets	\$ 26,169	\$ 1,546	\$ 3,763	\$ 13,161	\$ 637	\$ 29,946	\$ 96,558	\$ 2,132	\$ 173,912
Liabilities and Fund Balances (Deficits):									
Liabilities:									
Liabilities Payable From Restricted Assets:									
Vouchers Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,317	\$ 2,317
Accounts Payable - Other		642						2,265	2,907
Accrued Payroll								14	14
Unearned Revenue								303	303
Due To Other Funds								3,700	3,700
Total Liabilities		642						8,599	9,241
Fund Balances (Deficits):									
Restricted	26,169	904	3,763	13,161	637	29,946	96,558		171,138
Unassigned								(6,467)	(6,467)
Total Fund Balances (Deficits)	26,169	904	3,763	13,161	637	29,946	96,558	(6,467)	164,671
Total Liabilities and Fund Balances (Deficits)	\$ 26,169	\$ 1,546	\$ 3,763	\$ 13,161	\$ 637	\$ 29,946	\$ 96,558	\$ 2,132	\$ 173,912

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds - Certificates of Obligation

Year-Ended September 30, 2025

(In Thousands)

	PRE-2020 CERTIFICATES OF OBLIGATION	2020 CERTIFICATES OF OBLIGATION	2021 CERTIFICATES OF OBLIGATION	2022 CERTIFICATES OF OBLIGATION	2023 CERTIFICATES OF OBLIGATION	2024 CERTIFICATES OF OBLIGATION	2025 CERTIFICATES OF OBLIGATION	CERTIFICATES OF OBLIGATION PROJECTS FUND	TOTAL CERTIFICATES OF OBLIGATION
Revenues:									
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 184	\$ 184
Investment Earnings	1,450	82	268	752	42	2,154	630		5,378
Total Revenues	<u>1,450</u>	<u>82</u>	<u>268</u>	<u>752</u>	<u>42</u>	<u>2,154</u>	<u>630</u>	<u>184</u>	<u>5,562</u>
Expenditures:									
Capital Outlay								41,539	41,539
Debt Service:									
Arbitrage		642							642
Issuance Costs							830		830
Total Expenditures		<u>642</u>					<u>830</u>	<u>41,539</u>	<u>43,011</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,450</u>	<u>(560)</u>	<u>268</u>	<u>752</u>	<u>42</u>	<u>2,154</u>	<u>(200)</u>	<u>(41,355)</u>	<u>(37,449)</u>
Other Financing Sources (Uses):									
Issuance of Long-Term Debt							126,345		126,345
Premium on Long-Term Debt							9,927		9,927
Transfers In								35,395	35,395
Transfers Out	(13,800)	(446)	(6,523)	(5,746)	(352)	(63,660)	(39,514)		(130,041)
Total Other Financing Sources (Uses), Net	<u>(13,800)</u>	<u>(446)</u>	<u>(6,523)</u>	<u>(5,746)</u>	<u>(352)</u>	<u>(63,660)</u>	<u>96,758</u>	<u>35,395</u>	<u>41,626</u>
Net Change in Fund Balances	<u>(12,350)</u>	<u>(1,006)</u>	<u>(6,255)</u>	<u>(4,994)</u>	<u>(310)</u>	<u>(61,506)</u>	<u>96,558</u>	<u>(5,960)</u>	<u>4,177</u>
Fund Balances (Deficits), October 1	<u>38,519</u>	<u>1,910</u>	<u>10,018</u>	<u>18,155</u>	<u>947</u>	<u>91,452</u>		<u>(507)</u>	<u>160,494</u>
Fund Balances (Deficits), September 30	<u>\$ 26,169</u>	<u>\$ 904</u>	<u>\$ 3,763</u>	<u>\$ 13,161</u>	<u>\$ 637</u>	<u>\$ 29,946</u>	<u>\$ 96,558</u>	<u>\$ (6,467)</u>	<u>\$ 164,671</u>

Combining Balance Sheet
Nonmajor Governmental Funds - Other Capital Projects
As of September 30, 2025
(In Thousands)

	EQUIPMENT ACQUISITION	IMPROVEMENT PROJECTS	MUNICIPAL DRAINAGE UTILITY SYSTEM	TAX & REVENUE NOTES	TOTAL OTHER CAPITAL PROJECTS
Assets:					
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 39	\$ 39
Investments				80	80
Receivables, Net				1	1
Restricted Assets:					
Cash and Cash Equivalents	6,088	18,600	38	13,778	38,504
Investments	15		76	42,562	42,653
Receivables, Net		17		271	288
Due From Other Governmental Agencies, Net		267			267
Total Assets	\$ 6,103	\$ 18,884	\$ 114	\$ 56,731	\$ 81,832
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits):					
Liabilities:					
Liabilities Payable From Restricted Assets:					
Vouchers Payable	\$ 51	\$ 12,727	\$ -	\$ -	12,778
Accounts Payable - Other		9,146		694	9,840
Accrued Payroll		4			4
Unearned Revenue		4,099			4,099
Due To Other Funds	4,345				4,345
Total Liabilities	4,396	25,976		694	31,066
Deferred Inflows of Resources		2			2
Fund Balances (Deficits):					
Restricted	1,707		114	55,917	57,738
Committed				120	120
Unassigned		(7,094)			(7,094)
Total Fund Balances (Deficits)	1,707	(7,094)	114	56,037	50,764
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	\$ 6,103	\$ 18,884	\$ 114	\$ 56,731	\$ 81,832

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds - Other Capital Projects

Year-Ended September 30, 2025

(In Thousands)

	EQUIPMENT ACQUISITION	IMPROVEMENT PROJECTS	MUNICIPAL DRAINAGE UTILITY SYSTEM	TAX & REVENUE NOTES	TOTAL OTHER CAPITAL PROJECTS
Revenues:					
Intergovernmental	\$ -	\$ 3,208	\$ -	\$ -	\$ 3,208
Miscellaneous	408				408
Investment Earnings	144		4	2,020	2,168
Total Revenues	552	3,208	4	2,020	5,784
Expenditures:					
Current:					
Public Safety	6,366				6,366
Capital Outlay		240,358			240,358
Debt Service:					
Arbitrage				694	694
Issuance Costs				275	275
Total Expenditures	6,366	240,358		969	247,693
Excess (Deficiency) of Revenue Over (Under) Expenditures	(5,814)	(237,150)	4	1,051	(241,909)
Other Financing Sources (Uses):					
Issuance of Long-Term Debt	7,521			54,440	61,961
Premium on Long-Term Debt				1,801	1,801
Transfers In		240,311			240,311
Transfers Out				(58,382)	(58,382)
Total Other Financing Sources (Uses), Net	7,521	240,311		(2,141)	245,691
Net Change in Fund Balances	1,707	3,161	4	(1,090)	3,782
Fund Balances, October 1		(10,255)	110	57,127	46,982
Fund Balances (Deficits), September 30	\$ 1,707	\$ (7,094)	\$ 114	\$ 56,037	\$ 50,764

Combining Balance Sheet
Nonmajor Governmental Funds - Permanent
As of September 30, 2025
(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	\$ 125	\$ 1,785	\$ 109	\$ 185	\$ 9	\$ 2,213
Investments	255	3,635	221	378	1,430	5,919
Receivables, Net	1	187	1	2	12	203
Total Assets	<u>\$ 381</u>	<u>\$ 5,607</u>	<u>\$ 331</u>	<u>\$ 565</u>	<u>\$ 1,451</u>	<u>\$ 8,335</u>
Liabilities and Fund Balances:						
Liabilities:						
Liabilities Payable From Restricted Assets:						
Vouchers Payable	\$ -	\$ 28	\$ 1	\$ -	\$ -	\$ 29
Accounts Payable - Other		1				1
Accrued Payroll		2				2
Due To Other Funds					20	20
Total Liabilities		<u>31</u>	<u>1</u>		<u>20</u>	<u>52</u>
Fund Balances:						
Nonspendable	334	4,959	313	514	1,103	7,223
Restricted	47	617	17	51	328	1,060
Total Fund Balances	<u>381</u>	<u>5,576</u>	<u>330</u>	<u>565</u>	<u>1,431</u>	<u>8,283</u>
Total Liabilities and Fund Balances	<u>\$ 381</u>	<u>\$ 5,607</u>	<u>\$ 331</u>	<u>\$ 565</u>	<u>\$ 1,451</u>	<u>\$ 8,335</u>

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Nonmajor Governmental Funds - Permanent

Year-Ended September 30, 2025

(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	\$ -	\$ 384	\$ -	\$ -	\$ -	\$ 384
Investment Earnings	15	219	13	22	64	333
Total Revenues	<u>15</u>	<u>603</u>	<u>13</u>	<u>22</u>	<u>64</u>	<u>717</u>
Expenditures:						
Culture and Recreation	4	440	12			456
Total Expenditures	<u>4</u>	<u>440</u>	<u>12</u>			<u>456</u>
Excess of Revenue Over Expenditures	<u>11</u>	<u>163</u>	<u>1</u>	<u>22</u>	<u>64</u>	<u>261</u>
Net Change in Fund Balances	11	163	1	22	64	261
Fund Balances, October 1	370	5,413	329	543	1,367	8,022
Fund Balances, September 30	<u>\$ 381</u>	<u>\$ 5,576</u>	<u>\$ 330</u>	<u>\$ 565</u>	<u>\$ 1,431</u>	<u>\$ 8,283</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, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes	\$ 915,631	\$ 915,302	\$ (329)
Licenses and Permits	11,527	11,549	22
Intergovernmental	14,208	14,906	698
Revenues from Utilities	526,636	527,712	1,076
Charges for Services	79,102	80,093	991
Fines and Forfeits	10,517	10,272	(245)
Miscellaneous	17,271	18,981	1,710
Investment Earnings	24,128	24,734	606
Total Revenues	\$ 1,599,020	\$ 1,603,549	\$ 4,529
Expenditures:			
General Government	132,115	130,744	1,371
Public Safety	1,001,153	999,573	1,580
Public Works	114,060	112,868	1,192
Health Services	84,978	84,276	702
Culture and Recreation	164,166	163,705	461
Urban Redevelopment and Housing	48,106	44,990	3,116
Welfare	63,549	62,133	1,416
Economic Development and Opportunity	19,837	19,346	491
Environmental	17,059	14,832	2,227
Total Expenditures	\$ 1,645,023	\$ 1,632,467	\$ 12,556
(Deficiency) of Revenues (Under) Expenditures	\$ (46,003)	\$ (28,918)	\$ 17,085
Other Financing Sources (Uses):			
Transfers In	19,598	20,544	946
Transfers Out	(177,923)	(155,334)	22,589
Total Other Financing Sources (Uses), Net	\$ (158,325)	\$ (134,790)	\$ 23,535
Net Change in Fund Balance	(204,328)	(163,708)	\$ 40,620
Fund Balances, October 1	583,400	583,400	
Add Encumbrances	178,172	152,019	
Fund Balances, September 30	\$ 557,244	\$ 571,711	

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Amortized Lease Revenue (GASB 87)	(349)
Net Fair Value of Investments (GASB 31)	(1,728)
Ending Fund Balance	<u>\$ 569,634</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.

Schedule of Revenues Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund

Year-Ended September 30, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes:			
Property:			
Current	\$ 471,879	\$ 473,497	\$ 1,618
Delinquent	2,755	1,063	(1,692)
General Sales and Use:			
City Sales	411,015	409,571	(1,444)
Selective Sales and Use:			
Alcoholic Beverages	12,799	12,674	(125)
Gross Receipts Business:			
Telecommunication Access Lines Fees	4,602	4,856	254
Cablevision Franchise	6,303	6,420	117
Bingo	1,100	1,190	90
Other	2,435	2,231	(204)
Penalties and Interest on Delinquent Taxes	2,743	3,800	1,057
Total Taxes	\$ 915,631	\$ 915,302	\$ (329)
Licenses and Permits:			
Alarm Licenses	3,151	3,004	(147)
Alcoholic Beverages Licenses	906	1,008	102
Amusement Licenses	40	36	(4)
Building Permits	75	93	18
Health Licenses	5,367	5,342	(25)
Professional and Occupational Licenses	947	1,006	59
Street Permits	1,041	1,060	19
Total Licenses and Permits	\$ 11,527	\$ 11,549	\$ 22
Intergovernmental:			
Bexar County - Child Support	36	33	(3)
Federal Aid	8,872	8,872	
Library Aid from Bexar County	3,500	3,500	
Other	1,413	2,097	684
VIA Contributions	387	404	17
Total Intergovernmental	\$ 14,208	\$ 14,906	\$ 698
Revenues from Utilities:			
CPS Energy	490,516	492,161	1,645
San Antonio Water System	36,120	35,551	(569)
Total Revenues from Utilities	\$ 526,636	\$ 527,712	\$ 1,076

(Continued)

Schedule of Revenues Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Charges for Services:			
General Government	\$ 3,358	\$ 3,581	\$ 223
Public Safety:			
Fire Department	41,246	42,172	926
Police Department	13,853	13,756	(97)
Sanitation:			
Demolition of Unsafe Structures	656	614	(42)
Health	3,037	3,218	181
Streets	241	247	6
Culture and Recreation:			
Attractions and Venues	13,951	13,385	(566)
Community Centers	205	196	(9)
Concessions & Rentals	496	521	25
Library	367	577	210
Miscellaneous Recreation Revenue	312	456	144
Recreation Fees	1,362	1,362	
Swimming Pools	18	8	(10)
Total Charges for Services	\$ 79,102	\$ 80,093	\$ 991
Fines and Forfeits:			
Municipal Court Fines	\$ 10,517	\$ 10,272	\$ (245)
Miscellaneous:			
Interfund Charges	2,000	1,948	(52)
Other	1,164	1,253	89
Recovery of Expenditures	3,602	5,489	1,887
Rents, Leases, and Concessions	1,901	1,745	(156)
Sales	8,604	8,546	(58)
Total Miscellaneous	\$ 17,271	\$ 18,981	\$ 1,710
Investment Earnings:			
Interest	\$ 24,128	\$ 24,734	\$ 606
Total Revenues	\$ 1,599,020	\$ 1,603,549	\$ 4,529
			(End of Schedule)

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Amortized Lease Revenue (GASB 87)	(349)
Net Fair Value of Investments (GASB 31)	(1,728)
Total Revenues	\$ 1,601,472

Schedule of Expenditures Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2025
(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Expenditures:			
General Government:			
Executive:			
Personal Services	\$ 58,933	\$ 58,634	\$ 299
Contractual Services	6,357	5,902	455
Commodities	936	732	204
Other Expenditures	14,102	14,272	(170)
Capital Outlay	1,715	1,556	159
Total Executive	<u>\$ 82,043</u>	<u>\$ 81,096</u>	<u>\$ 947</u>
Judicial:			
Personal Services	13,757	13,581	176
Contractual Services	2,269	2,431	(162)
Commodities	211	211	
Other Expenditures	2,766	2,766	
Capital Outlay	885	628	257
Total Judicial	<u>\$ 19,888</u>	<u>\$ 19,617</u>	<u>\$ 271</u>
Legislative:			
Personal Services	5,961	5,954	7
Contractual Services	5,990	6,407	(417)
Commodities	305	711	(406)
Other Expenditures	17,570	16,404	1,166
Capital Outlay	358	555	(197)
Total Legislative	<u>\$ 30,184</u>	<u>\$ 30,031</u>	<u>\$ 153</u>
Total General Government	<u>\$ 132,115</u>	<u>\$ 130,744</u>	<u>\$ 1,371</u>
Public Safety:			
Fire:			
Personal Services	330,995	328,463	2,532
Contractual Services	19,112	18,405	707
Commodities	14,695	14,688	7
Other Expenditures	38,465	37,892	573
Capital Outlay	2,754	3,044	(290)
Total Fire	<u>\$ 406,021</u>	<u>\$ 402,492</u>	<u>\$ 3,529</u>
Police:			
Personal Services	494,068	494,399	(331)
Contractual Services	31,435	31,507	(72)
Commodities	5,803	7,074	(1,271)
Other Expenditures	58,719	58,981	(262)
Capital Outlay	5,107	5,120	(13)
Total Police	<u>\$ 595,132</u>	<u>\$ 597,081</u>	<u>\$ (1,949)</u>
Total Public Safety	<u>\$ 1,001,153</u>	<u>\$ 999,573</u>	<u>\$ 1,580</u>
Public Works:			
Administration:			
Personal Services	3,092	3,857	(765)
Contractual Services	25,479	26,516	(1,037)
Commodities	65	62	3
Other Expenditures	1,477	1,593	(116)
Capital Outlay	140	104	36
Total Administration	<u>\$ 30,253</u>	<u>\$ 32,132</u>	<u>\$ (1,879)</u>

(Continued)

Schedule of Expenditures Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2025
(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Streets:			
Personal Services	\$ 23,163	\$ 18,117	\$ 5,046
Contractual Services	5,931	14,883	(8,952)
Commodities	8,045	6,728	1,317
Other Expenditures	28,795	22,637	6,158
Capital Outlay	10	58	(48)
Total Streets	\$ 65,944	\$ 62,423	\$ 3,521
Traffic and Transportation:			
Personal Services	8,128	5,954	2,174
Contractual Services	4,602	8,463	(3,861)
Commodities	1,765	1,269	496
Other Expenditures	3,054	2,538	516
Capital Outlay	314	89	225
Total Traffic and Transportation	\$ 17,863	\$ 18,313	\$ (450)
Total Public Works	\$ 114,060	\$ 112,868	\$ 1,192
Health Services:			
Personal Services	45,893	45,720	173
Contractual Services	23,701	23,260	441
Commodities	3,453	3,675	(222)
Other Expenditures	9,836	9,610	226
Capital Outlay	2,095	2,011	84
Total Health Services	\$ 84,978	\$ 84,276	\$ 702
Culture and Recreation:			
Downtown Operations:			
Personal Services	5,845	5,779	66
Contractual Services	3,817	3,887	(70)
Commodities	494	405	89
Other Expenditures	2,662	2,596	66
Capital Outlay	103	93	10
Total Downtown Operations	\$ 12,921	\$ 12,760	\$ 161
Libraries:			
Personal Services	32,208	31,902	306
Contractual Services	7,027	7,081	(54)
Commodities	8,043	8,122	(79)
Other Expenditures	5,716	5,679	37
Capital Outlay	1,280	1,346	(66)
Total Libraries	\$ 54,274	\$ 54,130	\$ 144
Parks:			
Personal Services	59,482	55,805	3,677
Contractual Services	14,315	18,002	(3,687)
Commodities	4,264	3,962	302
Other Expenditures	17,393	17,618	(225)
Capital Outlay	1,517	1,428	89
Total Parks	\$ 96,971	\$ 96,815	\$ 156
Total Culture and Recreation	\$ 164,166	\$ 163,705	\$ 461

(Continued)

Schedule of Expenditures Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2025
(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Urban Redevelopment and Housing			
Personal Services	\$ 16,947	\$ 17,146	\$ (199)
Contractual Services	21,127	17,838	3,289
Commodities	402	390	12
Other Expenditures	9,133	9,151	(18)
Capital Outlay	497	465	32
Total Urban Redevelopment and Housing	\$ 48,106	\$ 44,990	\$ 3,116
Welfare:			
Personal Services	16,873	16,838	35
Contractual Services	31,723	30,874	849
Commodities	438	436	2
Other Expenditures	12,966	12,681	285
Capital Outlay	1,549	1,304	245
Total Welfare	\$ 63,549	\$ 62,133	\$ 1,416
Economic Development and Opportunity:			
Personal Services	4,487	4,468	19
Contractual Services	13,345	12,903	442
Commodities	110	78	32
Other Expenditures	1,874	1,841	33
Capital Outlay	21	56	(35)
Total Economic Development and Opportunity	\$ 19,837	\$ 19,346	\$ 491
Environmental:			
Personal Services	1,875	1,866	9
Contractual Services	11,841	9,825	2,016
Commodities	69	156	(87)
Other Expenditures	3,272	2,963	309
Capital Outlay	2	22	(20)
Total Environmental	\$ 17,059	\$ 14,832	\$ 2,227
Total Expenditures	\$ 1,645,023	\$ 1,632,467	\$ 12,556

(End of Schedule)

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Encumbrances	(87,893)
Lease Right-to-Use Assets Expenditures	1,611
Subscription Right-to-Use Assets Expenditures	2,178
Total Expenditures	\$ 1,548,363

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances

Budget and Actual (Budgetary Basis)

Debt Service Fund

Year-Ended September 30, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Property Taxes:			
Current	\$ 302,349	\$ 303,900	\$ 1,551
Delinquent	1,765	652	(1,113)
Penalties and Interest on Delinquent Taxes	2,234	2,435	201
Miscellaneous	1,746	21	(1,725)
Investment Earnings	1,871	4,099	2,228
Total Revenues	\$ 309,965	\$ 311,107	\$ 1,142
Expenditures:			
General Government:			
Contractual Services	915	915	
Total General Government	\$ 915	\$ 915	\$ -
Debt Service:			
Principal Retirement	242,585	242,585	
Interest	95,219	95,219	
Total Debt Service	\$ 337,804	\$ 337,804	\$ -
Total Expenditures	\$ 338,719	\$ 338,719	\$ -
(Deficiency) of Revenues (Under) Expenditures	\$ (28,754)	\$ (27,612)	\$ 1,142
Other Financing Sources (Uses):			
Refunding Debt Issued	81,015	81,015	
Payments to Refunded Bond Escrow Agent	(85,670)	(85,670)	
Premium on Long-Term Debt	5,093	5,093	
Transfers In	20,935	21,069	134
Total Other Financing Sources (Uses)	\$ 21,373	\$ 21,507	\$ 134
Net Change in Fund Balance	(7,381)	(6,105)	\$ 1,276
Fund Balances, October 1	43,932	43,932	
Fund Balances, September 30	\$ 36,551	\$ 37,827	

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, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
General Sales and Use:			
City Sales Tax	\$ 25,688	\$ 25,392	\$ (296)
Investment Earnings	609	604	(5)
Total Revenues	\$ 26,297	\$ 25,996	\$ (301)
Expenditures:			
Public Works:			
Personal Services	4,424	4,389	35
Contractual Services	2,286	2,504	(218)
Commodities	122	147	(25)
Other Expenditures	2,866	2,848	18
Capital Outlay	886	867	19
Total Expenditures	\$ 10,584	\$ 10,755	\$ (171)
Excess of Revenues Over Expenditures	\$ 15,713	\$ 15,241	\$ (472)
Other Financing (Uses):			
Transfers Out	(27,618)	(27,417)	201
Total Other Financing (Uses)	\$ (27,618)	\$ (27,417)	\$ 201
Net Change in Fund Balance	(11,905)	(12,176)	\$ (271)
Fund Balances, October 1	16,658	16,658	
Add Encumbrances	8,620	5,387	
Fund Balances, September 30	\$ 13,373	\$ 9,869	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(42)	
Ending Fund Balance		\$ 9,827	

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

The City noted budget violations of excess expenditures over appropriations. As there was sufficient actual revenues and fund balances to cover these excesses, the City does not deem these violations to be material.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances

Budget and Actual (Budgetary Basis)

Special Revenue Funds

Community and Visitor Facilities

Year-Ended September 30, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes:			
Occupancy	\$ 82,221	\$ 81,441	\$ (780)
Penalties and Interest on Delinquent Taxes	441	608	167
Intergovernmental	2,113	2,704	591
Charges for Services	47,702	50,300	2,598
Miscellaneous	604	822	218
Investment Earnings	139	6,527	6,388
Total Revenues	\$ 133,220	\$ 142,402	\$ 9,182
Expenditures:			
Culture & Recreation:			
Arts & Cultural:			
Personal Services	2,657	2,655	2
Contractual Services	1,478	1,774	(296)
Commodities	57	59	(2)
Other Expenditures	862	1,145	(283)
Capital Outlay	37	36	1
Total Arts & Cultural	\$ 5,091	\$ 5,669	\$ (578)
Alamodome:			
Personal Services	7,538	7,426	112
Contractual Services	9,249	9,549	(300)
Commodities	742	867	(125)
Other Expenditures	5,999	6,136	(137)
Capital Outlay	69	72	(3)
Total Alamodome	\$ 23,597	\$ 24,050	\$ (453)
Nondepartmental:			
Personal Services	2,399	1,903	496
Contractual Services	19,424	17,922	1,502
Commodities	6	6	
Other Expenditures	2,794	2,698	96
Capital Outlay	349	198	151
Total Nondepartmental	\$ 24,972	\$ 22,727	\$ 2,245
Contributions to Other Agencies	7,869	7,470	399
Total Culture & Recreation	\$ 61,529	\$ 59,916	\$ 1,613

(Continued)

CITY OF SAN ANTONIO, TEXAS

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Community and Visitor Facilities (Continued)
Year-Ended September 30, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Expenditures Continued:			
Convention and Tourism:			
Convention Center:			
Personal Services	\$ 18,372	\$ 18,274	\$ 98
Contractual Services	5,221	5,011	210
Commodities	1,314	1,459	(145)
Other Expenditures	12,840	12,996	(156)
Capital Outlay	1,265	1,408	(143)
Total Convention Center	\$ 39,012	\$ 39,148	\$ (136)
Contributions to Other Agencies (VSA)	28,407	28,407	
Total Convention and Tourism	\$ 67,419	\$ 67,555	\$ (136)
Total Expenditures	\$ 128,948	\$ 127,471	\$ 1,477
Excess of Revenues Over Expenditures	\$ 4,272	\$ 14,931	\$ 10,659
Other Financing Sources (Uses):			
Transfers In	15,660	17,520	1,860
Transfers Out	(36,752)	(34,918)	1,834
Total Other Financing Sources (Uses), Net	\$ (21,092)	\$ (17,398)	\$ 3,694
Net Change in Fund Balance	(16,820)	(2,467)	\$ 14,353
Fund Balances, October 1	156,826	156,826	
Add Encumbrances	9,207	7,715	
Fund Balances, September 30	\$ 149,213	\$ 162,074	

