



SAN ANTONIO  
RIVER AUTHORITY

Leaders in Watershed Solutions

*A political subdivision of the State of Texas.*



# COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year June 30, 2017

INSPIRING ACTIONS FOR HEALTHY CREEKS AND RIVERS



# **San Antonio River Authority**

## **San Antonio, Texas**

### **Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2017**



**SAN ANTONIO  
RIVER AUTHORITY**

**Leaders in Watershed Solutions**

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San Antonio, Texas

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San Antonio, Texas

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# Introductory Section



SAN ANTONIO  
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SAN ANTONIO  

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RIVER AUTHORITY

Leaders in Watershed Solutions



October 18, 2017

To the Directors of the San Antonio River Authority,  
General Manager of the San Antonio River Authority, and  
Citizens of Bexar, Wilson, Karnes and Goliad Counties

EXECUTIVE  
COMMITTEE



CHAIRMAN

Michael W. Lackey, P.E.

VICE CHAIRMAN

Gaylon J. Oehlke

SECRETARY

Hector R. Morales

TREASURER

Darrell T. Brownlow, Ph.D.

MEMBERS-AT-LARGE

James Fuller

Lourdes Galvan



BOARD OF DIRECTORS

BEXAR COUNTY

DISTRICT 1

Jerry G. Gonzales

DISTRICT 2

Lourdes Galvan

DISTRICT 3

Michael W. Lackey, P.E.

DISTRICT 4

Jim Campbell

AT-LARGE

Hector R. Morales

Lynn F. Murphy

WILSON COUNTY

Darrell T. Brownlow, Ph.D.

John J. Flieller

KARNES COUNTY

H.B. Ruckman, III

Gaylon J. Oehlke

GOLIAD COUNTY

James Fuller

Alicia Lott Cowley



GENERAL MANAGER

Suzanne Scott

The San Antonio River Authority (River Authority) is pleased to submit the Comprehensive Annual Financial Report for the fiscal year ending June 30, 2017. 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 River Authority. To the best of our knowledge and belief, the presented data is accurate in all material respects, and it is reported in a manner designed to present fairly the financial position and results of operations of the various funds. All disclosures necessary to enable the reader to gain an understanding of the River Authority's financial activities have been included.

These financial statements were audited by the accounting firm of ABIP, PC, Certified Public Accountants and Advisors. As reflected in the independent auditors report, the San Antonio River Authority's financial statements are presented fairly in all material respects in accordance with generally accepted accounting principles (GAAP) in the United States.

To provide a reasonable basis for making these representations, management of the River Authority has established a comprehensive internal control framework that is designed both to protect the River Authority's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the River Authority's financial statements. Because the cost of internal controls should not outweigh their benefits, the River Authority's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement.

This report includes all funds of the River Authority. It also includes all funds of the San Antonio River Industrial Development Authority (SARIDA) and the Public Facilities Corporation (PFC), which are the only component units. The River Authority is considered financially accountable for the blended component units of SARIDA and the PFC.

U.S. GAAP requires that the River Authority provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The River Authority's MD&A can be found immediately following the report of the independent auditors in the Financial Section of this report.

The fiscal year 2016/17 audit reflects the expenditures by division and department based on the organizational chart and accounts for expenses related to each division separately. To provide a comparison with previous years' expenditures, the audit reflects the redistribution of responsibilities, staffing and associated expenses to align expenses with the current organizational structure.



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## PROFILE OF SAN ANTONIO RIVER AUTHORITY

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### **Background**

The San Antonio River Authority and its jurisdiction was created in 1937 and is a political subdivision of the State of Texas (Chapter 276, pg. 556, 45th legislature, as amended). It covers 3,677 square miles in Bexar County, Goliad County, Wilson County and Karnes County. The River Authority is governed by a twelve member board of directors. Six are elected from Bexar County and two from each of the remaining three counties. Each member serves for six years. Policies established by the Board are executed by a management organization under the direction of the General Manager.

The River Authority provides a wide range of services, all in support of the mission of “Protect and enhance our creeks and rivers through service, leadership and expertise.” These services fall into several major categories – flood risk management, water resource development, environmental and water quality, utility and parks. The River Authority works with local (City of San Antonio, the Edwards Aquifer Authority and Bexar County as well as others), State (Texas Parks and Wildlife, Texas Commission on Environmental Quality, etc.) and federal (FEMA, U.S. Army Corp of Engineers and more) entities and coalitions (such as the Bexar Regional Watershed Management program) to further this aspect of the mission. Activities range from review of Letters of Map Revision related to flood plain designations, project management for major capital improvement projects and developing and supporting a flood warning and response system that provides near real-time flood information to emergency responders. To support environmental and water quality, the River Authority has a full service, National Environmental Laboratory Accreditation Program accredited water quality laboratory. The River Authority actively monitors streams and river water quality through sampling programs, completes scientific analysis to use in directing resources and setting priorities, and monitors and evaluates various species in the watershed all the way to the San Antonio Bay. This includes several endangered species.

The River Authority also works with local and state entities to identify and potentially develop new water resources to meet the region’s water needs. The utility operations provide water service as well as wastewater collection and treatment services. The wastewater services are concentrated in northeastern Bexar County and the water service is provided in Wilson County. Utility staff also assists smaller cities and other public entities throughout the district with their wastewater systems’ operations and maintenance. The River Authority owns and maintains multiple parks throughout the district that offer citizens recreational and educational opportunities. This includes paddling trails and several nature based parks. The parks and educational programs help increase environmental awareness of the river and its environs. Staff also provides maintenance and operations of 41 dams throughout the district. They also operate and maintain the improved areas of the riverwalk north and south of downtown, providing recreational opportunities in the miles long stretch of hike and bike trails and associated amenities.

In 1961, an ad valorem tax of two cents per one hundred dollars assessed valuation was approved by the River Authority voters and was collected annually across the district at its maximum rate. The River Authority did not levy this tax from 1981 through 2001, but in June 2002, the River Authority’s Board of Directors, after approval of the five year service plan, reinstituted the ad valorem tax at 1.6425 cents per one hundred dollars valuation. Use of this tax revenue is limited to

general administration, maintenance of completed projects and updating of the River Authority's master plan for water resource development. Revenues collected from this tax may not be pledged to debt service on any bonds nor can they be used to construct flood control structures. The current adopted tax rate is 1.729 cents per \$100 of appraised valuation, only 5.3 percent greater than the tax rate in 2002. The average tax levied on a homestead is \$31.30 per year.

The River Authority has had a long standing partnership with Bexar County to complete flood control improvement projects. In 1951, Bexar County voters authorized an ad valorem levy of up to fifteen cents per one hundred dollars valuation of taxable property for flood control. The County has a serious flood problem as it is located in an area called Flash Flood Alley.

A 1955 contract with Bexar County and subsequent amendments have facilitated the River Authority's involvement in flood control improvement projects funded by the County's flood control tax. The River Authority has managed the design and construction of the projects. Through the last amendment to the contract, the County is required to set a tax rate which, at 90 percent current collections, will provide revenues sufficient to pay each year's requirements for principal and interest of River Authority bonds issued to fund flood control improvement projects as part of the agreement with the County. The last bond issuance by the River Authority for flood control projects funded by this tax was in 2004 and were refunded with debt issued in 2015. The flood control tax continues to support this debt service. Subsequent to 2004, Bexar County issued the debt for flood control projects that the River Authority managed.

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## **ECONOMIC CONDITION AND OUTLOOK**

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### **Economy**

The River Authority's jurisdiction includes the counties of Bexar, Wilson, Karnes and Goliad. The River Authority has continued to enjoy a favorable economic environment and local indicators point to continued stability. The City of San Antonio, the county seat of Bexar County, occupies an area of 467 square miles in south central Texas at the edge of the Gulf Coastal Plains, about 140 miles northwest of the Gulf of Mexico. The metropolitan statistical area (MSA) is an eight county area made up of Atascosa, Bexar, Bandera, Comal, Guadalupe, Kendall, Medina, and Wilson counties. Throughout the last century, the military has been the City's economic power-house; however, tourism, educational institutions, agribusiness, technology, the aerospace industry and medical research have rounded out the economy. The City's proximity to Mexico provides favorable conditions for international business relations with Mexico in many areas including agriculture, tourism, manufacturing, and retail markets for citizens in Mexico. San Antonio's industries range from the manufacturing of apparel, food products, aircraft, electronics and pharmaceuticals to iron and steel products and oil well equipment. Major employers in and around San Antonio include the Department of Defense, through Joint Base San Antonio (Lackland, Ft. Sam and Randolph), H.E.B. Food Stores, United Services Automobile Association, large independent school districts, and medical facilities.

San Antonio continues to advance its position in the area of bioscience and healthcare services – both direct and indirect. Direct services include hospital care, physicians' offices, nursing homes

and a variety of other clinics. Indirect services include health insurance carriers, pharmaceutical companies, medical equipment manufacturers and medical education. The bioscience and healthcare industry has added more than 50,000 new jobs over the past decade. The economic impact of the bioscience and healthcare industry was measured at between \$28 and \$37 billion in 2015 by a study completed by the Greater San Antonio Chamber of Commerce. Cybersecurity and information technology (IT) is another sector that has established itself as a major force in the San Antonio economy. In 2014, the IT industry consisted of over 1,000 companies, with over 34,000 IT professionals, generating an economic impact of nearly \$10 billion. Additional information about other key industries is available through the San Antonio Economic Foundation (SAEDF) website.

Higher education also plays a major role in the San Antonio local economy. The roster of major educational institutions includes the University of Texas Health Science Center, the University of Texas at San Antonio, St. Mary's University, Trinity University, University of the Incarnate Word and the Texas A&M campus on the city's south side.

Tourism is a major industry in San Antonio offering a wide variety of activities to visitors. This includes major theme parks, the riverwalk where activities range from dining and live entertainment to hiking and biking trails. San Antonio is also rich in history with the Alamo, where the most famous battle of the Texas revolution was fought, as well as the Spanish Missions which have recently been designated a World Heritage site by the United Nations Educational, Scientific and Cultural Organization (UNESCO). The City is working to make the most of this prestigious designation. In addition, in 2018, San Antonio will mark its 300<sup>th</sup> anniversary of its founding. The Tricentennial Commission was created to honor 300 hundred years of history and will include many educational, artistic, and entertaining events coordinated with key partnerships in the area.

In Karnes County, fracking activities have had a very significant, positive impact on the economy. From 2010 to 2014, property taxes in the county grew 1,826 percent, from \$558.4 million in 2010 to \$10.8 billion in 2014. Although falling gas and oil prices drove a decline in property values of 15 percent for 2015 and 40 percent in 2016 from mineral rights, the overall growth since 2010 remains very strong. This industry's activity in Karnes County has increased property values and generated strong increases in sales tax and hotel/motel taxes in the surrounding area. The drop in oil prices has decreased the fracking activity, which has also reduced the workforce in the oil fields. However, the fracking industry remains at work in the area and is expected to continue to positively contribute to the economy in Karnes County over the next several years.

### **Economic Outlook**

The Texas and San Antonio economy weathered the economic downturn that began in 2008 better than much of the nation. In the San Antonio area, the downturn in property values was much less severe and the recovery was quicker. This was true in other sectors of the economy as well. Since 2011, property values in Bexar County have grown an estimated 45 percent. For 2017, growth in Bexar County is estimated at nine percent and the River Authority experienced overall growth in property values in all four counties of 9.4 percent with three counties showing growth-Bexar, Wilson and Karnes-and Goliad showing a decrease of about six percent. Despite the downturn in recent years, the fracking activity in Karnes County has had a significant positive impact on property values in that area as well as all aspects of the economy in Karnes County. In 2017,



property values, particularly from oil and minerals, are expected to grow twenty-three percent in Karnes County. Property values will continue to fluctuate annually depending on the prices of oil. This is challenging for other public entities in Karnes County as their revenues also rise and fall. Since Karnes County's property values represent only about four percent of the River Authority's total tax base, changes in values have a smaller impact to the River Authority's revenue stream.