(End of Schedule)

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Amortized Lease Revenue (GASB 87)	216
Net Fair Value of Investments (GASB 31)	(370)
Ending Fund Balance	<u>\$ 161,920</u>

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Note: Includes revenues and expenditures generated from Convention and Tourism activities relating to the promotion of City owned facilities to be used for conventions, community and entertainment venues; the marketing and promotion of the City through VSA and support for arts and cultural organizations in the Department of Arts and Culture.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances

Budget and Actual (Budgetary Basis)

Special Revenue Funds

Confiscated Property

Year-Ended September 30, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Intergovernmental	\$ 815	\$ 840	\$ 25
Investment Earnings	173	219	46
Total Revenues	<u>\$ 988</u>	<u>\$ 1,059</u>	<u>\$ 71</u>
Expenditures:			
Public Safety:			
Personal Services	100	87	13
Contractual Services	1,114	1,118	(4)
Commodities	235	107	128
Other Expenditures	47	45	2
Capital Outlay	145	118	27
Total Expenditures	<u>\$ 1,641</u>	<u>\$ 1,475</u>	<u>\$ 166</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (653)</u>	<u>\$ (416)</u>	<u>\$ 237</u>
Net Change in Fund Balance	(653)	(416)	<u>\$ 237</u>
Fund Balances, October 1	5,006	5,006	
Add Encumbrances	358	559	
Fund Balances, September 30	<u>\$ 4,711</u>	<u>\$ 5,149</u>	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(11)	
Ending Fund Balance		<u>\$ 5,138</u>	

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

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, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes:			
Occupancy	\$ 23,492	\$ 23,329	\$ (163)
Penalties and Interest on Delinquent Taxes	185	174	(11)
Miscellaneous		1	1
Investment Earnings	139	234	95
Total Revenues	<u>\$ 23,816</u>	<u>\$ 23,738</u>	<u>\$ (78)</u>
Expenditures:			
General Government:			
Other Expenditures			
Total General Government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Convention and Tourism:			
Personal Services			
Contractual Services			
Commodities			
Other Expenditures	2	2	
Total Convention and Tourism	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>
Total Expenditures	<u>\$ 2</u>	<u>\$ 2</u>	<u>\$ -</u>
Excess of Revenues Over Expenditures	<u>\$ 23,814</u>	<u>\$ 23,736</u>	<u>\$ (78)</u>
Other Financing Sources (Uses):			
Transfer In	9,231	23,979	14,748
Transfers Out	(32,953)	(47,623)	(14,670)
Total Other Financing Sources (Uses), Net	<u>\$ (23,722)</u>	<u>\$ (23,644)</u>	<u>\$ 78</u>
Net Change in Fund Balance	92	92	<u>\$ -</u>
Fund Balances, October 1	<u>1,265</u>	<u>1,265</u>	
Fund Balances, September 30	<u><u>\$ 1,357</u></u>	<u><u>\$ 1,357</u></u>	

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Net Fair Value of Investments (GASB 31)	(23)
Ending Fund Balance	<u><u>\$ 1,334</u></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****Parks Environmental & Sanitation****Year-Ended September 30, 2025**

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 11,555	\$ 11,611	\$ 56
Total Revenues	<u>\$ 11,555</u>	<u>\$ 11,611</u>	<u>\$ 56</u>
Expenditures:			
Sanitation:			
Personal Services	8,108	8,135	(27)
Contractual Services	1,583	1,562	21
Commodities	278	277	1
Other Expenditures	1,305	1,303	2
Capital Outlay	1	1	
Total Expenditures	<u>\$ 11,275</u>	<u>\$ 11,278</u>	<u>\$ (3)</u>
Excess of Revenues Over Expenditures	<u>\$ 280</u>	<u>\$ 333</u>	<u>\$ 53</u>
Net Change in Fund Balance	280	333	<u>\$ 53</u>
Fund Balances, October 1	(103)	(103)	
Fund Balances, September 30	<u>\$ 177</u>	<u>\$ 230</u>	

The City noted budget violations of excess expenditures over appropriations. As there was sufficient actual revenues and fund balances to cover these excesses, the City does not deem these violations to be material.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances**Budget and Actual (Budgetary Basis)****Special Revenue Funds****Right of Ways****Year-Ended September 30, 2025**

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 4,628	\$ 4,415	\$ (213)
Investment Earnings	52	108	56
Total Revenues	<u>\$ 4,680</u>	<u>\$ 4,523</u>	<u>\$ (157)</u>
Expenditures:			
Public Works:			
Personal Services	3,230	3,244	(14)
Contractual Services	423	416	7
Commodities	52	54	(2)
Other Expenditures	442	441	1
Capital Outlay	51	34	17
Total Expenditures	<u>\$ 4,198</u>	<u>\$ 4,189</u>	<u>\$ 9</u>
Excess of Revenues Over Expenditures	<u>\$ 482</u>	<u>\$ 334</u>	<u>\$ (148)</u>
Other Financing Sources (Uses):			
Transfers In	373		(373)
Transfers Out	(200)	(200)	
Total Other Financing Sources (Uses)	<u>\$ 173</u>	<u>\$ (200)</u>	<u>\$ (373)</u>
Net Change in Fund Balance	655	134	<u><u>\$ (521)</u></u>
Fund Balances, October 1	3,945	3,945	
Add Encumbrances	7	2	
Fund Balances, September 30	<u><u>\$ 4,607</u></u>	<u><u>\$ 4,081</u></u>	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		5	
Ending Fund Balance		<u><u>\$ 4,086</u></u>	

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

**Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)**

Special Revenue Funds

Stormwater Operations

Year-Ended September 30, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 62,661	\$ 62,601	\$ (60)
Miscellaneous	93	101	8
Investment Earnings	1,969	1,984	15
Total Revenues	\$ 64,723	\$ 64,686	\$ (37)
Expenditures:			
Public Works:			
Administration:			
Personal Services	5,325	5,325	
Contractual Services	7,156	6,967	189
Commodities	108	45	63
Other Expenditures	3,567	3,550	17
Capital Outlay	71	66	5
Total Administration	\$ 16,227	\$ 15,953	\$ 274
Vegetation Control:			
Personal Services	6,161	6,027	134
Contractual Services	1,725	1,815	(90)
Commodities	898	748	150
Other Expenditures	2,563	2,644	(81)
Capital Outlay	205	188	17
Total Vegetation Control	\$ 11,552	\$ 11,422	\$ 130
River Maintenance:			
Personal Services	153	179	(26)
Contractual Services	1,926	1,872	54
Commodities	10	3	7
Other Expenditures	161	154	7
Total River Maintenance	\$ 2,250	\$ 2,208	\$ 42
Street Sweeping:			
Personal Services	3,041	3,074	(33)
Contractual Services	691	717	(26)
Commodities	379	379	
Other Expenditures	1,014	1,002	12
Capital Outlay	48	200	(152)
Total Street Sweeping	\$ 5,173	\$ 5,372	\$ (199)
Tunnel Maintenance:			
Personal Services	5,710	5,706	4
Contractual Services	2,798	2,877	(79)
Commodities	650	592	58
Other Expenditures	1,753	1,588	165
Capital Outlay	1,285	789	496
Total Tunnel Maintenance	\$ 12,196	\$ 11,552	\$ 644

(Continued)

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Stormwater Operations (Continued)
Year-Ended September 30, 2025

(In Thousands)

	2025	
	FINAL BUDGET	VARIANCE WITH FINAL BUDGET
	ACTUAL	
Expenditures Continued:		
Design Engineering:		
Personal Services	2,293	2,296 (3)
Contractual Services	1,147	1,052 95
Commodities	20	4 16
Other Expenditures	242	239 3
Capital Outlay	1	2 (1)
Total Design Engineering	\$ 3,703	\$ 3,593 110
Total Public Works	51,101	50,100 1,001
Total Expenditures	\$ 51,101	\$ 50,100 1,001
Excess of Revenues Over Expenditures	\$ 13,622	\$ 14,586 964
Other Financing (Uses):		
Transfers Out	(53,365)	(50,025) 3,340
Total Other Financing (Uses)	\$ (53,365)	\$ (50,025) 3,340
Net Change in Fund Balance	(39,743)	(35,439) 4,304
Fund Balances, October 1	48,335	48,335
Add Encumbrances	21,126	37,814
Fund Balances, September 30	\$ 29,718	\$ 50,710

(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)	(115)
Ending Fund Balance	\$ 50,595

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

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, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Administrative Fee ¹	\$ 1,431	\$ 1,494	\$ 63
Investment Earnings	129	136	7
Total Revenues	<u>\$ 1,560</u>	<u>\$ 1,630</u>	<u>\$ 70</u>
Expenditures:			
Economic Development and Opportunity:			
Personal Services	857	840	17
Contractual Services	75	15	60
Commodities	7	3	4
Other Expenditures	46	46	
Capital Outlay	8	10	(2)
Total Expenditures	<u>\$ 993</u>	<u>\$ 914</u>	<u>\$ 79</u>
Excess of Revenues Over Expenditures	<u>\$ 567</u>	<u>\$ 716</u>	<u>\$ 149</u>
Other Financing (Uses):			
Transfers Out	(85)	(85)	
Total Other Financing (Uses)	<u>\$ (85)</u>	<u>\$ (85)</u>	<u>\$ -</u>
Net Change in Fund Balance	482	631	<u>\$ 149</u>
Fund Balances, October 1	3,210	3,210	
Fund Balances, September 30	<u><u>\$ 3,692</u></u>	<u><u>\$ 3,841</u></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><u>\$ 3,838</u></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 2025 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, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 386	\$ 370	\$ (16)
Intergovernmental	2,117	2,130	13
Total Revenues	<u>\$ 2,503</u>	<u>\$ 2,500</u>	<u>\$ (3)</u>
Expenditures:			
Public Safety:			
Personal Services	2,560	2,510	50
Contractual Services	18	17	1
Commodities	11	19	(8)
Other Expenditures	340	340	
Capital Outlay	4	2	2
Total Expenditures	<u>\$ 2,933</u>	<u>\$ 2,888</u>	<u>\$ 45</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (430)</u>	<u>\$ (388)</u>	<u>\$ 42</u>
Other Financing Sources:			
Transfers In	475	475	
Total Other Financing Sources	<u>\$ 475</u>	<u>\$ 475</u>	<u>\$ -</u>
Net Change in Fund Balance	45	87	<u>\$ 42</u>
Fund Balances, October 1 (Deficit)	(36)	(36)	
Add Encumbrance	2	9	
Fund Balances, September 30	<u>\$ 11</u>	<u>\$ 60</u>	

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, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Intergovernmental	\$ 42	\$ 27	\$ (15)
Investment Earnings	90	87	(3)
Contributions from Other Agencies	490	479	(11)
Total Revenues	\$ 622	\$ 593	\$ (29)
Expenditures:			
General Government:			
Personal Services	488	488	
Contractual Services	303	131	172
Other Expenditures	58	50	8
Total Expenditures	\$ 849	\$ 669	\$ 180
(Deficiency) of Revenues (Under) Expenditures	\$ (227)	\$ (76)	\$ 151
Other Financing Sources (Uses):			
Transfers In	1,192	1,192	
Transfers Out	(2,555)	(2,533)	22
Total Other Financing Sources (Uses), Net	\$ (1,363)	\$ (1,341)	\$ 22
Net Change in Fund Balance	(1,590)	(1,417)	\$ 173
Fund Balances, October 1	1,960	1,960	
Add Encumbrances	1,076	1,145	
Fund Balances, September 30	\$ 1,446	\$ 1,688	
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		\$ 1,681	

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, 2025**

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Miscellaneous ¹	\$ 1,708	\$ 1,708	\$ -
Investment Earnings	17	18	1
Total Revenues	<u>\$ 1,725</u>	<u>\$ 1,726</u>	<u>\$ 1</u>
Excess of Revenues Over Expenditures	<u>\$ 1,725</u>	<u>\$ 1,726</u>	<u>\$ 1</u>
Other Financing Sources (Uses):			
Transfers Out	(1,708)	(1,708)	
Total Other Financing (Uses)	<u>\$ (1,708)</u>	<u>\$ (1,708)</u>	<u>\$ -</u>
Net Change in Fund Balance	17	18	<u>\$ 1</u>
Fund Balances, October 1	49	49	
Fund Balances, September 30	<u><u>\$ 66</u></u>	<u><u>\$ 67</u></u>	
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		<u><u>\$ 65</u></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 2025 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, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 438	\$ 433	\$ (5)
Investment Earnings	16	16	
Total Revenues	<u>\$ 454</u>	<u>\$ 449</u>	<u>\$ (5)</u>
Expenditures:			
General Government:			
Personal Services	405	394	11
Contractual Services	90	88	2
Commodities	5	4	1
Other Expenditures	34	34	
Total Expenditures	<u>\$ 534</u>	<u>\$ 520</u>	<u>\$ 14</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (80)</u>	<u>\$ (71)</u>	<u>\$ 9</u>
Net Change in Fund Balance	(80)	(71)	<u><u>9</u></u>
Fund Balances, October 1	393	393	
Add Encumbrances		1	
Fund Balances, September 30	<u><u>\$ 313</u></u>	<u><u>\$ 323</u></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><u>\$ 322</u></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 Technology

Year-Ended September 30, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 364	\$ 361	\$ (3)
Investment Earnings	19	19	
Total Revenues	<u>\$ 383</u>	<u>\$ 380</u>	<u>\$ (3)</u>
Expenditures:			
General Government:			
Contractual Services	856	856	
Total Expenditures	<u>\$ 856</u>	<u>\$ 856</u>	<u>\$ -</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (473)</u>	<u>\$ (476)</u>	<u>\$ (3)</u>
Other Financing Sources:			
Transfers In	503	503	
Total Other Financing Sources	<u>\$ 503</u>	<u>\$ 503</u>	<u>\$ -</u>
Net Change in Fund Balance	30	27	<u>\$ (3)</u>
Fund Balances, October 1	370	370	
Fund Balances, September 30	<u>\$ 400</u>	<u>\$ 397</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>\$ 396</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, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 609	\$ 632	\$ 23
Investment Earnings	14	16	2
Total Revenues	<u>\$ 623</u>	<u>\$ 648</u>	<u>\$ 25</u>
Expenditures:			
General Government:			
Personal Services	668	661	7
Contractual Services	15	11	4
Commodities	1	1	
Other Expenditures	67	67	
Capital Outlay	2	2	
Total Expenditures	<u>\$ 753</u>	<u>\$ 742</u>	<u>\$ 11</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (130)</u>	<u>\$ (94)</u>	<u>\$ 36</u>
Other Financing Sources:			
Transfers In	214	214	
Total Other Financing Sources	<u>\$ 214</u>	<u>\$ 214</u>	<u>\$ -</u>
Net Change in Fund Balance	84	120	<u><u>\$ 36</u></u>
Fund Balances, October 1	390	390	
Fund Balances, September 30	<u><u>\$ 474</u></u>	<u><u>\$ 510</u></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 - Public Education and Government

Year-Ended September 30, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Business and Franchise Tax	\$ 1,449	\$ 1,582	\$ 133
Investment Earnings	424	430	6
Total Revenues	<u>\$ 1,873</u>	<u>\$ 2,012</u>	<u>\$ 139</u>
Expenditures:			
General Government:			
Contractual Services	519	514	5
Other Expenditures	3	3	
Capital Outlay	3,241	2,895	346
Total Expenditures	<u>\$ 3,763</u>	<u>\$ 3,412</u>	<u>\$ 351</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (1,890)</u>	<u>\$ (1,400)</u>	<u>\$ 490</u>
Other Financing (Uses):			
Transfers Out	(661)	(661)	
Total Other Financing (Uses)	<u>\$ (661)</u>	<u>\$ (661)</u>	<u>\$ -</u>
Net Change in Fund Balance	(2,551)	(2,061)	<u>\$ 490</u>
Fund Balances, October 1	10,409	10,409	
Add Encumbrances	1,028	1,805	
Fund Balances, September 30	<u>\$ 8,886</u>	<u>\$ 10,153</u>	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(22)	
Ending Fund Balance		<u>\$ 10,131</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 - Riverwalk Capital Improvement Fund

Year-Ended September 30, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 825	\$ 825	\$ -
Investment Earnings	48	74	26
Total Revenues	\$ 873	\$ 899	\$ 26
Expenditures:			
Culture and Recreation:			
Contractual Services	368	254	114
Total Expenditures	\$ 368	\$ 254	\$ 114
Excess of Revenues Over Expenditures	\$ 505	\$ 645	\$ 140
Other Financing (Uses):			
Transfers Out	(58)	(40)	18
Total Other Financing (Uses)	\$ (58)	\$ (40)	\$ 18
Net Change in Fund Balance	447	605	\$ 158
Fund Balances, October 1	1,544	1,544	
Fund Balances, September 30	\$ 1,991	\$ 2,149	
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(2)	
Ending Fund Balance		\$ 2,147	

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, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	\$ 5,311	\$ 4,843	\$ (468)
Investment Earnings	983	977	(6)
Total Revenues	<u>\$ 6,294</u>	<u>\$ 5,820</u>	<u>\$ (474)</u>
Expenditures:			
Culture and Recreation:			
Personal Services	1,013	1,006	7
Contractual Services	2,406	2,060	346
Commodities	506	450	56
Other Expenditures	120	123	(3)
Capital Outlay	617	616	1
Total Expenditures	<u>\$ 4,662</u>	<u>\$ 4,255</u>	<u>\$ 407</u>
Excess of Revenues Over Expenditures	<u>\$ 1,632</u>	<u>\$ 1,565</u>	<u>\$ (67)</u>
Other Financing (Uses):			
Transfers Out	(24,095)	(24,019)	76
Total Other Financing (Uses)	<u>\$ (24,095)</u>	<u>\$ (24,019)</u>	<u>\$ 76</u>
Net Change in Fund Balance	<u>(22,463)</u>	<u>(22,454)</u>	<u>\$ 9</u>
Fund Balances, October 1	23,274	23,274	
Add Encumbrances	14,813	17,921	
Fund Balances, September 30	<u><u>\$ 15,624</u></u>	<u><u>\$ 18,741</u></u>	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		(67)	
Ending Fund Balance		<u><u>\$ 18,674</u></u>	

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances

Budget and Actual (Budgetary Basis)

Permanent Fund

City Cemeteries

Year-Ended September 30, 2025

(In Thousands)

	2025		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Lease Revenue	\$ 271	\$ 238	\$ (33)
Investment Earnings	20	20	
Total Revenues	<u>\$ 291</u>	<u>\$ 258</u>	<u>\$ (33)</u>
Expenditures:			
Culture and Recreation:			
Personal Services	92	90	2
Contractual Services	450	409	41
Commodities	6	4	2
Self-Insurance	40	40	
Capital Outlay	2	1	1
Total Culture and Recreation	<u>\$ 590</u>	<u>\$ 544</u>	<u>\$ 46</u>
Total Expenditures	<u>\$ 590</u>	<u>\$ 544</u>	<u>\$ 46</u>
(Deficiency) of Revenues (Under) Expenditures	<u>\$ (299)</u>	<u>\$ (286)</u>	<u>\$ 13</u>
Net Change in Fund Balance	(299)	(286)	<u>\$ 13</u>
Fund Balances, October 1	560	560	
Add Encumbrances		109	
Fund Balances, September 30	<u><u>\$ 261</u></u>	<u><u>\$ 383</u></u>	
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		<u><u>\$ 381</u></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.

CITY OF SAN ANTONIO, TEXAS

Combining Statement of Net Position

Nonmajor Enterprise Funds

As of September 30, 2025

(In Thousands)

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Assets:				
Current Assets:				
Unrestricted Assets:				
Cash and Cash Equivalents	\$ 6,684	\$ 87	\$ 2,566	\$ 9,337
Investments	12,582	181	5,292	18,055
Receivables, Net	898	42	178	1,118
Materials and Supplies, at Cost			314	314
Lease Receivables		1,226	113	1,339
Total Unrestricted Assets	20,164	1,536	8,463	30,163
Restricted Assets:				
Debt Service Accounts:				
Cash and Cash Equivalents	93		144	237
Investments			293	293
Receivables, Net			2	2
Construction Accounts:				
Cash and Cash Equivalents	34		24	58
Investments	1			1
Improvement and Contingency Accounts:				
Cash and Cash Equivalents			232	232
Investments			471	471
Receivables, Net			3	3
Total Restricted Assets	128		1,169	1,297
Total Current Assets	20,292	1,536	9,632	31,460
Noncurrent Assets:				
Capital Assets:				
Depreciable and Non-Depreciable:				
Land	1,196	45	8,125	9,366
Buildings		2,307	24,821	27,128
Improvements	1,866	8,340	5,376	15,582
Machinery and Equipment	13,589		1,477	15,066
Depreciable Intangible	14,404			14,404
Construction in Progress	3,464		339	3,803
Less: Accumulated Depreciation	26,902	7,357	24,429	58,688
Depreciable and Non-Depreciable, Net	7,617	3,335	15,709	26,661
Lease Assets	69		23	92
Less: Accumulated Amortization	7		18	25
Lease Assets, Net	62		5	67
Subscription Assets	2,092		18	2,110
Less: Accumulated Amortization	1,249		18	1,267
Subscription Assets, Net	843			843
Net Capital Assets	8,522	3,335	15,714	27,571
Lease Receivables		5,065	509	5,574
Total Noncurrent Assets	8,522	8,400	16,223	33,145
Total Assets	28,814	9,936	25,855	64,605
Total Deferred Outflows of Resources	6,925	115	1,416	8,456

(Continued)

Combining Statement of Net Position
Nonmajor Enterprise Funds (Continued)
As of September 30, 2025

(In Thousands)

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Liabilities:				
Current Liabilities:				
Payable from Current Unrestricted Assets:				
Vouchers Payable	\$ 40	\$ 137	\$ 75	\$ 252
Accounts Payable - Other	5,008	146	85	5,239
Accrued Payroll	725	11	130	866
Current Portion of Compensated Absences	1,721	24	287	2,032
Unearned Revenue	290	6	21	317
Current Portion of Lease Liability	13		2	15
Current Portion of Subscription Liability	448			448
Total Payable from Current Unrestricted Assets	8,245	324	600	9,169
Payable from Current Restricted Assets:				
Vouchers Payable	34		24	58
Accrued Payroll				
Accrued Interest	37			37
Current Portion of Compensated Absences				
Unearned Revenue				
Current Portion of Bonds and Certificates (net of premium/discount)	331			331
Total Payable from Current Restricted Assets	402		24	426
Total Current Liabilities	8,647	324	624	9,595
Noncurrent Liabilities:				
Bonds and Certificates (net of current portion & discount/premium)	5,107			5,107
Compensated Absences (net of current portion)				
Lease Liability (net of current portion)	49		4	53
Subscription Liability (net of current portion)	478			478
Net OPEB and Pension Liabilities	34,526	514	5,970	41,010
Total Noncurrent Liabilities	40,160	514	5,974	46,648
Total Liabilities	48,807	838	6,598	56,243
Total Deferred Inflows of Resources	11,348	6,169	3,261	20,778
Net Position (Deficit):				
Net Investment in Capital Assets	2,097	3,335	15,708	21,140
Restricted:				
Debt Service	57		439	496
Capital Projects	2		706	708
Unrestricted (Deficit)	(26,572)	(291)	559	(26,304)
Total Net Position (Deficit)	\$ (24,416)	\$ 3,044	\$ 17,412	\$ (3,960)

CITY OF SAN ANTONIO, TEXAS

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Nonmajor Enterprise Funds

Year-Ended September 30, 2025

(In Thousands)

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Operating Revenues:				
Charges for Services	\$ 40,822	\$ 1,945	\$ 7,686	\$ 50,453
Total Operating Revenues	<u>40,822</u>	<u>1,945</u>	<u>7,686</u>	<u>50,453</u>
Operating Expenses:				
Personal Services	34,115	530	6,176	40,821
Contractual Services	4,297	1,671	2,207	8,175
Commodities	801	26	251	1,078
Other	10,160	404	1,280	11,844
Depreciation	3,310	466	793	4,569
Total Operating Expenses	<u>52,683</u>	<u>3,097</u>	<u>10,707</u>	<u>66,487</u>
Operating (Loss)	<u>(11,861)</u>	<u>(1,152)</u>	<u>(3,021)</u>	<u>(16,034)</u>
Nonoperating Revenues (Expenses):				
Investment Earnings	926	13	382	1,321
Other Nonoperating Revenue	11		20	31
Interest and Debt Expense	(146)			(146)
Total Nonoperating Revenues (Expenses), Net	<u>791</u>	<u>13</u>	<u>402</u>	<u>1,206</u>
Change in Net Position Before Capital Contributions, Transfers, and Special Items	<u>(11,070)</u>	<u>(1,139)</u>	<u>(2,619)</u>	<u>(14,828)</u>
Transfers In (Out):				
Transfers In	2,358	627	2,215	5,200
Transfers Out	(2,340)	(359)	(606)	(3,305)
Total Transfers In (Out), Net	<u>18</u>	<u>268</u>	<u>1,609</u>	<u>1,895</u>
Change In Net Position	<u>(11,052)</u>	<u>(871)</u>	<u>(1,010)</u>	<u>(12,933)</u>
Net Position (Deficit) - October 1	<u>(12,995)</u>	<u>3,917</u>	<u>18,484</u>	<u>9,406</u>
Change in Accounting Principle	(369)	(2)	(62)	(433)
Net Position (Deficits) October 1 Restated	<u>(13,364)</u>	<u>3,915</u>	<u>18,422</u>	<u>8,973</u>
Net Position (Deficit) - September 30	<u>\$ (24,416)</u>	<u>\$ 3,044</u>	<u>\$ 17,412</u>	<u>\$ (3,960)</u>