The San Antonio area continues to enjoy a robust economy. Unemployment in May 2017, was at 3.6 percent in comparison to 4.1 percent nationwide. Job growth was 2.5 percent in May 2017, down slightly from 2.6 percent in May 2016 but still ahead of the national average of 1.5 percent in May 2017. (Bureau of Labor Statistics June 28, 2017 San Antonio Area Economic Summary; [https://bls.gov/regions/southwest/summary/plssummary\\_sanantonio.pdf](https://bls.gov/regions/southwest/summary/plssummary_sanantonio.pdf)). San Antonio saw the number of jobs increase at an annualized rate of 1.9 percent based on the last three months ending May 2017. San Antonio is expected to create approximately 30,000 new jobs in 2017 (about 2.5 to 3 percent), with a local workforce of about one million. (San Antonio Express News, January 20, 2017). Eight employment sectors saw growth, with mining (31.0 percent) and construction (15.2) leading the way. San Antonio continues to work hard to attract information technology and health care industry jobs and has seen overall success. However, over the last three months, technology employment has declined about 6.2 percent. (Dallas Federal Reserve, June 22, 2017, San Antonio Economic Indicators; <https://www.dallasfed.org/en/research/indicators/sa.aspx>).

San Antonio still faces some economic challenges with the education level of the workforce chief among them. San Antonio needs to focus on continuing to develop higher education opportunities as well as supporting small businesses and entrepreneurs. The current strong dollar will also reduce Mexican consumer spending in San Antonio. Fortunately, declining oil prices do not significantly impact the San Antonio area as jobs in this field represent a very small portion of the employed workforce. As described above, the reduced oil prices do negatively affect Karnes County and to a lesser extent Wilson County (also part of the River Authority's district).

The housing market in San Antonio remains strong. The inventory of homes available for purchase in December 2016 was 3.1 months (with six months representing the balanced market between buyers and sellers) and 3.7 months by May 2017 (San Antonio Board of Realtors, June 13, 2017). It is currently a seller's market. The median home price increased six percent in 2016 to \$204,300. This is the first time the value has been consistently above \$200,000 for the entire year. In 2016, a record high of 29,508 homes were sold in Bexar County. (Source: San Antonio Express News; January 16, 2017). Housing remains more affordable in Bexar County than in many of the other large cities in Texas. There average home price in San Antonio is \$240,000 and \$266,500 in other cities in Texas.

The River Authority's annual budget describes the work plan and major initiatives planned for the fiscal year. The information below provides information regarding the FY 2017/18 strategic plan, work plan and initiatives.

### **Strategic Planning**

Under the policy and fiscal guidance of the Board, the River Authority's executive and management team began the annual budget process with a review and update of the River Authority's Strategic Plan. The Vision, Mission, and Core Values are unchanged. The Agency Goals are essentially the same with some clarifying language added. As is the case every year, the annual Objectives and Strategic Opportunities have been updated to reflect activities completed and new challenges and opportunities. These objectives and opportunities described in the Strategic Plan, and the action items associated with them are then brought into each department's budget. The resources allocated in the proposed budget provide the means for the departments to execute their work plans.

The strategic plan summary and annual action plan developed to meet agency goals and strategic opportunities are detailed within the objectives in the Strategic Plan Summary. Departmental activities in support of the Strategic Plan are detailed separately in the FY 2017/18 Budget document. Progress toward the objectives is tracked quarterly and reported to the Board of Directors and its committees.

#### **Vision Statement**

Inspiring Actions for Healthy Creeks and Rivers

#### **Mission Statement**

Protect and enhance our creeks and rivers through service, leadership and expertise

The development of the budget is influenced by many factors along with the Strategic Plan. More than other public entities, the River Authority is dependent on the activities and funding capabilities of our public sector partners. Working with its partners, the River Authority has established itself as an effective project manager for major capital improvements in and along the San Antonio River and its tributaries.

The current major improvement project of this type is the San Pedro Creek Improvements Project investment by Bexar County and the City of San Antonio. This capital project is supported by a significant staff effort and financial support from the River Authority. The first segment of the project will open in May 2018, which will initiate the River Authority's investment in the operations and maintenance of the completed segment. Other partner funded projects include continued enhancement to the City of San Antonio linear creek greenway projects along the Westside Creeks, Brooks City Base trails, as well as the development of Escondido Park in Karnes County.

In addition to capital improvement projects, the operations and maintenance of parks, existing and newly developed amenities, and natural areas along the San Antonio River and its tributaries are

also key activities for the River Authority. Increasing community involvement and commitment to parks, laboratory services, watershed modeling and behavior, scientific data collection, analysis, and sharing of this information and data with our partners and citizens, and utility system management and master planning are other important activities of the River Authority. These contributions to the communities and watersheds drive the annual work plan and budgeted resources.

Over the past several years, the River Authority has continued to see an increased demand for our services. Growing these services within our own and our partners' budgetary constraints is challenging. The River Authority's property tax rate is capped at two cents per \$100 valuation and the proposed tax rate for 2017/2018 remains at the current rate of 1.729 cents.

Personnel related costs are a major component of the River Authority's operating budgets for both the General Fund and the Utility Systems. Staff related expenditures in the General Fund represent fifty-four percent of the total operating budget and twenty-nine percent in the Utility Systems. Health insurance represents a significant portion of the benefits costs for employees and is increasing in 2017/2018. Over the past two years, the River Authority has made additional transfers to the Insurance Fund in amounts close to the premium increases so the net impact to the 2017/2018 budget will be minimal. Affordable health insurance remains a major budgetary issue.

The River Authority's wastewater systems continue to provide quality services protecting the water quality of the San Antonio River and its tributaries, while facing the challenge of managing rates. This challenge grows as the infrastructure of the systems age. The ten-year capital improvement plan reflects the need for major investment for expansion and replacement in the infrastructure of the systems over the next five years. The 2017/2018 budget includes funding for a treatment plant and collection system infrastructure to address this need. The advancement of the Martinez IV Wastewater Treatment Plant recognizes that growth in the SARA Wastewater system, is driving additional infrastructure to support the area's needs. As a result, the rates for both the Salatrillo and San Antonio River Authority Wastewater Systems are increasing. The rate model also indicates the need for further increases over the next five years in the Salatrillo Wastewater System and potentially the SARA Wastewater System. The 2017/2018 rate increases fully fund the systems' operational expenses and provide funding for needed capital improvements.