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
Year-Ended September 30, 2025

(In Thousands)

	DEVELOPMENT SERVICES	MARKET SQUARE	PARKING SYSTEM	TOTAL NONMAJOR ENTERPRISE FUNDS
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ 40,816	\$ 1,985	\$ 7,621	\$ 50,422
Cash Payments to Suppliers for Goods and Services	(14,749)	(1,933)	(3,731)	(20,413)
Cash Payments to Employees for Service	(33,177)	(468)	(5,881)	(39,526)
Cash Received from Other Cash Receipts	11		20	31
Net Cash (Used for) Operating Activities	(7,099)	(416)	(1,971)	(9,486)
Cash Flows from Noncapital Financing Activities:				
Transfers In from Other Funds	2,358	627	2,215	5,200
Transfers Out to Other Funds	(2,340)	(359)	(606)	(3,305)
Net Cash Provided by (Used for) Noncapital Financing Activities	18	268	1,609	1,895
Cash Flows from Capital and Related Financing Activities:				
Acquisitions and Construction of Capital Assets	(2,470)	(1)	(312)	(2,783)
Interest and Fees Paid on Long-Term Debt	(146)			(146)
Principal Payments on Long-Term Debt	(324)			(324)
Net Cash (Used for) Capital and Related Financing Activities	(2,940)	(1)	(312)	(3,253)
Cash Flows from Investing Activities:				
Purchases of Investment Securities	(5,151)	(74)	(2,479)	(7,704)
Maturity of Investment Securities	14,784	204	3,583	18,571
Investment Earnings	983	14	382	1,379
Net Cash Provided by Investing Activities	10,616	144	1,486	12,246
Net Increase (Decrease) in Cash and Cash Equivalents	595	(5)	812	1,402
Cash and Cash Equivalents, October 1	6,216	92	2,154	8,462
Cash and Cash Equivalents, September 30	\$ 6,811	\$ 87	\$ 2,966	\$ 9,864
Reconciliation of Operating (Loss) to Net Cash				
(Used for) Operating Activities				
Operating (Loss)	\$ (11,861)	\$ (1,152)	\$ (3,021)	\$ (16,034)
Adjustments to Reconcile Operating (Loss)				
to Net Cash (Used for) Operating Activities:				
Depreciation	3,310	466	793	4,569
Other Nonoperating Revenues	11		20	31
Changes in Assets, Liabilities, Deferred Outflows of Resources				
and Deferred Inflows of Resources:				
(Increase) Decrease in Accounts Receivable	(337)	63	(56)	(330)
Decrease in Lease Receivables		1,237	103	1,340
Decrease in Due from Other Governmental Agencies	41		1	42
Decrease in Materials and Supplies			4	4
Decrease in Prepaid Expenses	101			101
Increase (Decrease) in Vouchers Payable	(447)	37	1	(409)
Increase in Accounts Payable - Other	855	131	2	988
Increase in Accrued Payroll	77	5	24	106
Increase (Decrease) in Compensated Absences	(89)	9	(11)	(91)
Increase (Decrease) in Net OPEB Obligation and Pension Liability	(1,778)	10	(129)	(1,897)
Increase in Deferred Outflows of Resources				
Related to OPEB and Pension	2,070	37	399	2,506
Increase (Decrease) in Deferred Inflows of Resources	658	(1,251)	(104)	(697)
Increase (Decrease) in Unearned Revenue	290	(8)	3	285
Net Cash (Used for) Operating Activities	\$ (7,099)	\$ (416)	\$ (1,971)	\$ (9,486)
Noncash Investing, Capital and Financing Activities:				
Acquisitions of Leased Capital Assets	\$ 68	\$ -	\$ -	\$ 68



Internal Service Funds

SELF-INSURANCE PROGRAMS – to account for Self-Insurance Programs including funds for the administration of 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, 2025
(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	\$ 8,307	\$ 11,703	\$ 14,669	\$ 2,833	\$ 43,993	\$ 441	\$ 81,946
Investments	17,010	23,832	29,887	5,583	90,208	1,732	168,252
Receivables, Net	131	153	190	1,629	774	11	2,888
Materials and Supplies, at Cost				246	2,914		3,160
Deposits	265		36				301
Prepaid Expenses		5,034		5,811		3	10,848
Lease Receivables				146	33		179
Due From Other Governmental Agencies, Net				72	24		96
Total Unrestricted Assets	25,713	40,722	44,782	16,320	137,946	2,187	267,670
Restricted Assets:							
Debt Service Accounts:							
Cash and Cash Equivalents					80		80
Construction Accounts:							
Cash and Cash Equivalents					21		21
Investments					43		43
Total Restricted Assets					144		144
Total Current Assets	25,713	40,722	44,782	16,320	138,090	2,187	267,814
Noncurrent Assets:							
Capital Assets:							
Depreciable and Non-Depreciable							
Buildings				21	158		179
Improvements					715		715
Machinery and Equipment		10	50	6,663	441,493	408	448,624
Depreciable Intangible						250	250
Less: Accumulated Depreciation		10	50	6,635	280,050	556	287,301
Depreciable and Non-Depreciable, Net				49	162,316	102	162,467
Lease Assets				31,613	138	29	31,780
Less: Accumulated Amortization				5,701	82	21	5,804
Lease Assets, Net				25,912	56	8	25,976
Subscription Assets			862	43,096	225	219	44,402
Less: Accumulated Amortization			172	20,372	202	175	20,921
Subscription Assets, Net			690	22,724	23	44	23,481
Net Capital Assets			690	48,685	162,395	154	211,924
Lease Receivables				1,393	7		1,400
Total Noncurrent Assets			690	50,078	162,402	154	213,324
Total Assets	25,713	40,722	45,472	66,398	300,492	2,341	481,138
Total Deferred Outflows of Resources	586	545	495	8,738	8,779	4,904	24,047

(Continued)

**Combining Statement of Net Position
Internal Service Funds (Continued)**
As of September 30, 2025

(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	\$ 9,644	\$ 2,311	\$ 218	\$ 1,184	\$ 8,115	\$ 111	\$ 21,583
Accounts Payable - Other	547	30	60	1,219	477	329	2,662
Claims Payable	13,432	12,433	7,918				33,783
Accrued Payroll	64	62	63	1,067	832	521	2,609
Accrued Interest					32		32
Current Portion of Compensated Absences	185	180	141	3,179	2,052	1,459	7,196
Unearned Revenue				912	5		917
Current Portion of Lease Liability				954	21	6	981
Current Portion of Subscription Liability			155	11,345	5	16	11,521
Total Payable from Current Unrestricted Assets	23,872	15,016	8,555	19,860	11,539	2,442	81,284
Payable from Restricted Assets:							
Current Portion of Bonds and Certificates (net of premium/discount)					232		232
Total Payable from Restricted Assets					232		232
Total Current Liabilities	23,872	15,016	8,555	19,860	11,771	2,442	81,516
Noncurrent Liabilities:							
Bonds and Certificates (net of current portion & discount/premium)					3,777		3,777
Claims Payable (net of current portion)		31,275	30,455				61,730
Compensated Absences (net of current portion)	65			1,208	46		1,319
Lease Liability (net of current portion)				27,079	38	3	27,120
Subscription Liability (net of current portion)			535	9,074			9,609
Net OPEB and Pension Liabilities	2,585	2,615	2,780	45,199	39,802	22,494	115,475
Asset Retirement Obligations (net of current portion)					2,088		2,088
Total Noncurrent Liabilities	2,650	33,890	33,770	82,560	45,751	22,497	221,118
Total Liabilities	26,522	48,906	42,325	102,420	57,522	24,939	302,634
Total Deferred Inflows of Resources	872	874	777	14,098	13,118	7,028	36,767
Net Position (Deficit):							
Net Investment in Capital Assets				233	158,386	129	158,748
Restricted:							
Debt Service					48		48
Capital Projects					65		65
Unrestricted (Deficit)	(1,095)	(8,513)	2,865	(41,615)	80,132	(24,851)	6,923
Total Net Position (Deficit)	\$ (1,095)	\$ (8,513)	\$ 2,865	\$ (41,382)	\$ 238,631	\$ (24,722)	\$ 165,784

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position

Internal Service Funds

Year-Ended September 30, 2025

(In Thousands)

	SELF-INSURANCE PROGRAMS						
	EMPLOYEE HEALTH BENEFITS	INSURANCE RESERVE	WORKERS' COMPENSATION	INFORMATION SERVICES	OTHER INTERNAL SERVICES	CAPITAL MANAGEMENT SERVICES	TOTAL INTERNAL SERVICE FUNDS
Operating Revenues:							
Charges for Services	\$ 191,319	\$ 24,320	\$ 16,532	\$ 91,789	\$ 145,645	\$ 28,973	\$ 498,578
Total Operating Revenues	191,319	24,320	16,532	91,789	145,645	28,973	498,578
Operating Expenses:							
Personal Services	13,639	2,540	3,120	47,499	38,833	21,775	127,406
Contractual Services	17,898	249	2,597	23,186	10,890	1,237	56,057
Commodities	54	32	36	493	2,460	251	3,326
Materials and Supplies					33,923		33,923
Claims	191,143	17,729	8,600				217,472
Other	3,721	9,137	1,353	24,967	23,487	4,821	67,486
Depreciation			2	23	39,790	29	39,844
Total Operating Expenses	226,455	29,687	15,708	96,168	149,383	28,113	545,514
Operating Income (Loss)	(35,136)	(5,367)	824	(4,379)	(3,738)	860	(46,936)
Nonoperating Revenues (Expenses):							
Investment Earnings	1,249	1,505	1,743	203	5,754	8	10,462
Other Nonoperating Revenue	21,765	318	197	1,034	735	9	24,058
Gain on Sale of Capital Assets				121	3,009		3,130
Interest and Debt Expense					(202)		(202)
Total Nonoperating Revenues	23,014	1,823	1,940	1,358	9,296	17	37,448
Change in Net Position Before Transfers	(12,122)	(3,544)	2,764	(3,021)	5,558	877	(9,488)
Transfers In (Out):							
Transfers In			107	682	14,676		15,465
Transfers Out	(214)	(107)	(213)	(842)	(6,962)	(1,057)	(9,395)
Total Transfers In (Out), Net	(214)	(107)	(106)	(160)	7,714	(1,057)	6,070
Change in Net Position	(12,336)	(3,651)	2,658	(3,181)	13,272	(180)	(3,418)
Net Position (Deficit) - October 1	11,274	(4,839)	234	(37,538)	225,713	(24,288)	170,556
Change in Accounting Principle	(33)	(23)	(27)	(663)	(354)	(254)	(1,354)
Net Position (Deficit) October 1 Restated	11,241	(4,862)	207	(38,201)	225,359	(24,542)	169,202
Net Position (Deficit) - September 30	\$ (1,095)	\$ (8,513)	\$ 2,865	\$ (41,382)	\$ 238,631	\$ (24,722)	\$ 165,784

Combining Statement of Cash Flows

Internal Service Funds

Year-Ended September 30, 2025

(In Thousands)

	SELF-INSURANCE PROGRAMS						
	EMPLOYEE HEALTH BENEFITS	INSURANCE RESERVE	WORKERS' COMPENSATION	INFORMATION SERVICES	OTHER INTERNAL SERVICES	CAPITAL MANAGEMENT SERVICES	TOTAL INTERNAL SERVICE FUNDS
Cash Flows from Operating Activities:							
Cash Received from Customers	\$ 191,324	\$ 24,320	\$ 16,586	\$ 91,306	\$ 145,865	\$ 28,975	\$ 498,376
Cash Payments to Suppliers for Goods and Services	(210,437)	(23,549)	(12,752)	(48,897)	(67,542)	(6,134)	(369,311)
Cash Payments to Employees for Service	(13,532)	(2,500)	(2,707)	(44,535)	(37,620)	(21,553)	(122,447)
Cash Received from Other Cash Receipts	21,765	318	197	1,033	735	9	24,057
Net Cash Provided by (Used for) Operating Activities	(10,880)	(1,411)	1,324	(1,093)	41,438	1,297	30,675
Cash Flows from Noncapital Financing Activities:							
Transfers In from Other Funds			107	682	14,676		15,465
Transfers Out to Other Funds	(214)	(107)	(213)	(842)	(6,962)	(1,057)	(9,395)
Net Cash Provided by (Used for) Noncapital Financing Activities	(214)	(107)	(106)	(160)	7,714	(1,057)	6,070
Cash Flows from Capital and Related Financing Activities:							
Acquisitions and Construction of Capital Assets			(2)	350	(59,986)	(5)	(59,643)
Interest and Fees Paid on Long-Term Debt					(204)		(204)
Principal Payments on Long-Term Debt					(221)		(221)
Proceeds from Sale of Assets					4,327		4,327
Net Cash (Used for) Capital and Related Financing Activities			(2)	350	(56,084)	(5)	(55,741)
Cash Flows from Investing Activities:							
Purchases of Investment Securities	(6,963)	(9,755)	(12,233)	(2,285)	(36,942)	(709)	(68,887)
Maturity of Investment Securities	17,027	13,380	14,491	3,774	50,977	689	100,338
Investment Earnings	1,308	1,522	1,751	211	5,824	8	10,624
Net Cash Provided by (Used for) Investing Activities	11,372	5,147	4,009	1,700	19,859	(12)	42,075
Net Increase (Decrease) in Cash and Cash Equivalents	278	3,629	5,225	797	12,927	223	23,079
Cash and Cash Equivalents, October 1	8,029	8,074	9,444	2,036	31,167	218	58,968
Cash and Cash Equivalents, September 30	\$ 8,307	\$ 11,703	\$ 14,669	\$ 2,833	\$ 44,094	\$ 441	\$ 82,047
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:							
Operating Income (Loss)	\$ (35,136)	\$ (5,367)	\$ 824	\$ (4,379)	\$ (3,738)	\$ 860	\$ (46,936)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:							
Depreciation			2	23	39,790	29	39,844
Other Nonoperating Revenues	21,765	318	197	1,034	735	9	24,058
Changes in Assets, Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:							
(Increase) Decrease in Accounts Receivable	2		54	(1,444)	(1)		(1,389)
Decrease in Lease Receivables				114	145		259
Decrease in Due from Other Governmental Agencies				111	77		188
Decrease in Materials and Supplies				11	381		392
(Increase) Decrease in Prepaid Expenses		157		(552)		54	(341)
Decrease in Deposits	3						3
Increase (Decrease) in Vouchers Payable	(222)	714	(119)	392	2,797		3,562
Increase in Claims Payable	2,583	3,063	86				5,732
Increase (Decrease) in Accounts Payable - Other	18	(335)	(134)	(102)	40	123	(390)
Increase in Accrued Payroll	18	13	14	210	110	94	459
Increase (Decrease) in Compensated Absences	18	9	31	311	107	(13)	463
Increase (Decrease) in Net OPEB Obligation and Pension Liability	(153)	(186)	173	(1,073)	(1,710)	(1,759)	(4,708)
Decrease in Deferred Outflows of Resources							
Related to OPEB and Pension	209	165	186	2,940	1,832	1,395	6,727
Increase in Deferred Inflows of Resources	15	38	10	427	874	505	1,869
Increase (Decrease) in Unearned Revenue				884	(1)		883
Net Cash Provided by (Used for) Operating Activities	\$ (10,880)	\$ (1,411)	\$ 1,324	\$ (1,093)	\$ 41,438	\$ 1,297	\$ 30,675
Noncash Investing, Capital and Financing Activities:							
Acquisitions of Leased Capital Assets	\$ -	\$ -	\$ -	\$ 16	\$ -	\$ -	\$ 16
Acquisitions of Subscription Capital Assets			862	9,778			10,640



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, 2025

(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	\$ 61,741	\$ 7,147	3,037	\$ 71,925
Security Lending Collateral	102,670			102,670
Investments:				
Common Stock	1,853,921			1,853,921
U.S. Government Securities	344,199		6,183	350,382
Corporate Bonds	505,790	14,531		520,321
Mutual Funds		104,736		104,736
Hedge Funds	24,196			24,196
Real Estate	349,630	35,544		385,174
Alternative	981,030	433,799		1,414,829
Receivables:				
Accounts	4,435	3,030	50	7,515
Accrued Interest	8,085	321	39	8,445
Accrued Revenue	5,918			5,918
Prepaid Expenses		51		51
Total Current Assets	4,241,615	599,159	9,309	4,850,083
Noncurrent Assets:				
Capital Assets:				
Depreciable and Non-Depreciable				
Land		10,315		10,315
Machinery and Equipment	438	2,662		3,100
Buildings	790	20,709		21,499
Less: Accumulated Depreciation	623	2,274		2,897
Depreciable and Non-Depreciable, Net	605	31,412		32,017
Assets Held for Resale		11,694		11,694
Lease Assets		1,153		1,153
Less: Accumulated Amortization		496		496
Lease Assets, Net		657		657
Net Capital Assets	605	43,763		44,368
Total Noncurrent Assets	605	43,763		44,368
Total Assets	\$ 4,242,220	\$ 642,922	\$ 9,309	\$ 4,894,451
Liabilities:				
Vouchers Payable	\$ 4,478	\$ -	\$ 80	\$ 4,558
Accounts Payable - Other	9,869	1,351		11,220
Claims Payable		6,101	177	6,278
Accrued Payroll	441	60		501
Securities Lending Obligation	102,670			102,670
Total Liabilities	117,458	7,512	257	125,227
Net Position:				
Restricted for Pensions	4,124,762			4,124,762
Restricted for Other Postemployment Benefits		635,410	9,052	644,462
Total Net Position	\$ 4,124,762	\$ 635,410	\$ 9,052	\$ 4,769,224

**Combining Statement of Changes in Fiduciary Net Position
Pension (and Other Employee Benefit) Trust Funds
Year-Ended September 30, 2025**

(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	\$ 95,246	\$ 50,324	\$ 8,788	\$ 154,358
Employee	47,622	25,158	1,523	74,303
Other Contributions		2,283	1,550	3,833
Total Contributions	142,868	77,765	11,861	232,494
Investment Earnings:				
Net Increase (Decrease) in Fair Value of Investments	252,472	45,595	(11)	298,056
Real Estate Income, Net	3,933			3,933
Interest and Dividends	77,461	2,977	339	80,777
Securities Lending	8,059			8,059
Other Income	28	330		358
Total Investment Earnings	341,953	48,902	328	391,183
Less: Investment Expenses				
Investment Management Fees and Custodian Fees	(11,311)	(337)		(11,648)
Less: Securities Lending Expenses				
Borrower Rebates and Lending Fees	(7,543)			(7,543)
Net Investment Earnings	323,099	48,565	328	371,992
Total Additions	465,967	126,330	12,189	604,486
Deductions:				
Benefits	258,724	64,833	8,188	331,745
Refunds of Contributions	2,344			2,344
Administrative Expenses	3,741	4,981	1,204	9,926
Total Deductions	264,809	69,814	9,392	344,015
Change in Net Position	201,158	56,516	2,797	260,471
Net Position - Beginning of Fiscal Year	3,923,604	578,894	6,255	4,508,753
Net Position - End of Fiscal Year	\$ 4,124,762	\$ 635,410	\$ 9,052	\$ 4,769,224

Combining Statement of Fiduciary Net Position

Custodial Funds

As of September 30, 2025

(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	\$ 533	\$ 645	\$ 2,015	\$ 363	\$ 281	\$ 15	\$ 1,254	\$ 121	\$ 5,227
Investments:									
U.S. Government Securities	1,085				789	30		247	2,151
Receivables:									
Accounts	1,029								1,029
Accrued Interest	7				5			2	14
Total Current Assets	<u>2,654</u>	<u>645</u>	<u>2,015</u>	<u>363</u>	<u>1,075</u>	<u>45</u>	<u>1,254</u>	<u>370</u>	<u>8,421</u>
Total Assets	<u>\$ 2,654</u>	<u>\$ 645</u>	<u>\$ 2,015</u>	<u>\$ 363</u>	<u>\$ 1,075</u>	<u>\$ 45</u>	<u>\$ 1,254</u>	<u>\$ 370</u>	<u>\$ 8,421</u>
Net Position:									
Restricted for individuals, organizations, and other governments	<u>2,654</u>	<u>645</u>	<u>2,015</u>	<u>363</u>	<u>1,075</u>	<u>45</u>	<u>1,254</u>	<u>370</u>	<u>8,421</u>
Total Net Position	<u><u>\$ 2,654</u></u>	<u><u>\$ 645</u></u>	<u><u>\$ 2,015</u></u>	<u><u>\$ 363</u></u>	<u><u>\$ 1,075</u></u>	<u><u>\$ 45</u></u>	<u><u>\$ 1,254</u></u>	<u><u>\$ 370</u></u>	<u><u>\$ 8,421</u></u>

Combining Statement of Changes in Fiduciary Net Position

Custodial Funds

Year-Ended September 30, 2025

(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	\$ (1)	\$ -	\$ -	\$ -	\$ (2)	\$ -	\$ -	\$ (1)	\$ (4)
Interest and Dividends	46				47	2		16	111
Total Investment Earnings	45				45	2		15	107
Collections:									
Tax Collections for Other Governments	23,911	8,269					17,822		50,002
Fee and Fine Collections for Other Governments			8,483	93		156			8,732
Payments Collected on Behalf of Others					139			128	267
Total Collections	23,911	8,269	8,483	93	139	156	17,822	128	59,001
Total Additions	23,956	8,269	8,483	93	184	158	17,822	143	59,108
Deductions:									
Administrative Expenses	160		701				72		933
Fees and Fines Disbursed to Other Governments			7,750	40		156			7,946
Payments Disbursed on Behalf of Others					217			112	329
Tax Collections Disbursed to Other Governments	23,285	7,624					14,256		45,165
Other Disbursements	95			29	45	1	2,558	15	2,743
Total Deductions	23,540	7,624	8,451	69	262	157	16,886	127	57,116
Change in Net Position	416	645	32	24	(78)	1	936	16	1,992
Net Position - Beginning of Fiscal Year	2,238		1,983	339	1,153	44	318	354	6,429
Net Position - End of Fiscal Year	<u>\$ 2,654</u>	<u>\$ 645</u>	<u>\$ 2,015</u>	<u>\$ 363</u>	<u>\$ 1,075</u>	<u>\$ 45</u>	<u>\$ 1,254</u>	<u>\$ 370</u>	<u>\$ 8,421</u>



Nonmajor Discretely Presented Component Units

BROOKS – was established to improve mission effectiveness, reduce the cost of providing quality installation support, and promote economic development on Brooks Air Force Base and in the surrounding community. Dedicated funds will provide basic municipal services at the base while continuing to develop it as a technology and business park.

SAN ANTONIO BEXAR COUNTY SOCCER PUBLIC FACILITY CORPORATION (SABC PFC) – was established as a nonprofit in fiscal year 2016 in accordance with state law for the purpose of, and to act on behalf of the City in, the renovation and operation of a facility and related property and infrastructure to be used for and to support professional soccer within the City. SABC PFC is governed by a four-member board of directors comprised of two appointees from the City and two from the County.

PORT AUTHORITY OF SAN ANTONIO (THE PORT) – was established for the purpose of monitoring the closing of Kelly Air Force Base (Kelly) and formulating and adopting a comprehensive plan for the conversion and redevelopment of Kelly. The Port is authorized to issue bonds to finance related projects. These bonds are not obligations of the City.

Combining Statement of Net Position

Nonmajor Discretely Presented Component Units

As of September 30, 2025

(In Thousands)

	BROOKS	SABC SOCCER PUBLIC FACILITY CORPORATION	PORT AUTHORITY OF SAN ANTONIO	TOTAL NONMAJOR COMPONENT UNITS
Assets:				
Current Assets:				
Unrestricted Assets:				
Cash and Cash Equivalents	\$ 19,825	\$ -	\$ -	\$ 19,825
Receivables, Net	401			401
Materials and Supplies, at Cost	41			41
Prepaid Expenses	185			185
Total Unrestricted Assets	<u>20,452</u>			<u>20,452</u>
Restricted Assets:				
Other Restricted Accounts:				
Cash and Cash Equivalents	5,544			5,544
Lease Receivables	3,170			3,170
Total Restricted Assets	<u>8,714</u>			<u>8,714</u>
Total Current Assets	<u>29,166</u>			<u>29,166</u>
Noncurrent Assets:				
Capital Assets:				
Depreciable and Non-Depreciable				
Land	11,397			11,397
Infrastructure	54,312			54,312
Buildings	130,607			130,607
Machinery and Equipment	11,878			11,878
Construction in Progress	2,528			2,528
Less: Accumulated Depreciation	95,818			95,818
Depreciable and Non-Depreciable, Net	<u>114,904</u>			<u>114,904</u>
Lease Assets	2,353			2,353
Less: Accumulated Amortization	286			286
Lease Assets, Net	<u>2,067</u>			<u>2,067</u>
Subscription Assets	323			323
Less: Accumulated Amortization	248			248
Subscription Assets, Net	<u>75</u>			<u>75</u>
Net Capital Assets	<u>117,046</u>			<u>117,046</u>
Other Noncurrent Assets:				
Lease Receivable	61,611			61,611
Total Other Noncurrent Assets	<u>61,611</u>			<u>61,611</u>
Total Noncurrent Assets	<u>178,657</u>			<u>178,657</u>
Total Assets	<u>207,823</u>			<u>207,823</u>
Deferred Outflows of Resources	<u>27</u>			<u>27</u>
Liabilities:				
Current Liabilities:				
Payable from Current Unrestricted Assets:				
Accounts Payable and Other Current Liabilities	\$ 2,765			\$ 2,765
Unearned Revenues	102			102
Current Portion of Compensated Absences	18			18
Current Portion of Long-Term Lease/Notes Payable	3,105			3,105
Current Portion of Lease Liability	154			154
Current Portion of Subscription Liability	24			24
Current Portion of Other Payables	139			139
Total Payable from Current Unrestricted Assets	<u>6,307</u>			<u>6,307</u>
Payable from Restricted Assets:				
Current Portion of Bonds and Certificates	511			511
Total Payable from Current Restricted Assets	<u>511</u>			<u>511</u>
Total Current Liabilities	<u>6,818</u>			<u>6,818</u>
Noncurrent Liabilities:				
Bonds and Certificates (net of current portion & premium/discount)	73,554			73,554
Long-Term Lease/Notes Payable (net of current portion)	6,907			6,907
Compensated Absences (net of current portion)	68			68
Lease Liability (net of current portion)	1,894			1,894
Subscription Liability (net of current portion)	19			19
Other Payables (net of current portion)	5,177			5,177
Total Noncurrent Liabilities	<u>87,619</u>			<u>87,619</u>
Total Liabilities	<u>94,437</u>			<u>94,437</u>
Deferred Inflows of Resources	<u>116,533</u>			<u>116,533</u>
Net Position (Deficit):				
Net Investment in Capital Assets	31,881			31,881
Restricted for:				
Debt Service	4,065			4,065
Unrestricted	(39,066)			(39,066)
Total Net Position (Deficit)	<u>\$ (3,120)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,120)</u>

Combining Statement of Activities

Nonmajor Discretely Presented Component Units

Year-Ended September 30, 2025

(In Thousands)

FUNCTION/PROGRAM ACTIVITIES	EXPENSES	PROGRAM REVENUES			NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION			
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	BROOKS	SABC SOCCER PUBLIC FACILITY CORPORATION	PORT AUTHORITY OF SAN ANTONIO	TOTAL NONMAJOR COMPONENT UNITS
Brooks								
Economic Development and Opportunity	\$ 26,970	\$ 20,368	\$ -	\$ 10,508	\$ 3,906	\$ -	\$ -	\$ 3,906
SABC Soccer Public Facility Corporation								
Culture and Recreation								
Port Authority of San Antonio								
Economic Development and Opportunity								
Total	<u>\$ 26,970</u>	<u>\$ 20,368</u>	<u>\$ -</u>	<u>\$ 10,508</u>	<u>3,906</u>			<u>3,906</u>
		General Revenues:						
		Investment Earnings			1,654			1,654
		Miscellaneous			324			324
		Total General Revenues			<u>1,978</u>			<u>1,978</u>
		Change in Net Position			5,884			5,884
		Net Position - Beginning of Fiscal Year, as previously reported			<u>(9,004)</u>	13,398	187,558	<u>191,952</u>
		Change to Financial Reporting Entity				(13,398)	(187,558)	(200,956)
		Net Position (Deficit) October 1, as Adjusted			<u>(9,004)</u>			<u>(9,004)</u>
		Net Position (Deficit) - End of Fiscal Year			<u>\$ (3,120)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (3,120)</u>

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, 2025**

(In Thousands)

	2025
Governmental Funds Capital Assets:	
Land	\$ 1,456,093
Non-Depreciable Intangible Assets	278,969
Depreciable Intangible Assets	4,091
Buildings	1,771,639
Improvements	1,342,984
Infrastructure	4,579,461
Machinery and Equipment	549,519
Governmental Lease Assets	59,212
Governmental Subscription Assets	85,238
Construction in Progress	616,879
Total Governmental Funds Capital Assets	\$ 10,744,085
Investment in Governmental Funds Capital Assets by Source:	
Current Revenue	\$ 4,155,491
General Obligation Bonds, Certificates of Obligation, Tax and Revenue Notes, and Revenue Bonds	5,852,752
Federal and State Grants	655,594
Special Assessments	1,008
Municipal Golf Association - San Antonio	50,003
Private Citizens' Contribution	24,695
San Antonio Fair, Inc.	4,542
Total Investment in Governmental Funds Capital Assets by Source	\$ 10,744,085

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, 2025

(In Thousands)

	Land	Non-Depreciable Intangible Assets	Depreciable Intangible Assets	Buildings	Improvements	Infrastructure	Machinery and Equipment	Total
General Government:								
Legislative	\$ 56	\$ -	\$ -	\$ 2,591	\$ 91	\$ -	\$ 441	\$ 3,179
Judicial	196		1,004	19,091	248		508	21,047
Administration	4,015	12,641	2,618	204,811	60,144	39,972	290,894	615,095
Total General Government	4,267	12,641	3,622	226,493	60,483	39,972	291,843	639,321
Public Safety:								
Police	11,969			38,169	10,410		101,340	161,888
Fire	40,911			83,034	11,648	235	60,484	196,312
Building Inspection and Regulations	7,299			14,210			177	21,686
Total Public Safety	60,179			135,413	22,058	235	162,001	379,886
Public Works	1,255,800	22,381		661,939	761,864	4,494,529	38,438	7,234,951
Health Services	2,818		469	3,139	2,277		7,126	15,829
Convention and Tourism	5,422			469,059	95,695		7,989	578,165
Sanitation				164	15		289	468
Welfare	345			27,672	7,595		3,979	39,591
Culture and Recreation:								
Libraries	8,701			101,867	25,798	22,997	2,049	161,412
Parks	117,649	243,903		46,347	341,545	19,862	15,467	784,773
Culture & Arts				70,794	18,968		18,898	108,660
Total Culture and Recreation	126,350	243,903		219,008	386,311	42,859	36,414	1,054,845
Urban Redevelopment and Housing					699	1,866	973	3,538
Education	912			27,752			5	28,669
Economic Development and Opportunity				1,000	5,987		462	7,449
Environment		44						44
Total Capital Assets Allocated to Functions	\$ 1,456,093	\$ 278,969	\$ 4,091	\$ 1,771,639	\$ 1,342,984	\$ 4,579,461	\$ 549,519	\$ 9,982,756
Construction in Progress								616,879
Governmental Lease Assets								59,212
Governmental Subscription Assets								85,238
Total Governmental Funds Capital Assets								\$ 10,744,085

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, 2025

(In Thousands)

	Beginning Balance (Restated) ²	Additions ³	Deductions ⁴	Ending Balance
Function and Activity:				
General Government:				
Legislative	\$ 3,122	\$ 57	\$ -	\$ 3,179
Judicial	21,072	11	36	21,047
Administration	572,356	43,931	1,192	615,095
Total General Government	596,550	43,999	1,228	639,321
Public Safety:				
Police	153,284	8,950	346	161,888
Fire	189,552	7,352	592	196,312
Building Inspection and Regulations	21,686			21,686
Total Public Safety	364,522	16,302	938	379,886
Public Works	6,983,084	252,015	148	7,234,951
Health Services	12,918	2,916	5	15,829
Convention and Tourism	573,553	4,893	281	578,165
Sanitation	468			468
Welfare	38,953	638		39,591
Culture and Recreation:				
Libraries	160,405	1,023	16	161,412
Parks	750,568	34,356	151	784,773
Culture & Arts	67,312	41,551	203	108,660
Total Culture and Recreation	978,285	76,930	370	1,054,845
Urban Redevelopment and Housing	3,330	208		3,538
Education	28,669			28,669
Economic Development and Opportunity	6,587	862		7,449
Environment	405		361	44
Construction in Progress	583,775	398,007	364,903	616,879
Governmental Lease Assets	57,642	3,610	2,040	59,212
Governmental Subscription Assets	78,146	8,561	1,469	85,238
Total Governmental Funds Capital Assets	\$ 10,306,887	\$ 808,941	\$ 371,743	\$ 10,744,085

¹ This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the Statement of Net Position.

² Beginning balance is restated by \$3,918 to remove the balances for Visit San Antonio, and \$34,250 to remove San Antonio Early Childhood Education Municipal Development Corporation (ECEMDC). See Note 21 Adjustments and Restatements, for more information.

³ Additions include \$357,938 transferred from construction in progress.

⁴ Deductions from construction in progress include the \$357,938 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)

	2016 (Restated)	2017 (Restated)	2018 (Restated)	2019 (Restated)	2020	2021	2022 (Restated)	2023	2024	2025
Governmental Activities:										
Net Investment in Capital Assets	\$ 2,675,249	\$ 2,815,626	\$ 2,852,015	\$ 2,957,496	\$ 3,017,372	\$ 3,086,156	\$ 3,065,297	\$ 3,162,410	\$ 3,241,934	\$ 3,318,484
Restricted	62,622	56,706	52,819	45,376	68,775	91,786	181,560	195,668	208,537	123,190
Unrestricted	(566,044)	(1,125,842)	(1,007,985)	(1,048,034)	(1,118,991)	(1,076,517)	(670,834)	(615,817)	(536,384)	(803,036)
Total Governmental Activities, net position	\$ 2,171,827	\$ 1,746,490	\$ 1,896,849	\$ 1,954,838	\$ 1,967,156	\$ 2,101,425	\$ 2,576,023	\$ 2,742,261	\$ 2,914,087	\$ 2,638,638
Business-Type Activities:										
Net Investment in Capital Assets	\$ 348,896	\$ 365,001	\$ 338,367	\$ 331,455	\$ 317,220	\$ 304,394	\$ 304,792	\$ 288,098	\$ 322,560	\$ 381,702
Restricted	85,629	97,709	136,568	169,981	151,649	173,439	222,510	275,879	306,519	295,900
Unrestricted	(67,721)	(101,635)	(118,932)	(125,547)	(116,237)	(120,163)	118,506	(124,544)	(93,200)	(44,844)
Total Business-Type Activities, net position	\$ 366,804	\$ 361,075	\$ 356,003	\$ 375,889	\$ 352,632	\$ 357,670	\$ 645,808	\$ 439,433	\$ 535,879	\$ 632,758
Primary Government:										
Net Investment in Capital Assets	\$ 3,024,145	\$ 3,180,627	\$ 3,190,382	\$ 3,288,951	\$ 3,334,592	\$ 3,390,550	\$ 3,370,089	\$ 3,450,508	\$ 3,564,494	\$ 3,700,186
Restricted	148,251	154,415	189,387	215,357	220,424	265,225	404,070	471,547	515,056	419,090
Unrestricted	(633,765)	(1,227,477)	(1,126,917)	(1,173,581)	(1,235,228)	(1,196,680)	(552,328)	(740,361)	(629,584)	(847,880)
Total Primary Government, net position	\$ 2,538,631	\$ 2,107,565	\$ 2,252,852	\$ 2,330,727	\$ 2,319,788	\$ 2,459,095	\$ 3,221,831	\$ 3,181,694	\$ 3,449,966	\$ 3,271,396

Statistical Data

Changes in Net Position

Last Ten Fiscal Years

(accrual basis of accounting)

(In Thousands)

	2016 (Restated)	2017	2018	2019	2020	2021	2022 (Restated)	2023	2024	2025
Expenses:										
Governmental Activities:										
General Government	\$ 131,273	\$ 101,673	\$ 134,370	\$ 137,479	\$ 142,073	\$ 128,496	\$ 135,351	\$ 146,465	\$ 195,810	\$ 193,442
Public Safety	888,100	828,839	721,695	846,878	932,262	834,517	766,295	1,009,008	1,027,190	1,155,042
Public Works	240,763	244,437	349,150	327,811	319,114	355,965	347,536	409,149	438,995	488,865
Sanitation	7,090	9,574	5,748	7,507	11,521	10,482	11,316	12,889	13,297	12,885
Health Services	54,953	67,038	80,505	75,978	82,349	104,369	102,620	121,572	124,759	130,049
Culture and Recreation	171,704	161,408	214,302	208,092	182,630	197,024	202,798	252,864	258,340	285,723
Convention and Tourism	73,932	66,634	60,426	82,251	63,981	56,198	80,658	91,784	92,716	92,280
Urban Redevelopment and Housing	27,025	30,867	38,521	56,855	99,542	139,752	126,328	74,021	100,428	87,867
Welfare	126,440	143,370	157,828	164,042	188,256	204,113	260,447	243,551	270,173	291,084
Education	62,579	81,563	74,314	83,331	74,133	73,261	79,651	107,452	129,276	155,146
Economic Development and Opportunity	22,974	27,994	27,463	34,137	73,298	100,791	71,490	63,711	55,479	60,343
Environmental			209	930	302	197	193	1,866	3,619	10,702
Bond Issuance Costs	2,192	1,951	1,832	3,008	10,148	2,000	4,061		2,731	
Interest on Long-Term Debt	86,862	89,469	91,718	91,909	80,130	81,021	63,382	86,637	94,944	99,670
Total Governmental Activities Expenses	1,895,887	1,854,817	1,958,081	2,120,208	2,259,739	2,288,186	2,252,126	2,620,969	2,807,757	3,063,098
Business-Type Activities:										
Airport System	127,122	127,419	134,352	147,216	137,308	129,769	135,836	152,352	171,412	184,554
Development Services	27,033	29,643	30,490	38,184	37,982	41,831	43,540	48,530	50,322	54,006
Market Square	2,708	2,643	2,488	2,535	1,914	1,979	2,232	2,854	2,901	3,118
Parking System	14,157	9,671	12,321	10,051	12,446	8,502	7,188	9,558	9,889	10,919
Solid Waste Management	110,361	114,308	113,513	123,390	131,175	128,111	138,763	150,982	144,185	155,126
Total Business-Type Activities Expenses	281,381	283,684	293,164	321,376	320,825	310,192	327,559	364,276	378,709	407,723
Total Primary Government Expenses	\$ 2,177,268	\$ 2,138,501	\$ 2,251,245	\$ 2,441,584	\$ 2,580,564	\$ 2,598,378	\$ 2,579,685	\$ 2,985,245	\$ 3,186,466	\$ 3,470,821
Program Revenues:										
Governmental Activities:										
Charges for Services:										
General Government	\$ 23,084	\$ 24,489	\$ 29,185	\$ 22,787	\$ 13,951	\$ 13,752	\$ 17,156	\$ 19,298	\$ 19,773	\$ 19,264
Public Safety	52,110	54,055	49,748	50,399	52,266	36,763	75,304	48,310	41,629	77,429
Public Works	51,862	58,198	61,532	64,578	65,469	66,746	79,460	69,766	69,763	68,592
Sanitation	6,846	6,961	7,078	7,176	10,934	10,917		11,362	11,356	11,611
Health Services	19,336	21,106	19,756	16,121	13,822	16,024	10,255	13,733	11,350	13,264
Culture and Recreation	56,416	63,892	70,083	71,081	46,670	49,474	80,882	95,007	90,744	102,613
Convention and Tourism										
Urban Redevelopment and Housing	487	976	688	1,096	929	733	1,072	856	1,160	961
Welfare	151	785								
Education	726	778	697	747	677	280	399	4,018	2,156	
Economic Development and Opportunity	383	588				220	1,378	1,717	2,677	2,408
Environmental			105	577	205	197	10,294	253	704	613
Operating Grants and Contributions	188,371	225,040	186,005	184,117	362,730	425,728	467,342	353,574	472,237	329,673
Capital Grants and Contributions	68,366	39,254	49,653	61,254	52,855	77,902	97,368	59,843	54,585	116,897
Total Governmental Activities Program Revenues	468,138	496,122	474,530	479,933	620,508	698,736	840,910	677,737	778,134	743,325
Business-Type Activities:										
Charges for Services:										
Airport System	84,792	85,773	100,976	104,298	74,791	80,590	109,994	122,679	150,292	154,574
Development Services	28,874	30,230	31,345	35,092	37,215	43,279	47,555	42,967	45,911	40,822
Market Square	2,891	2,925	3,019	2,891	1,291	1,723	2,966	2,460	2,310	1,945
Parking System	9,671	9,406	9,269	9,754	5,831	5,729	8,077	8,227	7,534	7,686
Solid Waste Management	101,954	107,633	117,310	133,212	128,594	129,534	131,910	130,875	152,527	160,033
Operating Grants and Contributions					10,480	24,812	36,350	19,004	36	
Capital Grants and Contributions	45,837	53,872	54,198	47,296	27,473	31,777	44,588	51,078	53,849	115,524
Total Business-Type Activities Program Revenues	274,019	289,839	316,117	332,543	285,675	317,444	381,440	377,290	412,459	480,584
Total Primary Government Program Revenues	\$ 742,157	\$ 785,961	\$ 790,647	\$ 812,476	\$ 906,183	\$ 1,016,180	\$ 1,222,350	\$ 1,055,027	\$ 1,190,593	\$ 1,223,909

(Continued)

Statistical Data**Changes in Net Position (Continued)****Last Ten Fiscal Years***(accrual basis of accounting)**(In Thousands)*

	2016 (Restated)	2017	2018	2019	2020	2021	2022 (Restated)	2023	2024	2025
Net (Expense) Revenue:										
Governmental Activities	\$ (1,437,254)	\$ (1,358,695)	\$ (1,483,551)	\$ (1,640,275)	\$ (1,639,231)	\$ (1,589,450)	\$ (1,411,216)	\$ (1,943,232)	\$ (2,029,623)	\$ (2,319,773)
Business-Type Activities	(7,362)	6,155	22,953	11,167	(35,150)	7,252	53,881	13,014	33,750	72,861
Total Primary Government Net (Expense)	\$ (1,444,616)	\$ (1,352,540)	\$ (1,460,598)	\$ (1,629,108)	\$ (1,674,381)	\$ (1,582,198)	\$ (1,357,335)	\$ (1,930,218)	\$ (1,995,873)	\$ (2,246,912)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Taxes:										
Property	\$ 495,638	\$ 550,204	\$ 577,870	\$ 617,045	\$ 653,263	\$ 684,784	\$ 708,485	\$ 765,507	\$ 809,895	\$ 837,808
General Sales and Use	347,874	358,076	378,367	397,869	390,513	439,381	501,259	514,843	527,129	537,355
Selective Sales and Use	8,516	8,875	9,554	9,928	6,876	9,083	11,698	12,357	12,425	12,674
Gross Receipts Business	35,992	33,380	32,086	32,109	25,455	22,211	21,015	19,523	17,486	16,279
Occupancy	81,280	85,814	91,563	100,648	58,177	69,520	103,044	110,548	113,944	119,986
Penalties and Interest on Delinquent Taxes	3,480	3,647	3,923	4,023	4,092	4,581	5,225	5,626	7,326	11,250
Revenues from Utilities	345,666	363,612	389,319	377,652	373,426	383,127	419,985	487,646	500,488	527,712
Investment Earnings (Loss)	4,811	8,109	19,031	39,682	26,116	1,897	(16,933)	81,677	137,959	90,066
Miscellaneous	84,841	82,132	96,643	116,883	113,606	117,043	130,856	112,231	101,639	87,826
Special Items									(31,135)	
Transfers, net	3,733	6,006	35,554	2,956	706	(7,908)	431	288	4,293	1,062
Total Governmental Activities	1,411,831	1,499,855	1,633,910	1,698,795	1,652,230	1,723,719	1,885,065	2,110,246	2,201,449	2,242,018
Business-Type Activities:										
Investment Earnings (Loss)	1,152	1,969	3,808	6,605	3,923	233	(2,176)	13,487	35,322	25,617
Miscellaneous	1,684	5,396	4,568	5,663	7,860	2,183	2,100	4,837	1,639	1,896
Special Items									31,135	
Transfers, net	(3,824)	(4,619)	(36,401)	(3,501)	110	(4,630)	(2,679)	(701)	(5,400)	(1,062)
Total Business-Type Activities	(988)	2,746	(28,025)	8,767	11,893	(2,214)	(2,755)	17,623	62,696	26,451
Total Primary Government	\$ 1,410,843	\$ 1,502,601	\$ 1,605,885	\$ 1,707,562	\$ 1,664,123	\$ 1,721,505	\$ 1,882,310	\$ 2,127,869	\$ 2,264,145	\$ 2,268,469
Change in Net Position:										
Governmental Activities	\$ (25,423)	\$ 141,160	\$ 150,359	\$ 58,520	\$ 12,999	\$ 134,269	\$ 473,849	\$ 167,014	\$ 171,826	\$ (77,755)
Business-Type Activities	(8,350)	8,901	(5,072)	19,934	(23,257)	5,038	51,126	30,637	96,446	99,312
Total Primary Government	\$ (33,773)	\$ 150,061	\$ 145,287	\$ 78,454	\$ (10,258)	\$ 139,307	\$ 524,975	\$ 197,651	\$ 268,272	\$ 21,557

Statistical Data

Fund Balances, Governmental Funds

Last Ten Fiscal Years

(modified accrual basis of accounting)

(In Thousands)

	2016	2017	2018	2019 (Restated)	2020	2021	2022	2023	2024	2025
General Fund:										
Nonspendable	\$ 6,681	\$ 6,087	\$ 6,887	\$ 7,084	\$ 7,814	\$ 7,400	\$ 8,048	\$ 10,195	\$ 11,771	\$ 12,631
Restricted	470	528	2,283	2,392						
Committed	49,333	64,594	97,134	108,420	49,821	76,165	111,165	161,826	202,506	175,919
Assigned	6,554	10	8	21	6	7	8	5	4	2
Unassigned	192,072	212,930	243,828	247,125	284,708	289,572	346,654	393,226	369,119	381,082
Total General Fund	<u>\$ 255,110</u>	<u>\$ 284,149</u>	<u>\$ 350,140</u>	<u>\$ 365,042</u>	<u>\$ 342,349</u>	<u>\$ 373,144</u>	<u>\$ 465,875</u>	<u>\$ 565,252</u>	<u>\$ 583,400</u>	<u>\$ 569,634</u>
All Other Governmental Funds:										
Nonspendable	\$ 11,635	\$ 6,220	\$ 8,357	\$ 11,730	\$ 13,405	\$ 10,445	\$ 14,161	\$ 17,564	\$ 19,589	\$ 14,008
Restricted	644,983	629,077	840,375	976,322	1,019,689	1,115,066	1,111,742	1,180,425	1,227,410	1,033,186
Committed	72,312	87,316	98,975	135,757	246,157	107,848	174,300	202,674	323,504	261,482
Assigned	32,407	10,665	3,367	4,225	7,338	8,993	17,647	20,770	14,891	790
Unassigned	(10,478)	(7,617)	(7,346)	(6,463)	(164,302)	(90,547)	(60,453)	(45,450)	(79,608)	(115,077)
Total All Other Governmental Funds	<u>\$ 750,859</u>	<u>\$ 725,661</u>	<u>\$ 943,728</u>	<u>\$ 1,121,571</u>	<u>\$ 1,122,287</u>	<u>\$ 1,151,805</u>	<u>\$ 1,257,397</u>	<u>\$ 1,375,983</u>	<u>\$ 1,505,786</u>	<u>\$ 1,194,389</u>

Statistical Data**Changes in Fund Balances, Governmental Funds****Last Ten Fiscal Years***(modified accrual basis of accounting)**(In Thousands)*