### **Budget Overview**

The 2017/2018 adopted budget appropriations total \$241,753,880, and includes reserve funds of \$34,870,552. Total appropriations represent an increase from the 2016/2017 budget due to a significant increase in our partner funding for capital improvement projects as well as increased revenues into the utility enterprise funds through rate adjustments and other financing sources.

Expenditures across all funds total \$206,883,328. This includes \$33,150,983 in the General Fund, \$143,690,919 within capital improvement funds, \$5,404,733 for debt service payments (including utilities), \$12,920,598 for utility operations (excluding debt service) and \$11,716,095 for all other funds' expenditures.



Revenues for the 2017/2018 adopted budget are \$196,069,039 when all funds are included. Of this amount \$30,781,189 are total General Fund revenues with \$27,062,143 or 88 percent from property tax. Other major revenue sources include utility charges for services of \$14,599,769, grant funds of \$6,526,498, revenue to capital improvement funds of \$136,017,945, which incorporates funds from River Authority partners for capital improvement projects, and \$8,143,638 for all other revenues across funds. Including carry forward fund balance reserves, brings the total available funds to \$241,753,881.

#### General Fund

Revenues in the General Fund are \$30,731,189 which is an increase of \$1,326,975 or 5 percent from the 2016/2017 estimates and \$1,445,974 higher compared to the 2016/2017 Amended Budget. Of these total revenues, \$27,062,143 is generated from property taxes, \$2,302,631 is from support fees paid by the utilities for services provided by General Fund staff (human resources, finance, facilities, intergovernmental/community relations, etc.) and \$705,969 from charges for services such as laboratory fees. Property tax revenues reflect an increase of five percent in comparison to the 2016/2017 Amended Budget. This increase is driven by changes in property values as the budget is based on the current tax rate of 1.729 center per \$100 valuation. Bexar, Karnes and Goliad counties are projecting value increases, while Wilson County is forecasting a small decrease in values. The increased property value behind the projected revenues from property taxes support leaving the tax rate unchanged for 2017/2018.

General Fund appropriations for 2017/2018 are \$41,107,915, with \$33,150,983 earmarked for expenditures and \$7,956,932 held in the operating reserve. These appropriations represent a three percent increase in comparison to the 2016/2017 Amended Budget, and results from new operating and capital requests and a decrease in reimbursements from partners that directly offset General Fund personnel expenditures. The appropriations include personnel expenses of \$17,965,651, operating expenses of \$12,165,164 and capital outlays of \$1,104,897 for equipment purchases and other major improvements. Of the total expenditure budget, \$2,917,744 of General Fund revenue is appropriated for fifty authorized projects; forty-one which began prior to fiscal year 2017/2018 and have been carried forward into the 2017/2018 budget, another five projects which are scheduled to begin in 2017/2018 and four which are authorized without identified funding within the budget document.

Departmental operating costs comprise the majority of the \$12,165,164 in operating appropriations in the General Fund. Nine new staff positions are included in the budget; one document control position, a part-time custodian, four new Watershed and Parks Operations (WPO) field positions added to the two positions created in 2016/2017 to create crews to operate and maintain the initial phase of the San Pedro Creek Improvements project, one engineer, one project manager and one engineering technician. The budget also includes five new limited term employee positions; one in Environment Sciences-Laboratory to support implementation of the new laboratory management software, one in Intergovernmental and Community Relations to assist with web development for the Watershed Wise River Discovery Project and three in Information Technology to help address the back log of development and geographic information systems work. The net cost of all new position changes is \$803,265.

The majority of the new positions are focused in the areas of information technology, and operations and maintenance of improved areas along the bank of the San Antonio River and the initial completed segment of the San Pedro Creek project.

#### Utility Operating Funds

The San Antonio River Authority Wastewater System Operating Fund expenditures are budgeted at \$9,504,265 with revenues of \$9,682,888 for 2017/18. Staff continues to refine the redesigned rate development model to establish rates that reflect the ten-year capital improvement plan for the utility as well as the current financial strategy for funding that plan. The plan funds the design and construction of the Martinez IV Wastewater Treatment Plant that began in February 2017. Cost for this project is mainly funded through a \$9.5 million debt issuance. Staff is working with the Texas Water Development Board to achieve a below market interest rate for this debt. The proposed rates will provide sufficient funds to pay that increased debt expense. In addition, a transfer into the SARA Wastewater System Construction and Improvement Fund \$2.3 million is budgeted to fund additional current and future capital improvement projects identified in the ten-year capital improvement plan. Rates for the system are budgeted to increase with a net impact to the residential customer of 10.5 percent and is sufficient to cover all operating costs of the system.

The Salatrillo Operating Fund expenditures are budgeted at \$4,616,219 with revenues of \$4,605,881. Expenditures represent a twenty-eight percent increase primarily to provide supporting investment in the Renewal and Replacement Program for capital equipment in the next fiscal year. Increased revenues are driven primarily by rate increases necessary to improve the system's cash position and ability to fund the ten-capital improvement plan.

The Salatrillo Wastewater System will also increase its rates which results in a net impact to the residential customer of twenty-one percent. The increase in rates is needed to fund both operating expenses and the ten-year capital improvement plan.

#### **Fiscal Year 2017/18 Projects**

The River Authority has sixty-nine active projects across the General Fund, Park Resources Development Fund, utilities enterprise funds and other capital project funds. Projects are coordinated through six programs managed by assigned Program Leaders with authority to manage and direct the projects within their portfolio. Program Leaders develop annual objectives, report progress and are accountable to the executive staff for achieving programmatic results. Those programs include: Natural Resource Protection Program; Nature Based Park Program; Sustainable Watersheds Implementation Program; Watershed Modeling, Studies and Planning Program; Watershed Safety and Response Program; and the Utilities Program.

Fifty additional projects are slated to be funded from the General Fund in the amount of \$2,917,744 in 2017/2018. Each project furthers the River Authority's mission and supports the strategic plan. There are also additional projects scheduled to be managed by River Authority staff and are funded by various partners including the City of San Antonio, Bexar County, federal grant funds, state grant funds, as well as other funding resources. These projects have a combined budget of \$84,830,332 and expand the River Authority's expertise, promotes appreciation of the river and advances sustainability and environmental stewardship.

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## FINANCIAL POLICIES

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### **Budgeting Controls**

By-laws of the River Authority require the Board of Directors to adopt an annual budget which estimates the amount of funds available from all sources and to allocate the amount of funds which may be expended during the forthcoming fiscal year. The responsibility for managing those allocations rests in the River Authority's General Manager. After adoption of the budget by the Board of Directors, the General Manager has full authority to expend within the departmental allocations.

The annual budgetary data for governmental fund types included in the financial statements represents the original budget and subsequent amendments as adopted by the River Authority's Board of Directors and is on the same modified accrual basis used to reflect revenues and expenditures of the General Fund and Special Revenue Funds with the exception of the SARIDA and the PFC funds. Provisions of the bond orders control the Debt Service Fund and associated reserves. The debt service is funded from General Fund transfers and from flood control tax proceeds (transferred to the debt service fund from the Flood Control Tax Fund). The Capital Projects Funds are budgeted by project period rather than by fiscal year.

Unencumbered appropriations lapse at the end of the fiscal year. Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balances and are re-appropriated for expenditures in the following fiscal year.

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## OTHER INFORMATION

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### **Independent Audit**

State statutes and revenue bond resolutions require an annual audit by independent certified public accountants. In 2014, the River Authority's Fiscal Committee selected the accounting firm of ABIP. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act of 1984, as amended and the related Uniform Guidance and also meet the requirements of the State of Texas Single Audit Circular, issued by the Office of the Governor of the State of Texas. The auditors' report on the basic financial statements and combining and individual fund statements and schedules is included in the Financial Section. The auditors' reports related specifically to the single audit are included in the Single Audit Section.



## **Awards**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the River Authority for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2016. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized CAFR, whose contents conform to program standards. Such CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The River Authority has received a Certificate of Achievement for the last twenty-six consecutive fiscal years (fiscal years ended June 30, 1991 through 2016). The River Authority believes the current report continues to conform to the Certificate of Achievement program requirements and will be submitting to GFOA for consideration.

In 2017, the River Authority received awards under the Texas Comptroller's Transparency Stars program which recognizes local governments for going above and beyond in their transparency efforts. The River Authority was awarded the Traditional Finances Transparency Star Award and the Debt Obligations Transparency Star Award. In order to meet the requirements for these awards, entities must provide clear and meaningful financial information not only by posting financial documents, but also through summaries, visualization, downloadable data and other relevant information. To date, the River Authority is the only river authority to have been awarded both of these Star Awards.

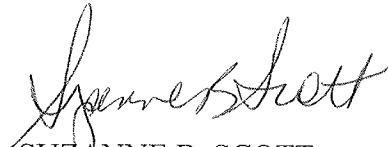
Prior to the Comptroller's new Star Awards Program, the River Authority had been the recipient of Leadership Circle program at the highest level with a designation as a platinum award winner. The Comptroller of Public Accounts launched the Texas Comptroller Leadership Circle program in December 2009 to encourage local governments to meet high standards for online financial transparency. At that time, relatively few public entities had dedicated websites devoted to publishing financial data to inform and provide accountability to taxpayers. The Leadership Circle set standards for posting financial documents such as Comprehensive Annual Financial Reports (CAFRs) audits online in a central location. The public expectation for government transparency, however, has changed dramatically since then.

The Government Finance Officers Association has also awarded the Distinguished Budget Presentation Award to the River Authority for its 2016/2017 budget cycle. This award is designed to encourage state and local governments to prepare budget documents of the very highest quality. The budget documents are required to reflect both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices on budgeting.

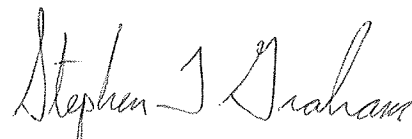
## Acknowledgments

We wish to express our appreciation to the entire staff of the Finance Department who assisted in the preparation and completion of this report, and to the competent services offered by the firm of ABIP. In addition, we would like to thank the Board of Directors for their support in planning and conducting the financial affairs of the River Authority in a responsible and progressive manner and the Fiscal Committee for its role in overseeing the financial reporting and audit processes.


Respectfully submitted,



SUZANNE B. SCOTT  
General Manager



STEPHEN T. GRAHAM  
Assistant General Manager



RICK TREFZER  
Director of Support Services



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**San Antonio River Authority  
Texas**

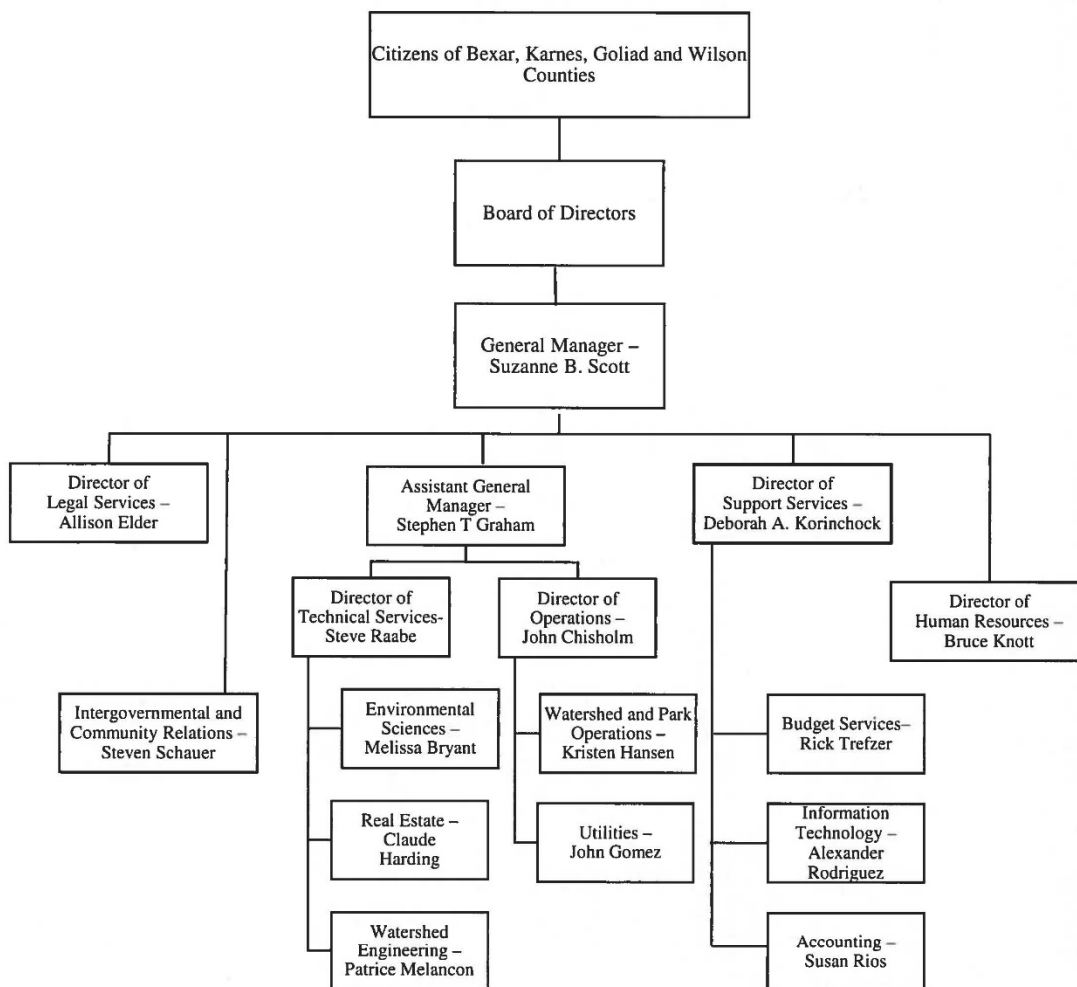
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2016**