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022 ¹	2023 ²	2024	2025
Revenues:										
Taxes	\$ 973,357	\$ 1,032,903	\$ 1,091,138	\$ 1,161,167	\$ 1,133,948	\$ 1,227,421	\$ 1,350,905	\$ 1,422,873	\$ 1,479,496	\$ 1,522,824
Licenses and Permits	8,961	9,264	9,160	7,351	9,130	8,806	9,377	9,907	10,047	11,549
Intergovernmental	235,542	233,963	216,367	224,753	334,617	452,002	513,446	421,618	494,246	362,103
Revenues from Utilities	345,666	363,612	389,319	377,652	373,426	383,127	419,985	487,646	500,488	527,712
Charges for Services	169,896	187,071	195,946	198,253	174,734	170,886	227,706	232,364	227,880	247,847
Fines and Forfeits	11,215	12,317	12,253	10,247	6,470	6,256	7,153	10,204	9,959	10,642
Miscellaneous	69,440	70,978	78,534	90,929	66,979	76,404	102,973	81,987	77,864	72,432
Investment Earnings (Loss)	4,158	7,006	16,261	34,280	23,090	1,679	(15,056)	73,778	123,362	79,604
Contributions	44,141	48,587	47,579	45,368	45,582	48,169	227,114	26,710	24,412	31,820
Total Revenues	1,862,376	1,965,701	2,056,557	2,150,000	2,167,976	2,374,750	2,843,603	2,767,087	2,947,754	2,866,533
Expenditures:										
General Government	85,007	88,856	89,784	95,349	94,251	97,902	119,448	113,130	158,361	132,866
Public Safety	731,816	751,133	774,563	793,409	841,487	846,099	876,169	900,611	1,030,099	1,047,228
Public Works	118,290	131,310	127,177	130,575	121,029	133,909	149,325	154,364	159,824	234,121
Health Services	58,533	63,729	61,664	65,001	77,701	103,075	104,886	116,063	120,366	126,272
Sanitation	7,174	9,891	6,957	7,804	11,251	10,353	11,280	12,631	12,609	11,342
Welfare	128,236	139,916	144,121	155,572	184,900	199,523	268,786	239,723	265,507	288,185
Culture and Recreation	161,757	158,688	172,407	167,426	158,871	176,267	189,894	214,475	224,238	245,329
Convention and Tourism	45,246	51,373	51,829	61,192	46,981	41,235	233,847	75,023	77,945	78,393
Urban Redevelopment and Housing	28,424	29,945	33,083	49,350	97,401	138,847	127,197	71,866	85,058	72,200
Education	63,032	76,157	74,064	74,224	69,777	70,691	79,596	101,098	141,012	151,366
Economic Development and Opportunity	23,282	28,458	27,383	32,892	72,676	100,743	70,277	64,745	56,717	62,086
Environmental			1,247	214	226	124	88	2,205	3,619	10,702
Capital Outlay	455,746	410,626	298,671	355,349	417,118	464,797	441,722	442,919	553,157	515,003
Debt Service:										
Principal Retirement	149,489	162,594	172,790	180,464	183,577	191,140	200,979	226,682	272,959	272,311
Interest	110,902	111,584	113,702	118,037	108,754	109,025	104,141	112,713	118,276	125,870
Arbitrage Expenditure									2,731	4,967
Issuance Costs	2,192	1,951	1,832	3,008	10,148	2,000	4,061	1,762	2,731	2,104
Leases:										
Principal Retirement							5,976	9,354	10,220	6,196
Interest							1,088	1,402	1,428	1,118
Subscription:										
Principal Retirement								5,157	7,514	8,005
Interest								367	2,289	2,552
Total Expenditures	2,169,126	2,216,211	2,151,274	2,289,866	2,496,148	2,685,730	2,988,760	2,866,290	3,306,660	3,398,216
Excess (Deficiency) of Revenues Over (Under) Expenditures	(306,750)	(250,510)	(94,717)	(139,866)	(328,172)	(310,980)	(145,157)	(99,203)	(358,906)	(531,683)
Other Financing Sources (Uses):										
Issuance of Long-Term Debt	180,114	221,934	310,557	279,985	262,665	335,819	313,266	297,584	418,017	329,840
Refunding Debt Issued	147,130			193,395	465,190		265,875			81,015
Payments to Refunded Bond Escrow Agent	(176,308)			(221,348)	(463,795)		(297,558)			(85,670)
Issuance of Notes and Loans	835				1,558	188		703		
Issuance of Lease Liability							11,917	5,323	3,973	1,914
Issuance of Subscription Liability								3,915	64,287	2,409
Premium on Long-Term Debt	51,282	24,002	32,069	73,907	44,747	50,337	54,403	11,914	35,387	27,145
Transfers In	550,511	550,995	453,830	505,548	658,464	618,673	754,992	706,864	865,464	678,157
Transfers Out	(545,849)	(542,608)	(417,681)	(498,876)	(656,494)	(633,724)	(758,622)	(709,182)	(880,271)	(683,165)
Total Other Financing Sources (Uses)	207,715	254,323	378,775	332,611	312,335	371,293	344,273	317,121	506,857	351,645
Net Change in Fund Balances	\$ (99,035)	\$ 3,813	\$ 284,058	\$ 192,745	\$ (15,837)	\$ 60,313	\$ 199,116	\$ 217,918	\$ 147,951	\$ (180,038)
Debt Service as a Percentage of Noncapital Expenditures	14.8%	15.3%	15.5%	15.3%	13.8%	13.2%	12.4%	14.8%	14.5%	14.0%

¹ GASB 87 for leases was implemented in fiscal year 2022² GASB 96 for SBITAs was implemented in fiscal year 2023

Statistical Data
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
(In Thousands)

Fiscal Year	Property ¹	Sales and Use ²	Alcoholic Beverage Tax	Business Tax	Hotel/Motel Occupancy	Penalties and Interest and Judgments	Total
2016	\$ 496,215	\$ 347,874	\$ 8,516	\$ 35,992	\$ 81,280	\$ 3,480	\$ 973,357
2017	543,111	358,076	8,875	33,380	85,814	3,647	1,032,903
2018	575,645	378,367	9,554	32,086	91,563	3,923	1,091,138
2019	616,590	397,869	9,928	32,109	100,648	4,023	1,161,167
2020	648,835	390,513	6,876	25,455	58,177	4,092	1,133,948
2021	682,645	439,381	9,083	22,211	69,520	4,581	1,227,421
2022	708,664	501,259	11,698	21,015	103,044	5,225	1,350,905
2023	759,976	514,843	12,357	19,523	110,548	5,626	1,422,873
2024	805,726	527,129	12,425	17,486	110,048	6,682	1,479,496
2025	833,782	537,355	12,674	16,279	115,717	7,017	1,522,824
Change:							
2016-2025	68.0%	54.5%	48.8%	-54.8%	42.4%	101.6%	56.5%

¹ The City reduced the property tax rate in 2016 because of growth in property tax values (see Assessed Value and Actual Value of Taxable Property). Due to the City reaching the maximum state capacity limit, the property tax rate was reduced in 2023.

² Sales and Use tax revenues increased in the past ten years due to a combination of rate increases (see Direct and Overlapping Sales and Use Tax Rates), growth in taxable retail sales (see Taxable Sales by Category), and several legislative measures to broaden the sales and use tax base.

Statistical Data**Assessed Value and Actual Value of Taxable Property****Last Ten Fiscal Years**

(Dollars In Thousands)

Fiscal Year Ended	Residential Property	Commercial Property	Industrial Property	Other Property	Less: Tax-Exempt Property ¹	Estimated Actual Value	Total Direct Tax Rate
2016	\$ 49,166,613	\$ 42,931,187	\$ 2,820,244	\$ 9,403,514	\$ 14,980,047	\$ 89,341,511	0.56
2017	53,399,742	47,829,963	3,110,813	10,105,288	16,255,650	98,190,156	0.56
2018	57,302,203	51,196,368	3,385,569	10,956,519	17,170,373	105,670,286	0.56
2019	61,409,375	54,766,795	3,770,062	11,595,996	18,424,378	113,117,850	0.56
2020	65,741,727	58,265,400	3,620,328	11,830,066	20,129,805	119,327,716	0.56
2021	70,312,580	60,297,819	3,783,214	14,823,463	23,752,713	125,464,363	0.56
2022	75,846,822	60,843,554	3,406,094	15,321,498	24,839,166	130,578,802	0.56
2023	92,986,752	68,366,546	3,770,583	17,519,333	40,979,254	141,663,960	0.54
2024	103,539,637	76,364,540	4,024,000	20,924,671	53,908,964	150,943,884	0.54
2025	104,692,002	78,159,880	3,867,420	22,560,447	51,762,047	157,517,702	0.54

Source: Bexar Appraisal District

¹ Tax-exempt property deductions include a residential homestead exemption and additional exemptions granted to persons 65 years of age and older, the disabled, and disabled veterans. Effective for tax year 2023, persons with a residence homestead are entitled to a 20% exemption of the assessed valuation of their home (or \$5,000 whichever is greater). 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, disaster damage, medical facility, and child care facility.

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	
2016	2015	\$ 0.346770	\$ 0.211500	\$ 0.558270	\$ 0.149150	\$ 0.314500	\$ 0.276235	\$ 0.017290	\$ 1.195000	\$ 1.265000	
2017	2016	0.346770	0.211500	0.558270	0.149150	0.308950	0.276235	0.017290	1.195000	1.285000	
2018	2017	0.346770	0.211500	0.558270	0.149150	0.277429	0.276235	0.017290	1.200000	1.335000	
2019	2018	0.346770	0.211500	0.558270	0.149150	0.277429	0.276235	0.018580	1.255000	1.325000	
2020	2019	0.346770	0.211500	0.558270	0.149150	0.277429	0.276235	0.018580	1.195000	1.210000	
2021	2020	0.346770	0.211500	0.558270	0.149150	0.277429	0.276235	0.018580	1.196400	1.420000	
2022	2021	0.346770	0.211500	0.558270	0.149150	0.276331	0.276235	0.018580	1.193400	1.088000	
2023	2022	0.330110	0.211500	0.541610	0.149150	0.276331	0.276235	0.018360	1.135500	1.070600	
2024	2023	0.330009	0.211500	0.541509	0.149150	0.276331	0.276235	0.018000	0.966600	0.885200	
2025	2024	0.330090	0.211500	0.541590	0.149150	0.276331	0.276235	0.017870	0.966200	0.932900	

Overlapping Rates												
Fiscal Year	Tax Roll	Edgewood ISD	Harlandale ISD	Judson ISD	North East ISD	Northside ISD	San Antonio ISD	Schertz-Cibolo-Universal City ISD	Somerset ISD	South San Antonio ISD	Southside ISD	Southwest ISD
2016	2015	\$ 1.355900	\$ 1.528800	\$ 1.420000	\$ 1.415000	\$ 1.375500	\$ 1.382600	\$ 1.490000	\$ 1.278000	\$ 1.451500	\$ 1.368900	\$ 1.414900
2017	2016	1.355900	1.528800	1.470000	1.385000	1.375500	1.512600	1.490000	1.278000	1.451500	1.368900	1.473000
2018	2017	1.385178	1.528800	1.425000	1.365000	1.375500	1.532600	1.470000	1.450700	1.451500	1.607100	1.473000
2019	2018	1.377242	1.558800	1.440000	1.360000	1.375500	1.562600	1.490000	1.442173	1.451500	1.575900	1.473000
2020	2019	1.298270	1.498900	1.358400	1.290000	1.305500	1.530950	1.420000	1.312176	1.450000	1.404544	1.472976
2021	2020	1.261321	1.428200	1.274900	1.268400	1.285700	1.502300	1.410640	1.322250	1.391200	1.389144	1.438004
2022	2021	1.175570	1.400700	1.270000	1.252500	1.261300	1.496100	1.369500	1.263931	1.384800	1.389144	1.374004
2023	2022	1.158592	1.442900	1.220000	1.182200	1.190100	1.424200	1.324600	1.263279	1.353600	1.253034	1.337500
2024	2023	1.020092	1.257500	1.034600	1.010500	1.011700	1.207820	1.139200	1.077879	1.168200	1.104234	1.162100
2025	2024	0.987150	1.257500	1.034600	1.000700	1.004900	1.155300	1.136900	1.075500	1.195900	1.090300	1.159800

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	2025			2016		
	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	\$ 2,040,753,191	1	1.27%	\$ 1,181,457	1	1.32%
Microsoft Corporation	907,288,300	2	0.56%			
Methodist Healthcare System	771,176,177	3	0.48%	493,284	4	0.55%
Toyota Motor Manufacturing Texas, Inc	730,996,692	4	0.45%	389,371	5	0.44%
VHS San Antonio Partners LP	667,927,585	5	0.42%	505,878	3	0.57%
Wal-Mart Stores, Inc.	549,157,491	6	0.34%	625,968	2	0.70%
Amazon Data Services Inc	529,855,203	7	0.33%			
Frankel Family Trust	427,875,800	8	0.27%	298,254	9	0.33%
United Services Automobile Association	419,546,010	9	0.26%	361,902	7	0.41%
La Cantera Specialty Retail ²	366,507,910	10	0.23%	350,803	8	0.39%
Hyatt Regency Hotels				376,380	6	0.42%
Marriott International, Inc.				286,859	10	0.32%
Total	\$ 7,411,084,359		4.61%	\$ 4,870,156		5.45%

¹ Based on Bexar Appraisal District values as of Certification.² Formerly named General Growth Properties, Inc.

Source: City of San Antonio

Statistical Data

Property Tax Levies and Collections

Last Ten Fiscal Years

(Dollars In Thousands)

Fiscal Year Ended	Taxes Levied for the Fiscal Year ¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years ^{2, 3}	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 489,748	\$ 484,769	98.98%	\$ 2,683	\$ 487,452	99.53%
2017	535,505	529,916	98.96%	2,573	532,489	99.44%
2018	573,757	567,369	98.89%	531	567,900	98.98%
2019	611,672	604,639	98.85%	893	605,532	99.00%
2020	644,999	636,806	98.73%	1,429	638,235	98.95%
2021	675,376	667,124	98.78%	3,185	670,309	99.25%
2022	698,694	690,239	98.79%	4,251	694,490	99.40%
2023	750,299	739,306	98.53%	261	739,567	98.57%
2024	804,435	791,348	98.37%	(1,426)	789,922	98.20%
2025	832,522	818,582	98.33%		818,582	98.33%

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									
	2015	2016	2017	2018	2019	2020	2021 ^{4, 5}	2022	2023	2024
Motor Vehicle and Parts Dealers	\$ 614,692	\$ 615,592	\$ 615,479	\$ 638,281	\$ 661,134	\$ 649,408	\$ 781,408	\$ 865,857	\$ 898,519	\$ 892,657
Furniture and Home Furnishings Stores	637,118	563,966	556,688	587,722	621,933	559,025	637,803	657,468	599,936	489,598
Electronics and Appliance Stores	522,708	516,082	524,175	626,402	678,726	546,101	654,118	720,541	670,373	638,791
Building Material and Garden Equipment and Supplies Dealers	1,528,088	1,547,838	1,612,541	1,673,106	1,738,215	1,952,906	2,364,898	2,622,063	2,339,078	2,231,648
Food and Beverage Stores ²	1,267,148	1,301,232	1,307,578	1,378,002	1,474,209	1,575,761	1,648,080	1,766,206	1,874,406	1,869,551
Health and Personal Care Stores	287,982	296,910	286,245	273,322	269,121	233,285	294,500	313,498	309,505	315,715
Gasoline Stations	434,216	462,318	490,228	501,924	535,192	579,675	626,836	679,573	702,639	709,880
Clothing and Clothing Accessories Stores ³	1,228,480	1,206,815	1,152,396	1,227,961	1,195,253	886,813	1,374,381	1,450,477	1,432,805	1,497,171
Sporting Goods, Hobby, Book and Music Stores	569,892	556,242	504,898	472,035	461,854	474,979	605,550	591,034	561,834	556,562
General Merchandise Stores	2,575,692	2,589,998	2,593,070	2,415,265	2,460,491	2,269,944	2,724,087	2,789,057	2,736,984	2,786,394
Miscellaneous Store Retailers	543,416	541,602	532,605	744,249	759,887	745,014	924,111	1,002,639	1,022,296	1,015,746
Nonstore Retailers	106,696	95,331	78,624	85,046	85,674	84,541	136,148	170,838	161,041	182,508
Food Services and Drinking Places	3,447,511	3,625,730	3,730,076	3,955,173	4,146,366	3,522,433	4,518,409	5,043,754	5,437,328	5,619,998
Total	\$ 13,763,639	\$ 13,919,656	\$ 13,984,603	\$ 14,578,488	\$ 15,088,055	\$ 14,079,885	\$ 17,290,329	\$ 18,673,005	\$ 18,746,744	\$ 18,806,219
City Direct Sales Tax Rate	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%	1.250%

Source: Texas Comptroller of Public Accounts

¹ Calendar Year 2025 information will not be available until May 2026.

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 San Antonio Early Childhood Municipal Development Corporation (SA: Ready to Work). Sales tax allocations began in May 2021.

Statistical Data
Direct and Overlapping Sales and Use Tax Rates
Last Ten Fiscal Years

Fiscal Year	San Antonio Tax ¹	SA: Ready to Work Tax ¹	Pre-K 4 SA Tax	San Antonio ATD ²	San Antonio MTA ³	State of Texas	Total ⁴
2016	1.125%		0.125%	0.250%	0.500%	6.250%	8.250%
2017	1.125%		0.125%	0.250%	0.500%	6.250%	8.250%
2018	1.125%		0.125%	0.250%	0.500%	6.250%	8.250%
2019	1.125%		0.125%	0.250%	0.500%	6.250%	8.250%
2020	1.125%		0.125%	0.250%	0.500%	6.250%	8.250%
2021	1.000%	0.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2022	1.000%	0.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2023	1.000%	0.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2024	1.000%	0.125%	0.125%	0.250%	0.500%	6.250%	8.250%
2025	1.000%	0.125%	0.125%	0.250%	0.500%	6.250%	8.250%

¹ In November 2020, the citizens of the City elected to reallocate the Edwards Aquifer Protection and Parks Development Expansion 1/8 cent sales tax to fund the SA: Ready to Work program.

² San Antonio Advanced Transportation District (ATD) is tax added for improvements to public transportation, streets, highways, and other related transportation infrastructure.

³ San Antonio Metropolitan Transit Authority (MTA) is tax added by the Transit Authority to provide public transportation services within designated boundaries.

⁴ The City is currently at its Sales and Use Tax Rate maximum limit of 8.250%.



Statistical Data

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(dollars in thousands, except per capita)

Governmental Activities									
Fiscal Year	Tax-Exempt General Obligation Bonds ¹	Taxable General Obligation Bonds ¹	Tax-Exempt Certificates of Obligation ¹	Taxable Certificates of Obligation ¹	Tax Notes ¹	Revenue Bonds ¹	Leases ⁴	Subscription Liability ⁴	Notes Payable
2016	\$ 1,175,231	\$ 191,550	\$ 257,939	\$ 66,864	\$ 36,272	\$ 874,310	\$ -	\$ -	\$ 36,190
2017	1,151,889	191,550	309,005	65,149	44,003	859,819			28,617
2018	1,202,655	191,550	395,595	71,328	54,305	844,898			25,692
2019	1,540,720	4,135	409,368	68,563	59,176	829,475			
2020	1,268,004	437,420	355,598	80,293	71,544	813,475			
2021	1,283,913	428,710	379,329	145,680	81,919	897,905			
2022	1,222,659	508,940	446,622	140,085	90,187	757,951	92,547		
2023	1,298,531	470,515	471,834	134,420	68,463	744,348	88,496	15,889	1,204
2024	1,394,215	410,060	604,339	160,790	71,793	729,018	83,928	89,487	
2025	1,416,818	378,760	660,623	166,365	93,445	691,714	66,648	85,648	

Governmental Activities: Direct Borrowing & Direct Placement ²

Fiscal Year	Taxable Certificates of Obligation ¹	Tax Notes ¹	Contractual Obligations	Revenue Notes	Financed Purchases	Notes Payable
2016	\$ -	\$ 1,030	\$ -	\$ 12,765	\$ 14,822	\$ 6,594
2017	47,000	835		9,715	11,540	6,463
2018	47,000	635		6,575	22,889	6,361
2019	47,000	430		3,335	18,771	6,323
2020	47,000	220	11,300	5,790	5,751	7,341
2021	15,955		9,115	5,435	4,852	147
2022	15,955		6,895	5,075	3,754	
2023	15,955		4,635	4,705	5,686	30,000
2024	15,020		2,335	4,325	5,169	30,000
2025	14,085			3,935	11,118	30,000

Business Type Activities:

Direct Borrowing &

Direct Placement ²

Business-Type Activities							Direct Placement ²					
Fiscal Year	Tax-Exempt General Obligation Bonds ¹	Taxable General Obligation Bonds ¹	Tax-Exempt Certificates of Obligation ¹	Revenue Bonds ¹	Leases ⁴	Subscription Liability ⁴	Tax Notes ¹	Financed Purchases	Total Primary Government	Percentage of Personal Income ³	Per Capita ³	
2016	\$ 2,579	\$ 10,102	\$ 7,604	\$ 479,959	\$ -	\$ -	\$ -	\$ 33,598	\$ 3,207,409	9.19%	\$ 2,182	
2017	2,472	9,080	13,074	460,587				23,425	3,234,223	9.06%	2,167	
2018	2,265	8,004	38,336	440,472			36,000	16,939	3,411,499	9.16%	2,256	
2019	2,054	6,862	44,069	423,862			36,000	8,127	3,508,270	9.28%	2,290	
2020	1,831	6,275	42,085	408,900			36,000	1,342	3,600,169	8.67%	2,327	
2021	1,603	4,715	40,108	386,910			62,000	1,146	3,749,442	9.93%	2,614	
2022	1,366	3,150	38,120	364,621	126		62,000	943	3,760,996	8.98%	2,590	
2023	1,133	1,580	36,106	341,794	194	3,060	331,635	4,879	4,075,062	8.93%	2,751	
2024			5,763	318,258	11,679	6,694	269,635	8,628	4,221,136	8.60%	2,823	
2025			5,439	293,851	11,172	4,891	469,635	11,943	4,416,090	8.24%	2,893	

¹ Amounts are net of premiums/discounts.² In fiscal year 2019, the City adopted GASB Statement No. 88, resulting in the reclassification of direct borrowing and direct placements reported in prior years.³ See Demographic and Economic Statistics for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.⁴ In fiscal years 2022 the City adopted GASB Statement No. 87 and in fiscal year 2023 the City adopted GASB Statement 96, respectively.

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							Percentage of Actual Taxable		Per Capita ⁵
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Contractual Obligations	Total ²	Less Principal ³	Less Debt Service Fund ⁴	Net Debt Outstanding	Value of Property	
2016	\$ 1,379,462	\$ 332,407	\$ 37,302	\$ -	\$ 1,749,171	\$ (132,940)	\$ (33,478)	\$ 1,582,753	1.77%	\$ 1,076.83
2017	1,354,991	434,228	44,838		1,834,057	(184,962)	(32,497)	1,616,598	1.65%	1,083.15
2018	1,404,474	552,259	90,940		2,047,673	(254,237)	(28,981)	1,764,455	1.67%	1,167.03
2019	1,553,771	569,000	95,606		2,218,377	(249,423)	(26,158)	1,942,796	1.72%	1,267.97
2020	1,713,530	524,976	107,764	11,300	2,357,570	(206,858)	(35,517)	2,115,195	1.77%	1,367.07
2021	1,718,941	581,072	143,919	9,115	2,453,047	(315,178)	(36,485)	2,101,384	1.67%	1,464.76
2022	1,736,115	640,782	152,187	6,895	2,535,979	(323,489)	(38,079)	2,174,411	1.67%	1,497.67
2023	1,771,759	658,315	400,098	4,635	2,834,807	(584,529)	(43,134)	2,207,144	1.56%	1,489.81
2024	1,804,275	785,912	341,428	2,335	2,933,950	(463,179)	(42,594)	2,428,177	1.61%	1,623.86
2025	1,795,578	846,512	563,080		3,205,170	(661,570)	(32,902)	2,510,698	1.59%	1,644.61

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, Development Services, and Parking utilized part of this debt from fiscal year 2015 to fiscal year 2024; Solid Waste utilized from 2015-2023 refer to Note 8 Long-Term Obligations.

³ Resources have been externally restricted for the repayment of the principal of debt.

⁴ Amount available for repayment of general obligation bonds, certificates of obligation, tax notes, and contractual obligations, excluding debt that uses externally restricted resources for its repayment.

⁵ Population data can be found in Demographic and Economic Statistics.

CITY OF SAN ANTONIO, TEXAS

Statistical Data

Direct and Overlapping Governmental Activities Debt

As of September 30, 2025

(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	\$ 828,090	66.58%	\$ 551,353
Bexar County Bonds	2,044,939	66.83%	1,366,576
San Antonio River Authority Bonds	13,194	65.62%	8,658
University Health System	1,233,133	65.62%	809,212
Alamo Heights Independent School District Bonds	261,839	49.96%	130,813
East Central Independent School District Bonds ³	44,431	46.35%	20,593
Edgewood Independent School District Bonds	37,840	100.00%	37,840
Harlandale Independent School District Bonds	192,233	100.00%	192,233
Judson Independent School District Bonds	756,123	24.28%	183,549
North East Independent School District Bonds	859,247	83.66%	718,819
Northside Independent School District Bonds	2,380,173	64.49%	1,534,926
San Antonio Independent School District Bonds	1,168,461	99.33%	1,160,666
Schertz-Cibolo-Universal City ISD Bonds	282,684	0.73%	2,073
Somerset Independent School District Bonds	37,630	4.47%	1,682
South San Antonio Independent School District Bonds	91,920	100.00%	91,920
Southside Independent School District Bonds	61,094	39.25%	23,980
Southwest Independent School District Bonds	652,524	58.22%	379,895
Total Overlapping Debt			\$ 7,214,788
City Direct Debt ²			\$ 3,619,159
Total Direct and Overlapping Debt			\$ 10,833,947

Sources: Assessed value data used to estimate applicable percentages provided by the districts. Debt outstanding data provided by each overlapping government.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of San Antonio. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the City's boundaries and dividing it by each unit's total taxable assessed value.

² City direct debt includes: Tax-Exempt General Obligation Bonds, Taxable General Obligation Bonds, Tax-Exempt Certificates of Obligation, Taxable Certificates of Obligation, Tax Notes, Revenue Bonds, Bonds from Direct Placement, Notes from Direct Placements, Notes Payables, Leases, Subscriptions and Financed Purchases.

³ East Central Independent School District is reporting 2022 information.

Statistical Data

Legal Debt Margin Information

Last Ten Fiscal Years

(Dollars In Thousands)

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed Value	\$ 211,496,772
Debt Limit (10.0% of Assessed Value)	21,149,677
Debt Applicable to Limit:	
Total Bonded Debt	3,058,300
Less: Self-Supporting Debt:	(661,570)
Debt Supplemented by Other Sources	
Assets Available for Payment of	
Principal In:	
Debt Service Fund	<u>(33,338)</u>
Total Net Debt Applicable to Limit	<u>2,363,392</u>
Legal Debt Margin	<u>\$ 18,786,285</u>

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$ 10,432,156	\$ 11,444,581	\$ 12,433,599	\$ 13,264,791	\$ 14,088,674	\$ 15,055,755	\$ 15,633,653	\$ 18,444,468	\$ 20,737,533	\$ 21,149,677
Total Net Debt										
Applicable to Limit	<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>	<u>2,058,315</u>	<u>2,276,207</u>	<u>2,363,392</u>
Legal Debt Margin	<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>	<u>\$ 16,386,153</u>	<u>\$ 18,461,326</u>	<u>\$ 18,786,285</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	13.9%	13.0%	13.1%	13.3%	13.8%	12.8%	12.8%	11.2%	11.0%	11.2%

Note: City Charter and the Constitution of the State of Texas sets limits of bond indebtedness at 10.0% of assessed valuation.