A handwritten signature in black ink, reading "Jeffrey R. Emen".

Executive Director/CEO

San Antonio River Authority  
Organization Chart  
June 30, 2017



**San Antonio River Authority  
List of Elected Officials and Management**

***Board of Directors***

<u>Name</u>	<u>Title</u>	<u>County</u>
Jerry G. Gonzales	Chairman	Bexar County, District 1
Lourdes Galvan		Bexar County, District 2
Michael W. Lackey, PE		Bexar County, District 3
Jim Campbell		Bexar County, District 4
Lynn F. Murphy	Secretary	Bexar County, At Large
Hector Morales		Bexar County, At Large
James Fuller		Goliad County
Alicia Lott Cowley	Vice-Chairman	Goliad County
Gaylon J. Oehlke		Karnes County
H. B. Ruckman, III		Karnes County
Darrell T. Brownlow, PhD	Treasurer	Wilson County
John Flieller		Wilson County

***Management***

<u>Name</u>	<u>Title</u>
Suzanne B. Scott	General Manager
Stephen T. Graham	Assistant General Manager
Deborah Korinchock	Director of Support Services
John A. Chisholm III	Director of Operations
Bruce E. Knott	Director of Human Resources
Steven J. Raabe	Director of Technical Services
Allison Elder	Director of Legal Services
Alexander Rodriguez	Information Technology Manager
Kristen Hansen	Watershed & Park Operations Manager
Claude Harding	Real Estate Manager
Melissa Bryant	Environmental Sciences Manager
Rick Trefzer	Budget Manager
Patrice Melancon	Watershed Engineering Manager
Steven Schauer	External Communications Manager
John Gomez	Utilities Manager
Susan Rios	Accounting Manager





SAN ANTONIO  

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RIVER AUTHORITY

Leaders in Watershed Solutions

# Financial Section



SAN ANTONIO  

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RIVER AUTHORITY

Leaders in Watershed Solutions



SAN ANTONIO  

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RIVER AUTHORITY

Leaders in Watershed Solutions

## Independent Auditor's Report

Board of Directors  
San Antonio River Authority  
San Antonio, Texas

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of San Antonio River Authority (the "River Authority") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the River Authority's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of San Antonio River Authority as of June 30, 2017, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the River Authority's basic financial statements. The introductory section, other supplementary information, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

The other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements.



Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated October 18, 2017 on our consideration of the River Authority'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 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 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 River Authority's internal control over financial reporting and compliance.

ABIP, PC

Certified Public Accountants  
San Antonio, Texas

October 18, 2017



SAN ANTONIO  

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RIVER AUTHORITY

Leaders in Watershed Solutions

San Antonio River Authority  
Management's Discussion and Analysis  
June 30, 2017

As management of the San Antonio River Authority (the River Authority), we offer to readers of the River Authority's financial statements this narrative overview and analysis of the financial activities of the River Authority for the fiscal year ended June 30, 2017. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i–xii of this report.

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## FINANCIAL HIGHLIGHTS

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- Assets and deferred outflows of the River Authority exceeded its liabilities at June 30, 2017 by \$537,798,499. Of this amount, \$36,150,191 may be used to meet the River Authority's ongoing obligations to citizens and creditors.
- The River Authority's total net position increased by \$883,400.
- As of June 30, 2017 the River Authority's governmental funds reported combined ending fund balances of \$27,434,695, an increase of \$190,362 from the prior year. Approximately five percent (5%), or \$1,238,413, is available for spending at the River Authority's discretion.
- The River Authority's capital assets decreased \$5,458,815.

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## OVERVIEW OF THE FINANCIAL STATEMENTS

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This discussion and analysis is intended to serve as an introduction to the River Authority's basic financial statements which are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves as well as the single audit required because of federal grant funding.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the River Authority's finances, presented in a manner similar to that of a private-sector business.

The *statement of net position* presents information on all of the River Authority's assets, liabilities, and deferred outflows and inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the River Authority is improving or declining.

The *statement of activities* presents information showing how the River Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

Both of the government-wide financial statements distinguish functions of the River Authority that are principally supported by property tax, reimbursement of expenditures and/or intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental

San Antonio River Authority  
Management's Discussion and Analysis  
June 30, 2017

activities of the River Authority include general government, operations and technical services. The business-type activities of the River Authority include utilities. The government-wide financial statements can be found on pages 18–21 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The River Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the River Authority can be divided into two categories: governmental funds and proprietary funds.

***Governmental funds.*** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on 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 the River Authority's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *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 River Authority'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 River Authority maintains 22 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, Bexar County Westside Creek, City of San Antonio Westside Creek, and San Antonio River Authority Project Fund which are considered to be major funds. Data from the other 17 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* in the Combining Statements and Schedules section of the report. The basic governmental fund financial statements can be found on pages 22-27 of this report.