Statistical Data Pledged-Revenue Coverage

Last Ten Fiscal Years

(Dollars In Thousands)

Fiscal Year	Municipal Drainage Utility System				Starbright Industrial Development Corporation			
	Municipal Drainage Utility System Revenue	Debt Service		Coverage	Pledged Revenue	Debt Service		Coverage
		Principal	Interest			Principal	Interest	
2016	\$ 42,955	\$ 3,515	\$ 3,045	6.6	\$ 331,847	\$ 825	\$ 733	213.0
2017	47,436	3,645	2,919	7.2	346,985	935	724	209.2
2018	50,167	3,785	2,770	7.7	371,136	950	710	223.6
2019	51,730	3,965	2,596	7.9	358,789	965	693	216.4
2020	53,100	4,165	2,392	8.1	342,787	985	674	206.6
2021	53,293	4,375	2,179	8.1	352,975	1,010	650	212.6
2022	53,424	4,605	1,954	8.1	385,887	1,035	623	232.7
2023	54,185	4,840	1,718	8.3	453,477	1,065	593	273.5
2024	55,722	5,090	1,470	8.5	466,296	1,100	560	280.9
2025	56,391	5,325	1,236	8.6	492,161	1,135	523	296.8

(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.

Statistical Data
Pledged-Revenue Coverage
Last Ten Fiscal Years

(Dollars In Thousands)

Airport System							
Fiscal Year	Airport System	Debt Service		Coverage			
	Revenues	Principal	Interest				
2016	\$ 96,847	\$ 11,695	\$ 10,670	4.3			
2017	94,687	12,220	10,296	4.2			
2018	106,953	12,795	9,731	4.7			
2019	116,004	8,385	9,170	6.6			
2020	93,896	7,530	5,978	7.0			
2021	101,945	9,695	7,148	6.1			
2022	153,085	10,115	6,748	9.1			
2023	149,557	10,545	6,329	8.9			
2024	164,716	11,040	5,838	9.8			
2025	170,371	11,570	5,323	10.1			
PFC Operations							
Fiscal Year	PFC Beginning Fund Balance	PFC Revenues	Less: PFC Expenses	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2016	\$ 19,868	\$ 16,035	\$ 113	\$ 35,790	\$ 5,705	\$ 7,138	2.8
2017	19,228	17,994		37,222	5,975	6,869	2.9
2018	20,727	19,032		39,759	6,265	6,583	3.1
2019	23,482	20,130		43,612	6,580	6,274	3.4
2020	27,688	10,508		38,196	4,660	3,198	4.9
2021	28,125	12,343	586	39,882	7,160	4,770	3.3
2022	28,339	18,756	(586)	47,681	7,475	4,446	4.0
2023	32,330	20,595		52,925	7,835	4,107	4.4
2024	39,519	21,725		61,244	8,195	3,749	5.1
2025	48,207	20,984	4,984	64,207	8,560	3,374	5.4
CFC Operations							
Fiscal Year	CFC Beginning Fund Balance	CFC Revenues	Less: CFC Expenses	Net Available Revenue	Debt Service		Coverage
					Principal	Interest	
2016	\$ -	\$ 10,694	\$ -	\$ 10,694	\$ -	\$ 6,293	1.7
2017		10,676		10,676		6,823	1.6
2018		12,024		12,024		6,823	1.8
2019		14,263		14,263	700	6,823	1.9
2020		8,763		8,763	950	6,804	1.1
2021		9,380		9,380	1,150	6,773	1.2
2022		11,578		11,578	1,450	6,731	1.4
2023		12,695		12,695	1,735	6,674	1.5
2024		16,032		16,032	2,025	6,602	1.9
2025		16,198		16,198	2,375	6,516	1.8

(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.

Statistical Data
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Population	Personal Income ⁵	Per Capita Personal Income	Median Age	School Enrollment	Unemployment Rate
2015	1,469,824	\$ 34,905,380	\$ 23,748	33.1	403,558	3.8%
2016	1,492,494	35,701,949	23,921	33.5	401,867	3.8%
2017	1,511,913	37,230,858	24,625	33.6	410,625	3.5%
2018	1,532,212	37,821,121	24,684	33.7	411,539	3.4%
2019	1,547,250	41,506,529	26,826	34.4	411,357	3.1%
2020 ^{1, 2}	1,434,625	37,770,807	26,328	33.8	410,917	7.4%
2021 ³	1,451,863	41,900,766	28,860	34.1	372,075	5.2%
2022 ⁴	1,481,496	45,615,262	30,790	34.1	380,736	3.1%
2023	1,495,312	49,059,691	32,809	35.4	382,884	3.1%
2024	1,526,621	53,582,870	35,099	34.9	394,965	3.7%

Sources: Information provided by the Planning Department, City of San Antonio. Population, personal income, per capita income, median age, and school enrollment are produced using the 2024 American Community Survey one-year estimates. Unemployment rate is produced from data by the Annual Texas Labor Market Information LAUS (Economic Development Department verified)

Footnote: The American Community Survey (ACS) 1-Year Estimates provide data on population, housing, economic, and labor force characteristics based on responses from approximately 3.5 million households nationwide. These estimates are available for various geographic levels, including states, counties, places, and census tracts. The figures shown here are derived from the most recent ACS 1-Year release (September 2025). The 2024 ACS 5-Year Estimates, which offer broader geographic coverage and estimates, were not yet available at the time of publication and are expected to be released in December 2025. When interpreting these estimates, it is recommended to also consider the associated margin of error (MOE) to understand the precision of the data.

¹ Population produced using the 2020 Decennial Census.

² Personal income, per capita income, median age, and school enrollment are produced using the 2016-2020 U.S. Census Bureau American Community Survey five-year estimates. Five-year estimate reports were utilized given the drop in population with the decennial census.

³ Population shown on December 31, 2021 was derived from the 2020 Decennial Census and showcases a more accurate account of total population to date, which, the 2021 American Community one-year Survey is based from. The difference in data between each year is caused by constraints from the COVID-19 pandemic as data collectors from the Census Bureau were not able to complete their traditional month to month survey process due to 2020 restrictions. A statement on the difference can be viewed here: <https://www.census.gov/newsroom/press-releases/2021/statement-differences-between-2020-census-and-ac-1-year.html>.

⁴ Population for December 31, 2022 was calculated using growth rate from 2021 to 2022 times five months or 0.0144. Calendar year 2021 is based on the total population from the American Community Survey (ACS) one-year estimates and 2022 is based on the total population from the 2022 ACS one-year estimates.

⁵ Personal income reported in thousands.

CITY OF SAN ANTONIO, TEXAS

Statistical Data
Principal Employers
Current Year and Nine Years Ago

Employer	2025			2016		
	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	67,350	1	5.10%	93,434	1	9.49%
H.E.B. Food Stores	20,000	2	1.51%	20,000	2	2.03%
United Services Automobile Association	17,000	3	1.29%	17,000	3	1.73%
UT - San Antonio (Merger UTSA & UT-Health)	17,000	4				
City of San Antonio	15,922	5	1.20%	12,032	5	1.22%
Northside Independent School District	13,593	6	1.03%	13,161	4	1.34%
Methodist Healthcare System	12,000	7	0.91%	8,600	7	0.87%
North East Independent School District	8,206	8	0.62%	9,292	6	0.94%
San Antonio Independent School District	7,213	9	0.55%	7,382	8	0.75%
Baptist Health Systems	7,148	10	0.54%	5,800	10	0.59%
Wells Fargo				6,100	9	0.62%
Total	185,432		12.75%	192,801		19.58%

Source: Economic Development Division, City of San Antonio, Texas, Book of Lists 2025, and Department of Defense personnel statistics.

¹ Percent based on an Employment Estimate of 1,206,000 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of September 2025. Figure provided by the U.S. Bureau of Labor Statistics.

² Percent based on an Employment Estimate of 984,800 of Non-Farm jobs in the San Antonio-New Braunfels, TX Metropolitan Statistical Area as of January 2016. Figure provided by the Texas Workforce Commission.

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,									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Mayor and Council	15	18	18	13	17	18	25	29	29	16
City Manager	20	18	18	15	15	13	17	17	14	14
Animal Care Services	116	121	123	133	131	130	130	172	211	225
Arts and Culture ^{1,12}	18	17	16	16	12	18	18	21	22	21
Aviation Civilian Employees	353	368	408	427	364	340	358	362	364	373
Aviation Uniformed - Fire and Rescue	28	30	30	32	47	43	40	47	41	36
Building & Equipment Services ⁹	157	169	166	173	183	171	175	206	206	200
Center City Development ^{1,7}	132	136	132	139	146	122	134	136	140	133
City Attorney	83	79	79	81	75	80	93	104	103	103
City Auditor	24	21	21	22	21	23	21	21	23	21
City Clerk	29	29	32	31	31	27	32	37	36	37
Code Enforcement Services	141	142	146	149	142	137	142	146	144	133
Communications & Engagement ¹⁰							37	43	38	38
Convention and Visitors Bureau ⁴	76									
Convention, Sports and Entertainment Facilities ^{9,12}	285	312	322	330	159	200	248	292	304	278
Customer Services/311 System ⁵			37	36	34	34	41	46	50	50
Development Services	233	255	261	273	283	271	297	324	336	314
Eastpoint ⁷	3	4	2							
Economic Development	29	35	34	33	28	29	34	44	40	35
Finance ^{2,12}	143	134	131	131	128	131	146	146	180	205
Firefighters and EMS	1,616	1,714	1,719	1,734	1,738	1,746	1,732	1,757	1,798	1,788
Fire Department Civilian Employees ¹¹	158	264	163	146	119	120	160	202	169	160
Government Affairs ¹⁰							5	5	5	6
Government and Public Affairs ^{5,10}	59	69	34	35	35	32				
Health	312	354	364	372	390	456	661	646	659	556
Historic Preservation	15	18	16	19	19	17	19	20	24	22
Human Resources ⁹	105	112	74	77	101	93	108	114	82	115
Human Services	296	312	310	305	298	332	365	395	418	407
Information Technology Services	314	317	322	320	315	306	300	313	330	336
Innovation ³		8	5	9	8	10	10	11	9	8
Library	308	310	321	322	317	308	320	324	324	315
Management and Budget ³	24	18	16	19	18	18	14	19	16	19
Military & Veteran Affairs ¹⁰							3	3	3	3
Municipal Court	160	114	124	122	117	111	109	117	122	120
Municipal Court Detention Center		41	38	35	36	32	35	35	38	40
Neighborhood and Housing Services ⁶			51	70	67	66	78	111	107	112
Non Departmental ¹²	28	40	29	35	37	36	37	40	55	53
Parks and Recreation	606	474	464	469	461	425	460	501	515	491
Parks Police		160	174	185	181	170	160	151	145	137
Planning ⁶	55	62	18	22	22	20	21	23	23	22
Police Officers	2,199	2,201	2,240	2,311	2,410	2,332	2,367	2,407	2,486	2,604
Police Department Civilian Employees ¹¹	551	815	773	838	730	723	701	781	867	818
Public Works ⁸					777	727	737	790	811	786
Risk Management ²		19	17	24	23	22	21	23	26	26
Solid Waste Management ⁹	609	649	684	694	737	704	735	757	775	753
Transportation ⁸	740	758	794	809	10	9	9	12	14	13
Total	10,040	10,717	10,726	11,006	10,782	10,602	11,155	11,750	12,102	11,942

(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 2016, some employees were reclassified from Arts and Culture into Center City Development.

² In fiscal year 2017, Risk Management split from the Finance Department.

³ In fiscal year 2017, Office of Innovation split from Office of Management and Budget (OMB).

⁴ In fiscal year 2017, the Convention and Visitors Bureau transitioned to the independent, non-profit corporation, Visit San Antonio (VSA).

⁵ In fiscal year 2018, Customer Services/311 Systems split from Government and Public Affairs Department.

⁶ In fiscal year 2018, some employees were reclassified from Planning to Neighborhood and Housing Services Department.

⁷ In fiscal year 2019, Eastpoint was combined with Center City Development.

⁸ In fiscal year 2020, Public Works split from Transportation.

⁹ 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.

¹⁰ In fiscal year 2022, Government and Public Affairs split into Communications & Engagement, Government Affairs, Military & Veteran Affairs.

¹¹ Fire Department Civilian Employees and Police Department Civilian Employees include cadets before completing Academy training.

¹² Non Departmental includes Sustainability, Convention, Sports and Entertainment Facilities, Arts and Culture, and Finance.

Statistical Data

Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/Program:	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police:										
Physical Arrests ¹	116,382	103,443	103,318	54,173	43,339 ²	25,036 ²	45,539 ²	40,859	35,691	45,779
Parking Violations	77,694	92,678	73,561	61,202	53,190 ²	40,806 ²	58,444 ²	74,060	65,491	64,258
Traffic Violations	183,140	166,659	178,759	144,358	106,259 ²	66,381 ²	92,247 ²	105,442	115,744	118,702
Fire:										
Fire Incidents	142,358	160,520	167,977	174,701	175,185	190,454	201,504	194,506	194,665	187,842
Fires Extinguished	2,512	3,155	2,881	2,756	3,057	3,719	5,032	4,637	4,308	5,945
Inspections	24,300	29,693	32,222	31,659	35,563	27,536	26,539	25,851	28,649	23,877
Solid Waste:										
Refuse Collected (tons per day)	1,225	1,305	1,247	1,230	1,333	1,324	1,220	1,214	1,296	1,322
Recyclables Collected (tons per day)	627	628	592	678	716	866	763	679	619	568
Other Public Works:										
Street Resurfacing (miles)	271	241	275	300	404	329	339	373	376	431
Potholes Repaired	57,679	75,127	85,443	100,520	91,910	80,937	80,761	88,684	95,198	78,785
Parks and Recreation:										
Athletic Field Permits Issued	3,919	3,634	4,166	4,026	2,184 ³	3,258	3,955	4,305	5,011	5,326
Community Center Reservations	2,114	2,550	3,172	3,124	1,166 ³	0 ⁵	0 ⁵	120	309	236
Library:										
Volumes in Collection	2,214,770	2,066,789	2,083,989	2,016,804	1,986,648 ⁴	1,984,612	2,021,538	1,992,325	2,106,410	2,424,065
Volumes in Circulation	7,330,691	7,282,570	7,384,064	8,001,230	5,398,180 ⁴	5,751,098	7,548,649	8,323,061	9,520,761	9,901,302
Water:										
Customers	378,365	488,705	496,543	505,627	515,981	529,392	544,991	556,151	565,595	575,744
Water Main Breaks	2,151	1,194	1,843	2,329	2,357	2,494	1,599	3,148	3,228	2,649
Average Daily Consumption (millions of gallons)	194.2	240.5	245.6	233.1	232.1	234.0	223.2	249.4	252.0	243.3
Maximum Daily Consumption (millions of gallons)	292.9	359.9	302.8	301.1	328.6	315.0	442.4	336.1	351.9	306.8
Wastewater:										
Amount Treated Peak Day (millions of gallons)	286.0	311.0	245.0	235.0	187.0	198.0	213.0	191.0	201.0	270.0

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									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police:										
Stations	1	1	1	1	1	1	1	1	1	1
Sub-Stations	6	6	6	6	6	6	6	6	7	7
Marked Patrol Units	719	769	768	768	772	773	783	781	788	792
Fire:										
Fire Stations	51	53	53	54	54	54	54	54	54	54
Solid Waste:										
Collection Vehicles ¹	377	377	377	383	387	389	388	417	383	388
Other Public Works:										
Streets (miles)	4,081	4,081	4,152	4,155	4,161	4,190	4,201	4,239	4,290	4,355
Highways (miles)	1,180	1,180	1,180	1,219	1,219	1,219	1,219	1,219	1,219	1,219
Streetlights	74,010	77,521	79,290	79,936	80,448	81,075	81,826	82,407	82,968	83,308
Traffic Signals	1,397	1,402	1,419	1,422	1,438	1,444	1,459	1,469	1,480	1,485
Parks and Recreation:										
Acreage	15,572	15,933	15,942	15,994	16,251	16,384	16,385	16,456	16,641	17,213
Playgrounds	183	186	186	188	189	190	192	196	186	189
Baseball/Softball Diamonds	129	129	129	129	129	129	129	129	152	153
Soccer/Football Fields	100	100	100	114	114	114	114	114	98	98
Golf Courses	8	8	8	8	8	8	8	8	8	9
Swimming Pools	29	29	29	30	30	30	30	30	30	30
Community Centers	30	30	30	30	30	28	28	29	29	29
Water:										
Water Mains (miles)	5,315	6,961	7,060	7,144	7,260	7,391	7,511	7,649	7,776	7,844
Fire Hydrants	29,530	39,998	40,872	41,553	42,513	43,345	44,305	45,446	46,436	47,003
Storage Capacity (millions of gallons)	221.0	269.2	277.2	287.6	287.6	308.4	308.4	308.4	307.2	326.9
Wastewater:										
Sewer Mains (miles)	5,322	5,375	5,482	5,535	5,629	5,699	5,795	5,894	5,997	6,071
Storm Sewers (miles)	700.0	574.0	646.0	623.0	648.0	800.0	800.0	800.0	803.0	803.0
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 2025	Fiscal Year 2024	Variance Increase (Decrease)
Federal Categorical Grants:			
Air Transportation	\$ 28,197,462	\$ 17,082,441	\$ 11,115,021
Criminal Justice	11,490,547	9,305,943	2,184,604
Emergency Management	6,277,613	3,825,950	2,451,662
Environmental Quality		1,487,486	(1,487,486)
Public Health	20,332,617	24,523,900	(4,191,283)
Public Works	34,237,327	27,362,238	6,875,089
Recreation and Culture	28,464	62,197	(33,733)
Social Services	134,296,668	174,344,380	(40,047,712)
Total Federal Categorical Grants	<u>\$ 234,860,698</u>	<u>\$ 257,994,535</u>	<u>\$ (23,133,838)</u>
Federal Block Grants:			
Community Development Block Grant	\$ 13,108,952	\$ 13,368,194	\$ (259,242)
HOME Program Block Grant	5,383,747	6,292,349	(908,602)
Total Federal Block Grants	<u>\$ 18,492,699</u>	<u>\$ 19,660,543</u>	<u>\$ (1,167,844)</u>
Total Federal Grants	<u>\$ 253,353,397</u>	<u>\$ 277,655,078</u>	<u>\$ (24,301,681)</u>

Air Transportation increase of \$11.1 million is driven by the awards of the \$20.7 million Terminal C 60% Design grant and the \$2.5 million Airfield Design Services for Airfield Safety Enhancement & Improvements Program, offset by \$11.2 million for 2024 Terminal A Electrical Upgrade not currently renewed.

Criminal Justice increase of \$2.2 million is driven by the awards of the \$1.3 million Selective Traffic Enforcement Program and the increase of \$874 thousand to the Justice Assistance Grant.

Emergency Management increase of \$2.5 million is due to an increase of \$1.7 million to the Public Health Emergency Preparedness Infrastructure grant and \$1.6 million increase in Urban Area Security Initiative, offset by the \$781 thousand Comprehensive Addiction and Recovery Act not being renewed.

Environmental Quality decrease of \$1.4 million is driven by Energy Efficiency Conservation Block Grant Program not being renewed.

Public Health decrease of \$4.2 million is driven by \$2.0 million Epidemiology Laboratory Response Network grant, \$1.7 million CDC's Collaboration with Academia to Strengthen Public Health grant, and \$313 thousand Tuberculosis Prevention Control grant not renewed in 2025.

Public Works increase of \$6.9 million is due to \$8.0 million increase on Surface Transportation Block Grant- Old Hwy 90 Phase 2, offset by a decrease of \$2.5 million to Highway Safety Improvement Program grants.

Social Services decrease of \$40.0 million is driven by \$20.0 million 2024 Head Start / Early Head Start Program decrease in 2025, and \$10.0 million Shelter & Services Program not being awarded in 2025.

Summary Schedule of Federal Awards by Type (Continued)
Last Two Fiscal Years (Continued)

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

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CITY OF SAN ANTONIO, TEXAS

Schedule of Expenditures of Federal Awards Year-Ended September 30, 2025

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 - Sustainable Food Center Program:					
Gus Schumacher Nutrition Incentive Program:					
Sustainable Food Center 2025	10.331	USDA-NIFA-FINI-010594	22-01636194	\$ -	\$ 7,320
Sustainable Food Center 2026	10.331	USDA-NIFA-FINI-010594	22-01636216		4,298
Total Gus Schumacher Nutrition Incentive Program				<u>\$ -</u>	<u>\$ 11,618</u>
Pass Through - Texas Health and Human Services Commission:					
WIC Special Supplemental Nutrition Program for Women, Infants, and Children:					
WIC 2021-2022	10.557	HHS000806100001	22-01636122	\$ -	\$ (3,742)
WIC 2023-2024	10.557	HHS000806100001	22-01636167		(12,713)
WIC 2024-2025	10.557	HHS000806100001	22-01636190		6,830,254
Total WIC Special Supplemental Nutrition Program for Women, Infants, and Children				<u>\$ -</u>	<u>\$ 6,813,799</u>
SNAP Cluster:					
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program:					
WIC 2023-2024	10.561	HHS000806100001	22-01636167	\$ -	\$ 21
WIC 2024-2025	10.561	HHS000806100001	22-01636190		50,429
Total State Administrative Matching Grants for the Supplemental Nutrition Assistance Program				<u>\$ -</u>	<u>\$ 50,450</u>
Total SNAP Cluster				<u>\$ -</u>	<u>\$ 50,450</u>
Pass Through - Food Research & Action Center, Inc.:					
Child Nutrition Discretionary Grants Limited Availability					
FRAC Child Nutrition FY24	10.579	238DC000L4352	22-01636171	\$ -	\$ 124,775
Total U.S. Department of Agriculture				<u>\$ -</u>	<u>\$ 7,000,642</u>
U.S. Department of Defense:					
Direct Programs:					
Community Economic Adjustment Assistance for Establishment or Expansion of Military Installation					
Ackerman Rd/TX Army	12.600	CIP2093-23-01	22-03223002	\$ -	\$ 636,516
Total U.S. Department of Defense				<u>\$ -</u>	<u>\$ 636,516</u>
U.S. Department of Housing and Urban Development:					
Direct Programs:					
CDBG - Entitlement Grants Cluster:					
Community Development Block Grants/Entitlement Grants:					
Community Development Program - 44th Year	14.218	B18MC480508	28-244000	\$ -	\$ 265
Community Development Program - 45th Year	14.218	B19MC480508	28-245000	31,252	87,642
Community Development Program - 46th Year	14.218	B20MC480508	28-246000	139,460	1,415,630
Community Development Program - 47th Year	14.218	B21MC480508	28-247000	1,570,212	1,573,682
Community Development Program - 48th Year	14.218	B22MC480508	28-248000	556,623	777,914
Community Development Program - 49th Year	14.218	B23MC480508	28-249000	1,018,299	3,047,762
Community Development Program - 50th Year	14.218	B24MC480508	28-250000	3,554,775	7,472,126
Community Development Program Program Income	14.218	B25MC480508	28-099111		23,928
Neighborhood Stabilization Program Grant	14.218	B08MN-480501	23-28000001		23,668
CDBG Investment Partnerships Program Outstanding Loans	14.218	Various	Various		16,547,913
Neighborhood Stabilization Grant Program Outstanding Loans	14.218	Various	Various		3,541,892
Total CDBG - Entitlement Grants Cluster				<u>\$ 6,870,621</u>	<u>\$ 34,512,422</u>
Emergency Solutions Grant Program:					
ESG 2023-2024	14.231	E23MC480508	22-05438030	\$ 217,563	\$ 378,112
ESG 2024-2025	14.231	E24MC480508	22-05438033	657,091	734,443
Subtotal Emergency Solutions Grant Program				<u>\$ 874,654</u>	<u>\$ 1,112,555</u>
HOME Investment Partnerships Program:					
HOME Program Grant - 26th Year	14.239	M17MC480508	25-226000	\$ -	\$ 122,722
HOME Program Grant - 27th Year	14.239	M18MC480508	25-227000		46,270
HOME Program Grant - 28th Year	14.239	M19MC480508	25-228000		8,053
HOME Program Grant - 29th Year	14.239	M20MC480508	25-229000		51,100
HOME Program Grant - 30th Year	14.239	M21MC480508	25-230000		2,028,105
HOME Program Grant - 31st Year	14.239	M22MC480508	25-231000		1,811,228
HOME Program Grant - 32nd Year	14.239	M23MC480508	25-232000		5,845,066
HOME Program Grant - 33rd Year	14.239	M24MC480508	25-233000		1,079,992
HOME Program Grant Program Income	14.239	M21MC480508	25-099111		383
HOME Investment Partnerships Program Outstanding Loans	14.239	Various	Various		38,030,475
Subtotal HOME Investment Partnerships Program				<u>\$ -</u>	<u>\$ 49,023,394</u>
COVID-19 HOME Investment Partnerships Program:					
FY22 HOME ARP FUNDS	14.239	M-21-MP-48-0508	21-25000001	\$ 864,158	\$ 4,118,178
Total HOME Investment Partnerships Program				<u>\$ 864,158</u>	<u>\$ 53,141,572</u>
Subtotal U.S. Department of Housing and Urban Development				<u>\$ 8,609,433</u>	<u>\$ 88,766,549</u>

See accompanying Notes to the Schedule of Expenditures of Federal Awards

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2025

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL ASSISTANCE LISTING NO.	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Housing and Urban Development (Continued)					
Direct Programs:					
Housing Opportunities for Persons with AIDS:					
HOPWA 2020-2023	14.241	TXH20F005	22-05438020	\$ (690)	\$ (690)
HOPWA 2021-2024	14.241	TXH21F005	22-05438023	(746)	(746)
HOPWA 2022-2025	14.241	TXH22F005	22-05438026	24,259	24,259
HOPWA 2023-2026	14.241	TXH23F005	22-05438029	897,309	934,767
HOPWA 2024-2027	14.241	TXH24F005	22-05438032	2,615,759	2,655,329
Total Housing Opportunities for Persons with AIDS				\$ 3,535,891	\$ 3,612,919
Economic Development Initiative, Community, Project Funding, and Miscellaneous grants:					
SAAH - Economic Development Initiative HUD	14.251	B-22-CP-TX-0862	22-05700001	\$ -	\$ 122,367
Eviction Protection Grant Program:					
Eviction Protection	14.537	EP-22-TX-0009	22-05457006	\$ -	\$ 198,817
Lead Hazard Reduction Demonstration Grant Program:					
Lead Hazard Reduction Demonstration 2020-2023	14.905	TXLHD0321-19	22-05457004	\$ -	\$ 488
Lead Hazard Reduction Demonstration 2020-2024	14.905	TXLHD0530-24	22-05457007		165,697
Total Lead Hazard Reduction Demonstration Grant Program				\$ -	\$ 166,185
Total U.S. Department of Housing and Urban Development				\$ 12,145,324	\$ 92,866,837
U.S. Department of the Interior:					
Pass Through - Texas Historical Commission:					
Historic Preservation Fund Grants-In-Aid:					
Reuse CTR at Bungalow Colony	15.904	TX-21-005	22-00641009	\$ -	\$ 25,000
2021 Certified Local Government Grant Program	15.904	TX-21-005	22-00641005		2,500
Total Historic Preservation Fund Grants-In-Aid				\$ -	\$ 27,500
Direct Program:					
Historical African American Neighborhoods Survey					
History African American Neighborhood Survey 2021	15.904	P22AP00301	22-00641010	\$ -	\$ 5,000
Total U.S. Department of the Interior				\$ -	\$ 32,500
U.S. Department of Justice:					
Direct Programs:					
Services for Trafficking Victims:					
Enhanced Collaborative Model to Combat Human Trafficking	16.320	15POVC-24-GK-01107-HT	22-02817034	\$ -	\$ 96,304
Public Safety Partnership and Community Policing Grants:					
COPS 2023-2028	16.710	15JCOPS-23-GG-05060-UHPX	22-02817028	\$ -	\$ 4,070,017
COPS 2024-2029	16.710	15JCOPS-24-GG-03732-UHPX	22-02817032		2,468,181
Law Enforcement Mental Health and Wellness Act Implementation Projects	16.710	15JCOPS-23-GG-01695-LEMH	22-02817029		54,242
Total Public Safety Partnership and Community Policing Grants				\$ -	\$ 6,592,440
Pass-Through - Bexar County:					
Edward Byrne Memorial Justice Assistance Grant Program:					
JAG 2022-2025	16.738	15PBJA-22-GG-02098-JAGX	22-02817027	\$ -	\$ 11,999
JAG 2023-2026	16.738	15PBJA-23-GG-03845-JAGX	22-02817031		380,796
JAG 2024-2027	16.738	15PBJA-24-GG-05361-JAGX	22-02817036		496
Total Edward Byrne Memorial Justice Assistance Grant Program				\$ -	\$ 393,291
Direct Programs:					
Criminal and Juvenile Justice and Mental Health Collaboration Program:					
SAPD Juvenile Mental Health 2020	16.745	2020-MO-BX-0018	22-02817021	\$ -	\$ 1,100
Congressionally Recommended Awards:					
2022 Mental Health	16.753	15PBJA-22-GG-00058-BRND	22-02817025	\$ -	\$ 6,900
Equitable Sharing Program:					
Airport Federal Account	16.922	N/A	29-037000	\$ -	\$ 5,193
HIDTA Federal Account	16.922	N/A	29-046000		5,434
HIDTA Federal Treasury	16.922	N/A	29-046001		223,434
Total Equitable Sharing Program				\$ -	\$ 234,061
Total U.S. Department of Justice				\$ -	\$ 7,324,096
U.S. Department of Labor:					
Direct Program:					
Registered Apprenticeship:					
Apprenticeship Building America USA	17.285	AP-38629-22-60-A-48	22-00049001	\$ -	\$ 748,012
Total U.S. Department of Labor				\$ -	\$ 748,012
* Major Program					

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2025

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:					
Direct Programs:					
Airport Improvement Program:	*				
ALCMS & 4/22 C-line	20.106	3-48-0192-115-2023	22-05833040	\$ -	\$ 885,367
ASEIP:Program EA Ph2	20.106	3-48-0192-122-2024	22-05833050		2,157,168
Const Terminal- Ph4	20.106	3-48-0192-129-2025	22-05833053		644,300
Design Runway 13R/31L	20.106	3-48-0192-106-2021	22-05833027		1,671,816
Design Taxiway N Recon	20.106	3-48-0192-107-2021	22-05833028		67,973
ERR RECONST-PKG 4	20.106	3-48-0192-111-2022	22-05833034		496,798
Expand TA Ground Load Facility	20.106	3-48-0192-116-2023	22-05833038		15,285,258
Master Plan Update Ph 3	20.106	3-48-0192-100-2020	22-05833022		77,528
Recon&DC Rway13R/31L	20.106	3-48-0192-110-2022	22-05833035		1,593,293
Rehab Taxiway N	20.106	3-48-0192-119-2024	22-05833042		751,566
Rehab TWY R Ph 4	20.106	3-48-0192-098-2020	22-05833021		444,751
Rehabilitate Taxiway R	20.106	3-48-0192-101-2021	22-05833026		421,303
Rehabilitate TWY H	20.106	3-48-0192-113-2023	22-05833037		11,892,937
Rehabilitate TWY R	20.106	3-48-0192-095-2019	22-05833017		(54,031)
Runway 927 Rehab	20.106	2515STSON	22-05833054		1,171,000
Stinson-Master Plan FY21	20.106	21ALSTSON	22-05833024		126,881
STN - Twy E Construction	20.106	2115STSON	22-05833029		1,912
South RON Parking	20.106	3-48-0192-124-2025	22-05833048		4,981,962
TA Electric Upgrade	20.106	3-48-0192-120-2024	22-05833044		3,115,453
Taxiway H Reconstr Phase 1	20.106	3-48-0192-109-2022	22-05833031		6,020,221
Term A Ground Load F	20.106	3-48-0192-121-2024	22-05833046		2,093,440
TerminalC 60% Design	20.106	3-48-0192-126-2025	22-05833047		13,525,498
Terminal C -WP 2	20.106	3-48-0192-128-2025	22-05833052		10,318,665
Subtotal Airport Improvement Program				<u>\$ -</u>	<u>\$ 77,691,059</u>
COVID-19 Airport Improvement Program:	*				
COVID-19 ARPA Concessions	20.106	3-48-0192-105-2022	21-03300007	\$ -	\$ 46,393
COVID-19 COSA CIP CARES	20.106	N/A	21-03300008		174,092
COVID-19 COSA CIP ARPA	20.106	N/A	21-03300009		567,031
Subtotal COVID-19 Airport Improvement Program				<u>\$ -</u>	<u>\$ 787,516</u>
Total Airport Improvement Program				<u>\$ -</u>	<u>\$ 78,478,575</u>
Pass Through - Texas Department of Transportation:					
Highway Planning and Construction:					
Citywide Pedestrian Improvement	20.205	CSJ 0915-12-579	22-05923008	\$ -	\$ 89,316
Intelligent Traffic System	20.205	CSJ 0915-12-668/674	22-05923020		2,963
CMAQ - Cycle Track Project	20.205	CSJ 0915-12-666	22-05923021		1,700,532
CMAQ-Clean Air Educational Outreach	20.205	CSJ 0915-12-670/ 677	22-05946001		14,846
SFT (HSIP Traffic Signal Improvements)	20.205	CSJ 0915-12-802	22-05923025		164,576
Zarzamora Sidewalk	20.205	CSJ 0915-12-596	22-05923026		1,169,580
Presa Road Streets	20.205	CSJ 0915-12-604	22-05923009		63,979
Total Highway Planning and Construction				<u>\$ -</u>	<u>\$ 3,205,792</u>
State and Community Highway Safety:					
STEP Comprehensive FY24	20.600	2024-SanAntPD-S-1YG-00010	22-05917017	\$ -	\$ (20,316)
STEP Comprehensive FY25	20.600	2025-SanAntPD-S-1YG-00014	22-05917019		1,802,334
Total State and Community Highway Safety				<u>\$ -</u>	<u>\$ 1,782,018</u>
National Priority Safety Programs:					
Impaired Driver Mobilization 2024	20.616	2024-SanAntPD-IDM-00007	22-05917018	\$ -	\$ 43
Direct Program:					
Safe Streets and Roads for All:					
Safe Streets and Roads for All 2024	20.939	693JJ32440036	22-05946012	\$ -	\$ 79,203
Total U.S. Department of Transportation				<u>\$ -</u>	<u>\$ 83,545,631</u>
U.S. Department of Treasury					
Direct Programs:					
COVID-19 Emergency Rental Assistance Program:					
COVID-19 Emergency Rent Assistance 2	21.023	ERA2-0076	21-05700004	\$ -	\$ (52)
Total U.S. Department of Treasury				<u>\$ -</u>	<u>\$ (52)</u>
National Aeronautics and Space Administration:					
Pass Through - Space Science Institute:					
Science:					
NASA Grant	43.001	NNX16AE30A	22-01804009	\$ -	\$ 210
Total National Aeronautics and Space Administration				<u>\$ -</u>	<u>\$ 210</u>
* Major Program					

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2025

FEDERAL GRANTOR/PASS THROUGH GRANTOR/FEDERAL PROGRAM	FEDERAL ASSISTANCE LISTING NO.	GRANT NUMBER	CITY NUMBER	AMOUNTS TO SUBRECIPIENTS	FEDERAL EXPENDITURES
U.S. Department of Environmental Protection Agency:					
Direct Program:					
Climate Pollution Reduction Grants:					
Climate Pollution Reduction Grants 2023	66.046	5D-02F39101-0	22-01280000	\$ -	\$ 293,713
Total U.S. Department of Environmental Protection Agency				<u>\$ -</u>	<u>\$ 293,713</u>
U.S. Department of Energy:					
Direct Program:					
Energy Efficiency and Conservation Block Grant Program:					
Energy Efficiency & Conservation 24-26	81.128	DE-SE0000208	22-01480000	\$ -	\$ 191,707
Total U.S. Department of Energy				<u>\$ -</u>	<u>\$ 191,707</u>
U.S. Department of Health and Human Services:					
Pass Through - Texas Department of State Health Services:					
Medical Reserve Corps Small Grant Program:					
ASPR-MRC STRONG FY24	93.008	HHS001409300011	22-01636170	\$ -	\$ 21,989
Pass Through - Alamo Area Council of Governments:					
Aging Cluster:					
Special Programs for the Aging, Title III, Part C, Nutrition Services:					
HEAL 2024-2025	93.045	VC-24-49-AAA	22-01138009	\$ -	\$ 2,088,530
Nutrition Services Incentive Program:					
HEAL 2023-2024	93.053	539-16-0020-0001	22-01138007	\$ -	\$ (659)
Total Aging Cluster				<u>\$ -</u>	<u>\$ 2,087,871</u>
Pass Through - Texas Department of State Health Services:					
Public Health Emergency Preparedness:					
Bio-Terrorism Preparation 2023-2024	93.069	HHS001311200043	22-01636150	\$ -	\$ (2,164)
Bio-Terrorism Preparation 2024-2025	93.069	HHS001439500030	22-01636172		808,353
Bio-Terrorism Preparation 2025-2026	93.069	HHS001439500030	22-01636201		210,553
Cities Readiness Initiative 2025	93.069	HHS001439300015	22-01636173		186,003
Cities Readiness Initiative 2026	93.069	HHS001439300015	22-01636206		78,528
Laboratory Response Network 2025	93.069	HHS001439000005	22-01636174		218,076
Laboratory Response Network 2026	93.069	HHS001439000005	22-01636200		52,050
Total Public Health Emergency Preparedness				<u>\$ -</u>	<u>\$ 1,551,399</u>
Environmental Public Health and Emergency Response:					
ASTHMA 2023-2024	93.070	HHS000701300001	22-01636157	\$ -	\$ (910)
ASTHMA 2024-2025	93.070	HHS000701300001	22-01636183		65,615
ASTHMA 2025-2026	93.070	HHS001579500001	22-01636198		7,384
Total Environmental Public Health and Emergency Response				<u>\$ -</u>	<u>\$ 72,089</u>
Project Grants and Cooperative Agreements for Tuberculosis Control Programs:					
Special T.B. Team Project 2025	93.116	HHS001437400025	22-01636177	\$ -	\$ 349,185
Special T.B. Team Project 2026	93.116	HHS001437400025	22-01636213		38,128
Total Project Grants and Cooperative Agreements for Tuberculosis Control Programs				<u>\$ -</u>	<u>\$ 387,313</u>
Substance Abuse and Mental Health Services Projects of Regional and National Significance:					
Pathway to Prevention FY 24	93.243	5H79SP082118-04	22-01636166	\$ -	\$ (278)
Pathway to Prevention FY 25	93.243	5H79SP082118-05	22-01636193		164,709
Comprehensive Addiction and Recovery Act	93.243	1H79TI08735-01	22-05630000	218,224	566,166
Total Substance Abuse and Mental Health Services Projects of Regional and National Significance				<u>\$ 218,224</u>	<u>\$ 730,597</u>
Direct Programs:					
Immunization Cooperative Agreements:					
Immunization Program 317 - 2022	93.268	5 NH23IP922584-04-00	22-02236013	\$ -	\$ (37)
Immunization Program 317 - 2024	93.268	5 NH23IP922584-05-00/6 NH23IP922584-05-01	22-02236016		2,225,079
Immunization Program 317 - 2025	93.268	6 NH23IP922584-05-04	22-02236018		3,771,247
Immunization Program 317 - 2026	93.268	6 NH23IP922697-01-02	22-02236020		880,333
Subtotal Immunization Cooperative Agreements				<u>\$ -</u>	<u>\$ 6,876,622</u>
COVID-19 Immunization Cooperative Agreements:					
COVID-19 Immunization Information System Supplement FY23	93.268	6 NH23IP922584-04-01	21-03600021	\$ -	\$ 141,231
COVID-19 Immunization Information Modern System Supplement FY23	93.268	6 NH23IP922584-05-03	21-03600029		216,449
COVID-19 Immunization NCIRD Cooperative Agreements (Round 3)	93.268	6 NH23IP922584-02-04	21-03600008		181,117
COVID-19 Immunization NCIRD Cooperative Agreements (Round 4)	93.268	6 NH23IP922584-02-05 & 02-07	21-03600011		2,721,165
Subtotal COVID-19 Immunization Cooperative Agreements				<u>\$ -</u>	<u>\$ 3,259,962</u>
Total Immunization Cooperative Agreements				<u>\$ -</u>	<u>\$ 10,136,584</u>
Racial and Ethnic Approaches to Community Health:					
Racial and Ethnic Approaches to Community Health 2024	93.304	6 NU58DP007608-01-01	22-01636169	\$ -	\$ (3,246)
Racial and Ethnic Approaches to Community Health 2025	93.304	5 NU58DP007608-02-02	22-01636191		891,975
Subtotal Racial and Ethnic Approaches to Community Health:				<u>\$ -</u>	<u>\$ 888,729</u>
Subtotal U.S. Department of Health and Human Services				<u>\$ 218,224</u>	<u>\$ 15,876,570</u>

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2025

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 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	\$ -	\$ 24,181
Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response:					
Monkeypox Virus Crisis	93.354	6NU90TP22204-01-03	22-02238020	\$ -	\$ 216,022
COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response:					
COVID-19 PH Workforce	93.354	HHS001082800001	21-03600013	\$ -	\$ (4,182)
IDCU/COVID Expansion	93.354	HHS000812700013	21-03600030		10,535
Subtotal COVID-19 Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				\$ -	\$ 6,353
Total Public Health Emergency Response: Cooperative Agreement for Emergency Response: Public Health Crisis Response				\$ -	\$ 222,375
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	6NH75OT000083-01-06	21-03600010	\$ -	\$ 511,568
Pass Through - Texas Department of Housing and Community Affairs:					
Community Services Block Grant:					
CSBG - 2023	93.569	61230003785	22-06038014	\$ -	\$ 13,033
CSBG - 2024	93.569	61240004122	22-06038020		998,608
CSBG - 2025	93.569	61250004337	22-06038023		1,178,929
Total Community Services Block Grant				\$ -	\$ 2,190,570
Pass Through - Workforce Solutions Alamo:					
CCDF Cluster:					
Child Care and Development Block Grant:					
CCDS - 2022-2023	93.575	2021SRV024	22-03938012	\$ -	\$ (18,433)
Child Care Federal - 2023-2024	93.575	2021SRV024	22-03938017		9,117,908
Child Care Quality - 2023-2024	93.575	2021_SRC_001-Amend 2	22-03938020		14,689
Child Care Quality -2025 - Direct Care	93.575	2021SRV024-Renewal 3-Amendment 2	22-03938022		116,759,368
Child Care Quality - 2025 - Operations	93.575	2021SRV024-Renewal 3-Amendment 2	22-03938025		5,053,090
Child Care Quality - 2025	93.575	2024-72-Amendment 1	22-03938026		6,007,537
Subtotal Child Care and Development Block Grant				\$ -	\$ 136,934,158
Total CCDF Cluster				\$ -	\$ 136,934,158
Direct Programs:					
Head Start Cluster:					
Head Start:					
Early Head Start CCP 2023-2024	93.600	06HP000255-05	22-02238021	\$ -	\$ (13)
Early Head Start and Head Start 2024-2025	93.600	06CH012475-01	22-02238022	8,861,993	12,244,922
Early Head Start CCP 2024-2025	93.600	06HP000570-01	22-02238023		2,821,990
Head Start Program 2019-2020	93.600	06CH010821-01	22-02238006		(593)
Early Head Start and Head Start 2025-2026	93.600	06CH012475-02	22-02238025	13,452,537	19,637,413
Early Head Start CCP 2025-2026	93.600	06HP000570-02	22-02238027		648,867
Subtotal Head Start				\$ 22,314,530	\$ 35,352,586
Total Head Start Cluster				\$ 22,314,530	\$ 35,352,586
Healthy Start Initiative:					
Healthy Start Initiative 2024-2025	93.926	6 H49MC00101-24-02	22-01636175	\$ -	\$ 592,800
Healthy Start Initiative 2025-2026	93.926	6 H49MC00101-25-02	22-02236019		418,056
Healthy Start 2024-2025 CF	93.926	6 H49MC00101-24-03	22-02238024		86,989
Total Healthy Start Initiative				\$ -	\$ 1,097,845
Pass Through - Texas Department of State Health Services:					
HIV Prevention Activities Health Department Based:					
Ending the HIV Epidemic (EHE) FY25	93.940	HHS000897700002	22-01636176	\$ -	\$ 599,549
Ending the HIV Epidemic (EHE) FY26	93.940	HHS000157700003	22-01636195		172,311
STD Staff Support Program 2024	93.940	HHS001315900007	22-01636152		66
STD Staff Support Program 2025	93.940	HHS001315900007	22-01636180		57,375
STD Staff Support Program 2026	93.940	HHS001315900007	22-01636210		7,184
Total HIV Prevention Activities Health Department Based				\$ -	\$ 836,485
COVID-19 Centers for Disease Control and Prevention Collaboration with Academia to Strengthen Public Health:					
COVID-19 PH Infrastructure	93.967	NE110E000068-03-00	21-03600024	\$ -	\$ 4,508,418
Sexually Transmitted Diseases (STD) Prevention and Control Grants:					
STD Staff Support Program 2024	93.977	HHS001315900007	22-01636152	\$ -	\$ 575
STD Staff Support Program 2025	93.977	HHS001315900007	22-01636180		498,101
STD Staff Support Program 2026	93.977	HHS001315900007	22-01636210		62,349
Subtotal Sexually Transmitted Diseases (STD) Prevention and Control Grants				\$ -	\$ 561,025
Subtotal U.S. Department of Health and Human Services				\$ 22,314,530	\$ 182,239,211

* Major Program

Schedule of Expenditures of Federal Awards
Year-Ended September 30, 2025

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:					
COVID-19 Sexually Transmitted Diseases (STD) Prevention and Control Grants:					
STD Staff Support Program 2023	93.977	HHS001120300013	21-03600023	\$ -	\$ 87
STD Staff Support Program 2024	93.977	HHS001120300013	21-03600028		393,482
STD Staff Support Program 2025	93.977	HHS001120300013	21-03600031		88,132
Subtotal COVID-19 Sexually Transmitted Diseases (STD) Prevention and Control Grants				<u>\$ -</u>	<u>\$ 481,701</u>
Total Sexually Transmitted Diseases (STD) Prevention and Control Grants				<u>\$ -</u>	<u>\$ 1,042,726</u>
Preventive Health and Health Services Block Grant:					
Federal Triple OOO FY 2025	93.991	HHS001324900045	22-01636189	\$ -	\$ 119,071
Federal Triple OOO FY 2026	93.991	HHS001588400044	22-01636207		12,200
Total Preventive Health and Health Services Block Grant				<u>\$ -</u>	<u>\$ 131,271</u>
Maternal and Child Health Services Block Grant to the States:					
DSHS Healthy Texas Babies 2025	93.994	HHS001130300007	22-01636184	\$ -	\$ 24,691
Pass Through - Texas Health and Human Services Commission:					
Title V CHS - Dental Services 2025	93.994	HHS001392700009	22-01636192	\$ -	\$ 180,659
Title V CHS - Dental Services 2026	93.994	HHS001392700009	22-01636212		2,380
Total Title V CHS - Dental Services				<u>\$ -</u>	<u>\$ 183,039</u>
Subtotal Maternal and Child Health Services Block Grant to States				<u>\$ -</u>	<u>\$ 207,730</u>
Total U.S. Department of Health and Human Services				<u>\$ 22,532,754</u>	<u>\$ 198,936,483</u>
Executive Office of the President:					
Direct Program:					
High Intensity Drug Trafficking Areas Program:					
Office of National Drug Control Policy:					
HIDTA Initiative San Antonio 2022	95.001	G22SS0009A	22-02817024	\$ -	\$ 24,847
HIDTA Initiative San Antonio 2023	95.001	G23SS0009A	22-02817026		83,472
HIDTA Initiative San Antonio 2024	95.001	G24SS0009A	22-02817030		1,239,360
HIDTA Initiative San Antonio 2025	95.001	G25SS0009A	22-02817035		920,758
Total High Intensity Drug Trafficking Areas Program				<u>\$ -</u>	<u>\$ 2,268,437</u>
Total Executive Office of the President				<u>\$ -</u>	<u>\$ 2,268,437</u>
U.S. Department of Homeland Security:					
Pass Through - Texas Division of Emergency Management:					
Disaster Grants-Public Assistance (Presidentially Declared Disasters):					
February 2021 Freeze	97.036	4586DRTXP0000001	22-05680008	\$ -	\$ 58,367
Pass Through - Texas Office of the Governor - Homeland Security Grants Division:					
Homeland Security Grant Program:					
SHSP 2022	97.067	EMW-2022-SS-00021	22-05620034	\$ -	\$ 169,389
SHSP 2024	97.067	EMW-2023-SS-00025	22-05620035		587,959
SHSP 2024-2025	97.067	EMW-2024-SS-05096	22-05620037		358,042
UASI 2021	97.067	EMW-2021-SS-00062	22-05620030		10,216
UASI 2022	97.067	EMW-2022-SS-00021	22-05620033		1,476,799
UASI 2024	97.067	EMW-2023-SS-00025	22-05620036		1,456,953
UASI 2024 2025	97.067	EMW-2024-SS-05096	22-05620038		661,947
Total Homeland Security Grant Program				<u>\$ -</u>	<u>\$ 4,721,305</u>
Direct Programs:					
Homeland Security BioWatch Program:					
BioWatch Fed Air Monitoring 2024	97.091	150HBIO00027-09	22-01636148	\$ -	\$ (138)
BioWatch Fed Air Monitoring 2025	97.091	150HBIO00027-10	22-01636179		236,002
Total Homeland Security BioWatch Program				<u>\$ -</u>	<u>\$ 235,864</u>
Regional Catastrophic Preparedness Grant Program:					
Regional Catastrophic Preparedness Grant Program 2020	97.111	EMT-2020-CA-00049-S01	22-05620028	\$ -	\$ 72,959
Regional Catastrophic Preparedness Grant Program 2021	97.111	EMT-2021-CA-00056	22-05620032		79,212
Total Regional Catastrophic Preparedness Grant Program				<u>\$ -</u>	<u>\$ 152,171</u>
Financial Assistance for Targeted Violence and Terrorism Prevention:					
Targeted Violence and Terrorism Prevention	97.132	EMW-2024-GR-052	22-02817033	\$ -	\$ 158,298
State and Local Cybersecurity Grant Program Tribal Cybersecurity Grant Program:					
State and Local Cybersecurity Grant Program 2025	97.137	EMW-2022-CY-00073	22-05917020	\$ -	\$ 75,232
Shelter and Services Program:					
Shelter & Services Program	97.141	EMW-2023-SP-05059	22-05438031	\$ -	\$ 1,795,985
Shelter & Services Program	97.141	EMW-2024-SP-05000	22-05438034		848,038
Total Shelter and Services Program				<u>\$ -</u>	<u>\$ 2,644,023</u>
Total U.S. Department of Homeland Security				<u>\$ -</u>	<u>\$ 8,045,261</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS				<u>\$ 34,678,078</u>	<u>\$ 401,889,994</u>

**Notes to the Schedule of Expenditures
of Federal Awards
Year-Ended September 30, 2025**

1. The accompanying schedule of expenditures of federal awards includes the federal award 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* (Uniform 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 changes in net position/fund balance or cash flow of the City.
2. As of September 30, 2025, the City recorded net HOME Program Notes Receivable of \$46,399,407 which includes the estimated allowances for the doubtful accounts of \$21,403,525. 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 \$38,030,475 that have continuing eligibility compliance requirements and are included in the Schedule of Expenditures of Federal Awards.
3. As of September 30, 2025, the City recorded net CDBG Program Notes Receivable of \$23,083,072 which includes the estimated allowances for the doubtful accounts of \$11,041,999. 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 \$16,547,913 that have continuing eligibility compliance requirements and are included in the Schedule of Expenditures of Federal Awards.
4. As of September 30, 2025, the City recorded net NSP Program Notes Receivable of \$2,741,209 which includes estimated allowances for doubtful accounts of \$1,286,772. 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 \$3,541,892 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 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**

**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 (City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 3, 2026.

Our report includes emphasis of matter paragraphs for a change in accounting principle and changes in reporting entity.

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, (blended component unit); San Antonio Fire and Police Pension Fund and Retiree Health & Wellness San Antonio Fire and Police Fund (fiduciary component units); and Brooks, CPS Energy, and San Antonio Water System (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, a component unit included in the financial statements of the aggregate discretely presented component units and Municipal Golf Association – San Antonio dba Alamo City Golf Trail, a component unit 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 Fire and Police Pension Fund, Retiree Health & Wellness San Antonio Fire and Police Fund, Brooks, and San Antonio Water System.

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 opinion 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 Mazars, LLP

Houston, Texas
March 3, 2026



**Report on Compliance for Each
Major Federal Program and
Report on Internal Control Over
Compliance – Independent
Auditor's Report**

Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance

Independent Auditor's Report

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of San Antonio, Texas' (City) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended September 30, 2025. 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.

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, 2025.

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.

Other Matter – Federal Expenditures Not Included in the Compliance Audit

The City's basic financial statements include the operations of the San Antonio Water System (SAWS), a discretely presented component unit, which expended \$2,994,327 in federal awards, which are not included in the City's schedule of expenditures of federal awards during the year ended September 30, 2025. Our audit, described below, did not include the operations of SAWS because they engaged other auditors to perform an audit in accordance with the Uniform Guidance.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in

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

internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

**Houston, Texas
March 3, 2026**

Schedule of Findings and Questioned Costs Federal

Schedule of Findings and Questioned Costs**Federal Grants**

Year-Ended September 30, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS***Financial Statements***

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	_____	Yes	<u> X </u>	None Reported

Noncompliance material to financial statements noted?	_____	Yes	<u> X </u>	No

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	_____	Yes	<u> X </u>	None Reported

Type of auditor’s report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in accordance with the 2 CFR 200.516(a)?	_____	Yes	<u> X </u>	No

Identification of major Federal programs:

AL Number(s)	Name of Federal Program or Cluster
16.710	Public Safety Partnership and Community Policing Grants
20.106	Airport Improvement Program
93.575	Child Care and Development Block Grant (CCDF Cluster)
93.600	Head Start Cluster

Dollar threshold used to distinguish between Type A and Type B programs:	\$3,000,000

Auditee qualified as low-risk auditee?	<u> X </u>	Yes	_____	No

Schedule of Findings and Questioned Costs
Federal Grants
Year-Ended September 30, 2025

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO FINANCIAL STATEMENTS

None

Schedule of Findings and Questioned Costs

Federal Grants

Year-Ended September 30, 2025

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

None

Corrective Action Plan Federal



**Corrective Action Plan
Federal Grants
Year-Ended September 30, 2025**

None

Summary Schedule of Prior Year Findings Federal



Summary Status of Prior Year Findings

Federal Grants

Year-Ended September 30, 2025

None

STATE SECTION

Summary Schedule of State Awards by Type

Last Two Fiscal Years

Grant Type	Fiscal Year 2025	Fiscal Year 2024	Variance Increase (Decrease)
State Categorical Grants:			
Air Transportation	\$ 90,000	\$ 90,000	\$ -
Criminal Justice	1,953,262	5,610,010	(3,656,748)
Environmental Quality		10,000	(10,000)
Public Health	1,440,218	1,917,414	(477,196)
Public Works	2,785,182	242,912	2,542,270
Recreation and Culture	1,526,400	132,809	1,393,591
Social Services	7,852,813	7,057,806	795,007
Total State Categorical Grants	\$ 15,647,875	\$ 15,060,951	\$ 586,924

Criminal Justice decrease of \$3.7 million driven by the 2024 \$3.6 million Texas Anti-Gang grant currently not received in 2025.

Environmental Quality decrease of \$10.0 thousand driven by Kennedy Park State Energy Conservation Office (SECO) Grant not being awarded in 2025.

Public Health decrease of \$477.2 thousand is driven by the \$605.0 thousand Tuberculosis Prevention and Control Grant not awarded, offset by the addition of a \$137.0 thousand Infectious Disease Control Unit grant.

Public Works increase of \$2.5 million driven by the addition of \$2.5 million Probandt Street – South Alamo to Steves Avenue to reconstruct roadway to provide Pedestrian Corridor Enhancements, Share Use Path and Operational Improvements at intersections.

Recreation and Culture increase of \$1.4 million is due to additions of the \$1.4 million Cassiano Millers Pond Texas Parks Wildlife Commission grant to renovate and expand the 2-acre park in San Antonio.

Social Services increase of \$795.0 thousand is due to \$709.0 thousand of the State Child Care Services grant in 2025 and the addition of \$95.0 thousand Texas Homeless Housing and Services Program Youth.

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, 2025

STATE GRANTOR/PASS THROUGH GRANTOR/ STATE PROGRAM	GRANT NUMBER	CITY NUMBER	STATE EXPENDITURES
Texas Attorney General's Office:			
Direct Program			
State Confiscated Property:			
Confiscated Prop Strip State Ch 47	N/A	29-042001	\$ 36,220
HIDTA Task Force Seizures	N/A	29-043000	166,648
New State Account	N/A	29-038000	480,675
Total State Confiscated Property			<u>\$ 683,543</u>
Total Texas Attorney General's Office			<u>\$ 683,543</u>
Texas Comptroller of Public Accounts:			
Direct Program			
Municipal Government Lighting Conversion to LED Lights Program:			
SECO Grant Lighting	CM24020	22-03080000	\$ 10,000
Total Texas Comptroller of Public Accounts			<u>\$ 10,000</u>
Texas Commission on the Arts:			
Direct Program			
Texas Commission on the Arts Magic Theatre	77764148	22-01804012	\$ 1,400
Texas Commission on the Arts Sue Young	77764152	22-01804012	1,350
Texas Commission on the Arts Percussion Things	77764160	22-01804012	1,350
Total Texas Commission on the Arts			<u>\$ 4,100</u>
Institute of Museum and Library Services:			
Pass Through - Texas State Library and Archives Commission:			
Grants to States:			
Interlibrary Loan Grant 2025	904220	22-01804013	\$ 28,464
Total Institute of Museum and Library Services			<u>\$ 28,464</u>
Texas Commission on Environmental Quality:			
Pass Through - Alamo Area Council of Governments:			
Regional Solid Waste Management Program:			
Material Innovation Center Equipment	22-18-04	22-00641006	\$ (100)
Community Outreach 2024	24-18-06	22-00855007	34,298
Community Outreach 2025	25-18-04	22-00855008	29,840
Total Texas Commission on Environmental Quality			<u>\$ 64,038</u>
Texas Department of Housing and Community Affairs:			
Direct Program			
Texas Homeless Housing and Services Program:			
TDHCA-HHSP2025	18255000001	22-06038022	\$ 248,746
TDHCA-HHSP2026	18265000001	22-06038024	10,703
Total Texas Department of Housing and Community Affairs			<u>\$ 259,449</u>
Texas Department of State Health Services:			
Direct Programs			
Diabetes Prevention & Control Program:			
Diabetes Prevention and Control 2025	HHS001455000001	22-01636182	\$ 106,655
Diabetes Prevention and Control 2026	HHS001579200002	22-01636208	10,018
Total Diabetes Prevention & Control Program			<u>\$ 116,673</u>
Emerging and Acute Infectious Disease Branch:			
IDCU/Surveillance Epidemiology Ebola 2025	HHS001315700013	22-01636186	\$ 116,824
IDCU/Surveillance Epidemiology Ebola 2026	HHS001315700013	22-01636202	13,536
IDCU/FLU - Lab FY25	HHS001323100003	22-01636187	4,932
Total Emerging and Acute Infectious Disease Branch			<u>\$ 135,292</u>
HIV Surveillance & Prevention Programs:			
HIV Surveillance Program 2025	HHS001186300004	22-01636181	\$ 179,892
HIV Surveillance Program 2026	HHS001186300004	22-01636204	15,766
Total HIV Surveillance & Prevention Programs			<u>\$ 195,658</u>
Immunization Grants:			
Inner-City School Immunization 2022	HHS000119700021	22-01636119	\$ (384)
Inner-City School Immunization 2023	HHS000119700021	22-01636125	8
Inner-City School Immunization 2024	HHS001331300016	22-01636163	28
Inner-City School Immunization 2025	HHS001331300016	22-01636188	719,263
Inner-City School Immunization 2026	HHS001331300016	22-01636196	94,024
Total Immunization Grants			<u>\$ 812,939</u>
Subtotal Texas Department of State Health Services			<u>\$ 2,310,156</u>

See accompanying Notes to the Schedule of Expenditures of State Awards

Schedule of Expenditures of State Awards
Year-Ended September 30, 2025

STATE GRANTOR/PASS THROUGH GRANTOR/ STATE PROGRAM	GRANT NUMBER	CITY NUMBER	STATE EXPENDITURES
Texas Department of State Health Services (Continued):			
Direct Programs:			
Lactation Support Program:			
Lactation Support 2024	HHS000455500001	22-01636162	\$ 2,275
Maternal and Child Health Services Block Grant to the States			
DSHS Healthy Texas Babies 2025	HHS001130300007	22-01636184	\$ 45,824
DSHS Healthy Texas Babies 2026	HHS001564300001	22-01636205	6,575
Total Maternal and Child Health Services Block Grant to the States			<u>\$ 52,399</u>
Milk Sample Lab Tests:			
Milk Group - 2025	HHS001318300001	22-01636185	\$ 48,327
Milk Group - 2026	HHS001318300001	22-01636203	4,387
Total Milk Sample Lab Tests			<u>\$ 52,714</u>
Preventive Health and Health Services Block Grant:			
Fed Triple OOO 2025	HHS001324900045	22-01636189	\$ 92,540
Fed Triple OOO 2026	HHS001588400044	22-01636207	4,523
Total Preventive Health and Health Services Block Grant			<u>\$ 97,063</u>
Sexually Transmitted Diseases (STD) Prevention and Control Grants:			
STD Staff Support Program 2024	HHS001315900007	22-01636152	\$ 3,673
STD Staff Support Program 2025	HHS001315900007	22-01636180	877,099
STD Staff Support Program 2026	HHS001315900007	22-01636210	127,292
Total Sexually Transmitted Diseases (STD) Prevention and Control Grants			<u>\$ 1,008,064</u>
TB Prevention and Control:			
TB Prevention and Control 2024-2025	HHS001437400025	22-01636178	\$ 749,807
TB Prevention and Control 2023-2026	HHS001437400025	22-01636214	93,250
Total TB Prevention and Control			<u>\$ 843,057</u>
Total Texas Department of State Health Services			<u><u>\$ 3,316,134</u></u>
Texas Department of Transportation:			
Pass Through - Motor Vehicle Crime Prevention Authority:			
Regional Auto Crimes Team:			
Regional Auto Crimes Team 2023-2024	608-24-SPD0000	22-03117010	\$ (869)
Regional Auto Crimes Team 2024-2025	608-25-SPD0000	22-03117013	1,176,146
Regional Auto Crimes Team 2025-2026	608-26-SPD0000	22-03117014	110,315
Total Regional Auto Crimes Team			<u>\$ 1,285,592</u>
Direct Program			
Airport Improvement Program:			
Stinson Ramp - 2024	M2415STSO	22-05833045	\$ 90,000
Stinson Ramp - 2025	M2515STSO	22-05833049	10,000
Total Airport Improvement Program			<u>\$ 100,000</u>
Total Texas Department of Transportation			<u><u>\$ 1,385,592</u></u>
Texas Health and Human Services Commission:			
Pass through - Sustainable Food Center Inc.			
Sustainable Food Center Program:			
Sustainable Food Center	HHS0014534	22-01636199	\$ 113,115
Total Texas Health and Human Services Commission			<u><u>\$ 113,115</u></u>
Texas Historical Commission:			
Direct Programs			
Texas Preservation Trust Fund Program:			
Texas Preservation Trust Fund Grant	TPTF-24-001-E-0	22-00641012	\$ 12,750
Total Texas Historical Commission			<u><u>\$ 12,750</u></u>

Schedule of Expenditures of State Awards
Year-Ended September 30, 2025

STATE GRANTOR/PASS THROUGH GRANTOR/ STATE PROGRAM	GRANT NUMBER	CITY NUMBER	STATE EXPENDITURES
Office of the Texas Governor:			
Direct Programs			
Criminal Justice Division:			
DNA-Test Kit Analysis 2023	3970504	22-03117011	\$ 196,084
Texas Anti-Gang Program 2024	2024-TA-ST-0002	22-05517007	1,498,736
Texas Anti-Gang Program 2025	2024-TA-ST-0002	22-05517008	2,360,707
Rifle-Resist Armor	5096401	22-05517009	47,970
Truancy Intervention & Prevention Program 2025	3291108	22-05303008	317,871
Truancy Intervention & Prevention Program 2026	3291109	22-05303009	27,134
Total Criminal Justice Division			<u>\$ 4,448,502</u>
Total Office of the Texas Governor			<u>\$ 4,448,502</u>
Texas Parks and Wildlife Commission:			
Direct Program			
Local Park Grant Program:			
Co-op Aim Float	CA0006206	22-05226006	\$ 32,300
Millers Pond	CA0006118	22-05226005	31,029
Total Texas Parks and Wildlife Commission			<u>\$ 63,329</u>
Texas Workforce Commission:			
Pass Through - Alamo Workforce Development, Inc.:			
Child Care Service:			
CCS - 2023-2024	2021SRV024-Renewal 3-Amendment 4	22-03938018	\$ 156,606
Child Care Services 2025	2021SRV024-Renewal 4, Amendment 2	22-03938024	8,045,769
Total Texas Workforce Commission			<u>\$ 8,202,375</u>
TOTAL EXPENDITURES OF STATE AWARDS			<u>\$ 18,591,391</u>

* Major Program

**Notes to the Schedule of Expenditures
of State Awards
Year-Ended September 30, 2025**

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, 2025, the City provided state awards to subrecipients in the amount of \$163,762 for the Texas Homeless Housing and Services Program 2025.

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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
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Auditor's Report**

**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 (City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 3, 2026.

Our report includes emphasis of matter paragraphs for a change in accounting principle and changes in reporting entity.

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, (blended component unit); San Antonio Fire and Police Pension Fund and Retiree Health & Wellness San Antonio Fire and Police Fund (fiduciary component units); and Brooks, CPS Energy, and San Antonio Water System (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, a component unit included in the financial statements of the aggregate discretely presented component units and Municipal Golf Association – San Antonio dba Alamo City Golf Trail, a component unit 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 Fire and Police Pension Fund, Retiree Health & Wellness San Antonio Fire and Police Fund, Brooks, and San Antonio Water System.

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 opinion 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 Mazars, LLP

Houston, Texas
March 3, 2026



**Report on Compliance for the
Major State Program and Report
on Internal Control Over
Compliance – Independent
Auditor's Report**

Report on Compliance for the 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 the Major State Program

Opinion on the Major State Program

We have audited the City of San Antonio, Texas' (City) compliance with the types of compliance requirements identified as subject to audit in the Texas Comptroller of Public Accounts, State of Texas Grant Management Standards, which includes the State of Texas Single Audit Circular (TxGMS) that could have a direct and material effect on each of the City's major state program for the year ended September 30, 2025. The City's major state program is 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 its major state program for the year ended September 30, 2025.

Basis for Opinion on the 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 the major state program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Other Matter – State Expenditures Not Included in the Compliance Audit

The City's basic financial statements include the operations of the San Antonio Water System (SAWS), a discretely presented component unit, which expended \$3,145,118 in state awards, which are not included in the City's schedule of expenditures of state awards during the year ended September 30, 2025. Our audit, described below, did not include the operations of SAWS because they engaged other auditors to perform an audit in accordance with the TxGMS.

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 the 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.

Report on Internal Control Over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the 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,

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

material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the TxGMS. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

**Houston, Texas
March 3, 2026**

Schedule of Findings and Questioned Costs State

Schedule of Findings and Questioned Costs**State Grants**

Year-Ended September 30, 2025

SECTION I – SUMMARY OF AUDITOR’S RESULTS***Financial Statements***

Type of auditor’s report issued on whether the financial statements audited were prepared in accordance with GAAP:

Internal control over financial reporting:

Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	_____	Yes	<u> X </u>	None Reported

Noncompliance material to financial statements noted?	_____	Yes	<u> X </u>	No

State Awards

Internal control over State major programs:

Material weakness(es) identified?	_____	Yes	<u> X </u>	No
Significant deficiencies identified?	_____	Yes	<u> X </u>	None Reported

Type of auditor’s report issued on compliance for major programs:

Any audit findings disclosed that are required to be reported in Accordance with the <i>State of Texas Single Audit Circular</i> ?	_____	Yes	<u> X </u>	No

Identification of major State programs:

Grant Numbers

2021SRV024

Name of State Program or Cluster

Child Care Service (CCS)

Dollar threshold used to distinguish between Type A and Type B programs: \$1,000,000

Auditee qualified as low-risk auditee?	<u> X </u>	Yes	_____	No

Schedule of Findings and Questioned Costs

State Grants

Year-Ended September 30, 2025

SECTION II – FINDINGS AND QUESTIONED COSTS RELATED TO FINANCIAL STATEMENTS

None

Schedule of Findings and Questioned Costs

State Grants

Year-Ended September 30, 2025

SECTION III – FINDINGS AND QUESTIONED COSTS RELATED TO STATE AWARDS

None

Corrective Action Plan State



**Corrective Action Plan
State Grants
Year-Ended September 30, 2025**

None



Summary Schedule of Prior Year Findings State



Summary Status of Prior Year Findings

State Grants

Year-Ended September 30, 2025

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**

**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 (City), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated March 3, 2026.

Our report includes emphasis of matter paragraphs for a change in accounting principle and changes in reporting entity.

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, (blended component unit); San Antonio Fire and Police Pension Fund and Retiree Health & Wellness San Antonio Fire and Police Fund (fiduciary component units); and Brooks, CPS Energy, and San Antonio Water System (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, a component unit included in the financial statements of the aggregate discretely presented component units and Municipal Golf Association – San Antonio dba Alamo City Golf Trail, a component unit 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 Fire and Police Pension Fund, Retiree Health & Wellness San Antonio Fire and Police Fund, Brooks, and San Antonio Water System.

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 opinion 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 Mazars, LLP

Houston, Texas
March 3, 2026



Report on Compliance for the Passenger Facility Charge Program and Report on Internal Control over Compliance – Independent Auditor's Report

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' (City) compliance with the types of compliance requirements identified in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide) that could have a direct and material effect on the City's Passenger Facility Charge Program (PFC Program) for the year ended September 30, 2025.

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 City's PFC Program for the year ended September 30, 2025.

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 of the PFC Program. Our audit does not provide a legal determination of City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, and rules applicable to the City's PFC Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the PFC Program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the PFC Program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a 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.

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.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Guide. Accordingly, this report is not suitable for any other purpose.

Forvis Mazars, LLP

**Houston, Texas
March 3, 2026**

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, 2025 and Each Quarter During the year ended September 30, 2025 with Cumulative Totals as of September 30, 2024 and 2025

	SEPTEMBER 30, 2024 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, 2025 TOTAL	SEPTEMBER 30, 2025 PROGRAM TOTAL
Revenue:							
Collections	\$ 336,855,451	\$ 5,100,375	\$ 5,010,164	\$ 5,381,347	\$ 5,493,666	\$ 20,985,552	\$ 357,841,003
Interest	11,886,704	537,929	527,021	491,929	474,769	2,031,648	13,918,352
Total Revenue	\$ 348,742,155	\$ 5,638,304	\$ 5,537,185	\$ 5,873,276	\$ 5,968,435	\$ 23,017,200	\$ 371,759,355
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	26,156,980		69,974		1,097,566	1,167,540	27,324,520
Project ID 1.11-Reconstruct Per. Rd.	464,840						464,840
Application 03-02-U-00-SAT							
Project ID 1.10 Concourse B	145,398,467		1,183,069		6,471,068	7,654,137	153,052,604
Application 04-03-U-00-SAT							
Project ID 1.1 Residential Noise Attenuation	22,588,822		209,232		952,208	1,161,440	23,750,262
Application 05-04-C-00-SAT							
Project ID 4.1 Terminal Elevated Roadway	36,266,048		251,562		1,808,679	2,060,241	38,326,289
Project ID 4.2 Central Plant Upgrade	10,203,942		88,178		479,240	567,418	10,771,360
Project ID 4.3 Apron Replacement	3,184,794		11,598		99,069	110,667	3,295,461
Project ID 4.4 New Utilities -Terminal Expansion	10,031,574		88,967		508,898	597,865	10,629,439
Project ID 4.5 Replace Two ARFF Vehicles	303,970						303,970
Project ID 4.6 Conduct Environmental Impact Statement	549,241						549,241
Project ID 4.7 Reconstruct Terminal Area Roadway	225,000						225,000
Project ID 4.8 Noise Monitoring Equipment	245,153						245,153
Project ID 4.9 Terminal and Airfield Security	973,534						973,534
Project ID 4.10 Airfield Electrical Improvements	633,333						633,333
Project ID 4.11 PFC Development	150,000						150,000
Application 07-05-C-00-SAT							
Project ID 5.1 Terminal 1 Modifications	27,937,389		331,133		1,465,986	1,797,119	29,734,508
Project ID 5.2 Runway Safety Action Team (RSAT)	824,376						824,376
Project ID 5.3 Runway 21 Extension	5,737,978						5,737,978
Project ID 5.4 Taxiway R Extension	1,183,940						1,183,940
Application 25-07-C-00-SAT							
Project 07-001 Ground Load Facility			2,766,541	969,042	928,261	4,663,844	4,663,844
Total Disbursements	\$ 294,781,557	\$ -	\$ 5,000,254	\$ 969,042	\$ 13,810,975	\$ 19,780,271	\$ 314,561,828
Net PFC Revenue	\$ 53,960,598	\$ 5,638,304	\$ 536,931	\$ 4,904,234	\$ (7,842,540)	\$ 3,236,929	\$ 57,197,527
PFC Account Balance	\$ 53,960,598	\$ 59,598,902	\$ 60,135,833	\$ 65,040,067	\$ 57,197,527	\$ 57,197,527	\$ 57,197,527

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, 2025

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, 2025

General (Continued)

- On February 24, 2021, the FAA approved an amendment to PFC Applications 01-01-C-04-SAT, 05-04-C-03-SAT, and 07-05-C-02-SAT. The approved impose authority decreased in Application 01-01-C-05-SAT by \$24,556,313 from \$314,079,345 to \$289,523,032. This amendment is referenced as 03-02-U-05-SAT. The approved imposed and use authority decreased in Application 01-01-C-05-SAT by \$3,991,429 from \$34,443,758 to \$30,452,329. Also, as a result of this amendment, the approved impose and use authority decreased in 05-04-C-04-SAT by \$1,031,573 from \$92,075,656 to \$91,044,083 and increased in 07-05-C-03-SAT by \$41,786 from \$39,865,919 to \$39,907,705.

The February 24, 2021 FAA approval of amendment to PFC Application 01-01-C-04-SAT, 05-04-C-03-SAT, and 07-05-C-02-SAT included the decrease in PFC authority due to the application of \$8,162,469 of CARES Act funding toward eligible PFC debt. The decrease in PFC authority resulted in a change to project disbursement balances and required credit adjustments to the Schedule of Revenues and Expenditures of Passenger Facility Charges reporting to align project balances to the approved change in PFC authority amounts.

- On June 6, 2023, the FAA approved an amendment to PFC Applications 05-04-C-05-SAT, and 07-05-C-04-SAT. The approved impose and use authority decreased in Application 05-04-C-05-SAT by a total net effect of \$409,405 from \$93,974,314 to \$93,564,909. The approved impose and use authority decreased in Application 07-05-C-04-SAT by \$6,474,523 from \$52,944,581 to \$46,470,058.
- On January 28, 2025, the FAA approved PFC Application Number: 25-07-C-00-SAT which approves the intent to impose a PFC charge at San Antonio International (SAT) and to use PFC revenue at SAT. The FAA acknowledges that SAT will begin collecting a PFC at a \$4.50 PFC level on February 1, 2029, and complete the collections on March 1, 2030. Furthermore, the FAA acknowledges that SAT will collect a total of \$19,521,000 in PFC revenue for Aviation capital project, the Ground Loading Facility. The total PFC impose and use authority for the City's PFC Program has increased by \$19,521,000, from its prior impose and use authority of \$431,280,175 to \$450,801,175.

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, 2025

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

None

Summary Status of Prior Year Findings Passenger Facility Charges

Summary Status of Prior Year Findings
Passenger Facility Charge Program
Year-Ended September 30, 2025

None



CITY OF SAN ANTONIO, TEXAS