***Proprietary funds.*** The River Authority maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The River Authority's major enterprise funds are the San Antonio River Authority Wastewater Utilities Systems and the Salatrillo Wastewater Treatment Plant. The Randolph Air Force Base Collection System is presented as a non-major fund. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the River Authority's various functions. The River Authority uses an internal service fund to account for medical, dental and vision benefits to River Authority employees. Services of the internal service fund predominantly benefit governmental functions and are included within governmental activities in the government-wide financial statements.

San Antonio River Authority  
Management's Discussion and Analysis  
June 30, 2017

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The internal service fund is a single, aggregated presentation in the proprietary fund financial statements. The basic proprietary fund financial statements can be found on pages 28–32 of this report.

**Notes to 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. The notes to financial statements can be found on pages 33-63 of this report.

**Required supplementary information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the River Authority's General Fund budgetary schedule. The River Authority legally adopts an annual budget for this fund. A budgetary comparison schedule, which includes the original and final amended budget as well as actual figures, have been provided to demonstrate compliance with this budget. Also required as supplementary information is trend information on the River Authority's Post Employment Benefit Plans. Required supplementary information can be found on pages 64-68 of this report.

**Other supplementary information.** The combining and individual fund statements and schedules referred to earlier provide information for non-major governmental funds and is presented immediately following the required supplementary information. Additionally, the River Authority adopts operating budgets for a number of other governmental funds. Budgetary comparison schedules and combining and individual fund statements and schedules can be found on pages 69-93 of this report.

**Single Audit.** As a recipient of federal assistance, the San Antonio River Authority is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. The results of the San Antonio River Authority single audit, for the fiscal year presented, provided no instances of material weaknesses in the internal control structure or violations of applicable laws and regulations.

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## GOVERNMENT-WIDE FINANCIAL ANALYSIS

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As noted earlier, net position may serve as an indicator of a government's financial position. In the case of the River Authority, assets and deferred outflows of resources exceeded liabilities by \$537,798,499 at the close of the 2017 fiscal year.

A large portion of the River Authority's net position (91%) reflects its investment in capital assets (e.g., flood control projects, restoration projects, park development, land, buildings, machinery, and equipment) less any related debt used to acquire those assets that is still outstanding. The River Authority's capital assets are used in operations to provide services to customers, participants and other governments; consequently, these assets are *not* available for future spending. Although the River Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.



San Antonio River Authority  
Management's Discussion and Analysis  
June 30, 2017

**San Antonio River Authority  
Net Position**

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 38,413,327	\$ 48,147,942	\$ 18,067,768	\$ 15,752,442	\$ 56,481,095	\$ 63,900,384
Capital assets	491,321,889	496,397,949	43,972,187	44,354,942	535,294,076	540,752,891
Total assets	<u>529,735,216</u>	<u>544,545,891</u>	<u>62,039,955</u>	<u>60,107,384</u>	<u>591,775,171</u>	<u>604,653,275</u>
Deferred outflows	857,645	913,805	-	-	857,645	913,805
Long-term liabilities	26,194,503	29,132,589	15,001,930	16,025,820	41,196,433	45,158,409
Other liabilities	11,819,703	21,622,814	1,818,181	1,870,758	13,637,884	23,493,572
Total liabilities	<u>38,014,206</u>	<u>50,755,403</u>	<u>16,820,111</u>	<u>17,896,578</u>	<u>54,834,317</u>	<u>68,651,981</u>
Net investment in capital assets	463,853,063	465,973,372	28,147,329	27,524,744	492,000,392	493,498,116
Restricted	4,269,249	6,576,068	5,378,667	3,134,754	9,647,916	9,710,822
Unrestricted	<u>24,456,343</u>	<u>22,154,853</u>	<u>11,693,848</u>	<u>11,551,308</u>	<u>36,150,191</u>	<u>33,706,161</u>
Total net position	<u>\$ 492,578,655</u>	<u>\$ 494,704,293</u>	<u>\$ 45,219,844</u>	<u>\$ 42,210,806</u>	<u>\$ 537,798,499</u>	<u>\$ 536,915,099</u>

An additional portion of the River Authority's net position (2%) represents resources that are subject to restrictions for debt service and construction. The remaining balance of *unrestricted net position* in the amount of \$36,150,191 may be used to meet the River Authority's ongoing liabilities.

At June 30, 2017, the River Authority reported a positive balance in the change in net position for the business-type activities category.

As of June 30, 2017, the River Authority's net position increased by \$883,400.

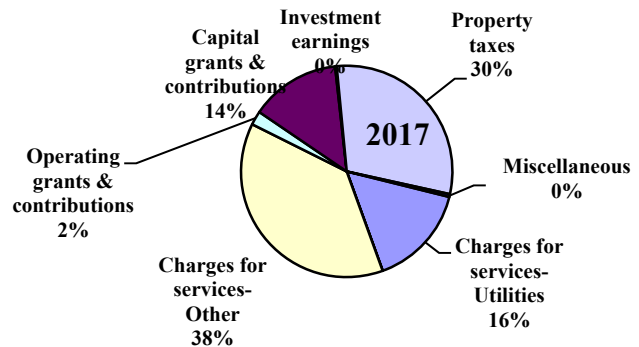
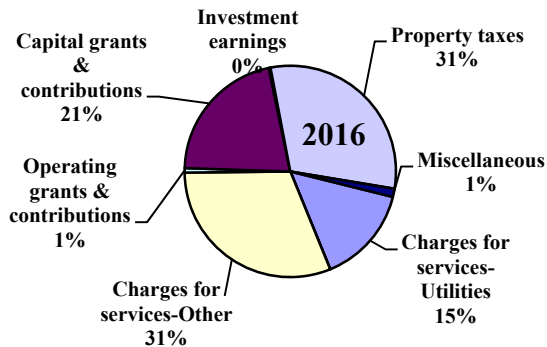
San Antonio River Authority  
Management's Discussion and Analysis  
June 30, 2017

The following table indicates change in net position for governmental and business-type activities:

**San Antonio River Authority  
Changes in Net Position**

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program Revenues:						
Charges for services	\$ 32,481,327	\$ 25,045,215	\$ 13,362,850	\$ 12,081,771	\$ 45,844,177	\$ 37,126,986
Operating grants & contributions	1,827,783	552,343	-	-	1,827,783	552,343
Capital grants & contributions	9,599,730	17,164,784	2,181,264	1,201,136	11,780,994	18,365,920
General Revenues:						
Property Taxes	25,698,484	24,741,457	-	-	25,698,484	24,741,457
Investment earnings	143,210	188,558	67,296	22,731	210,506	211,289
Miscellaneous	172,643	810,824	193,936	219,995	366,579	1,030,819
Total Revenues	<u>69,923,177</u>	<u>68,503,181</u>	<u>15,805,346</u>	<u>13,525,633</u>	<u>85,728,523</u>	<u>82,028,814</u>
Expenses:						
General government	35,055,308	10,202,949	-	-	35,055,308	10,202,949
Operations	28,066,284	37,224,546	12,877,311	13,637,691	40,943,595	50,862,237
Technical services	7,966,559	9,072,456	-	-	7,966,559	9,072,456
Interest and other fees	879,661	961,639	-	-	879,661	961,639
Total expenses	<u>71,967,812</u>	<u>57,461,590</u>	<u>12,877,311</u>	<u>13,637,691</u>	<u>84,845,123</u>	<u>71,099,281</u>
Change in net position before transfers	(2,044,635)	11,041,591	2,928,035	(112,058)	883,400	10,929,533
Transfers	(81,003)	-	81,003	-	-	-
Change in net position	(2,125,638)	11,041,591	3,009,038	(112,058)	883,400	10,929,533
Net position, beginning, as previously reported	494,704,293	483,662,702	42,210,806	42,322,864	536,915,099	525,985,566
Net position - ending	<u>\$ 492,578,655</u>	<u>\$ 494,704,293</u>	<u>\$ 45,219,844</u>	<u>\$ 42,210,806</u>	<u>\$ 537,798,499</u>	<u>\$ 536,915,099</u>

Below are comparison graphs showing total revenues by source for the River Authority:

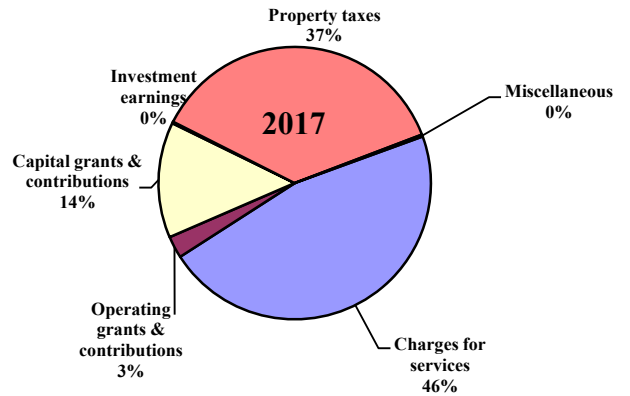
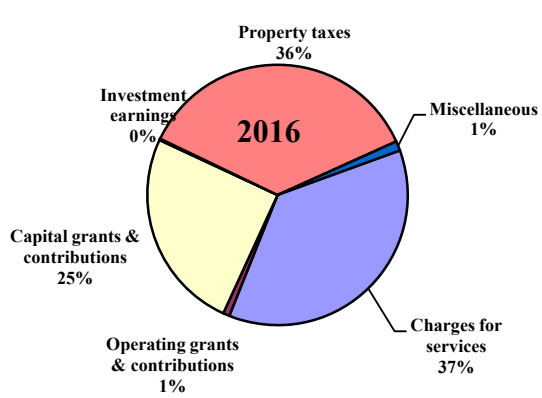
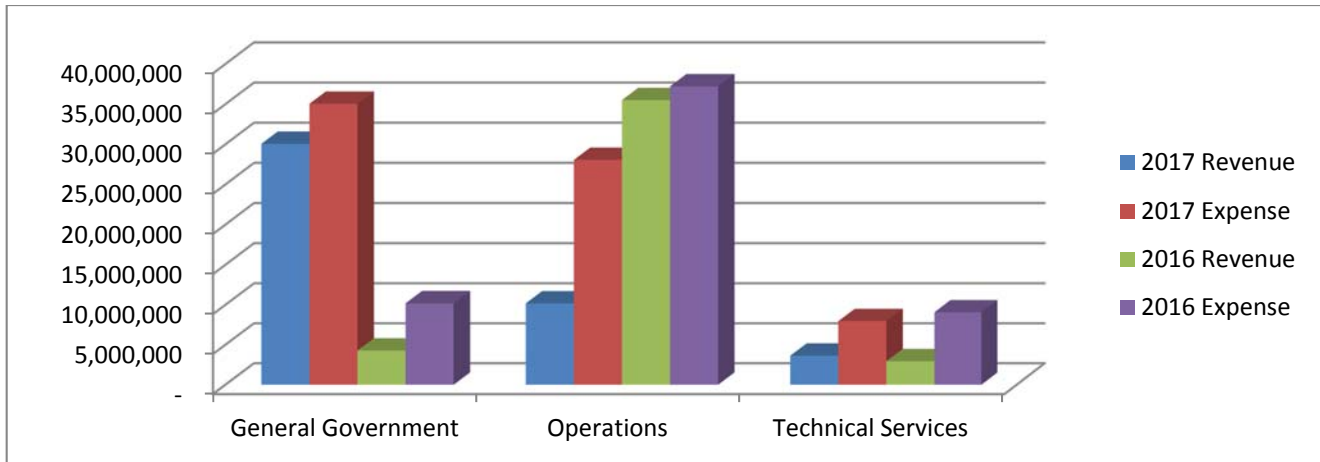


**Governmental Activities.** Governmental activities decreased the River Authority's net position by \$2,125,638. This decrease is attributable to various capital improvements. These projects are mainly funded by our partners, Bexar County, US Army Corps of Engineers and the City of San Antonio.

With the implementation of GASB 34, the River Authority can now show expenses alongside revenues for each program. The programs included in the governmental activities are general government, operations, and technical services.

San Antonio River Authority  
Management's Discussion and Analysis  
June 30, 2017

**San Antonio River Authority  
Expenses & Program Revenues – Governmental Activities**

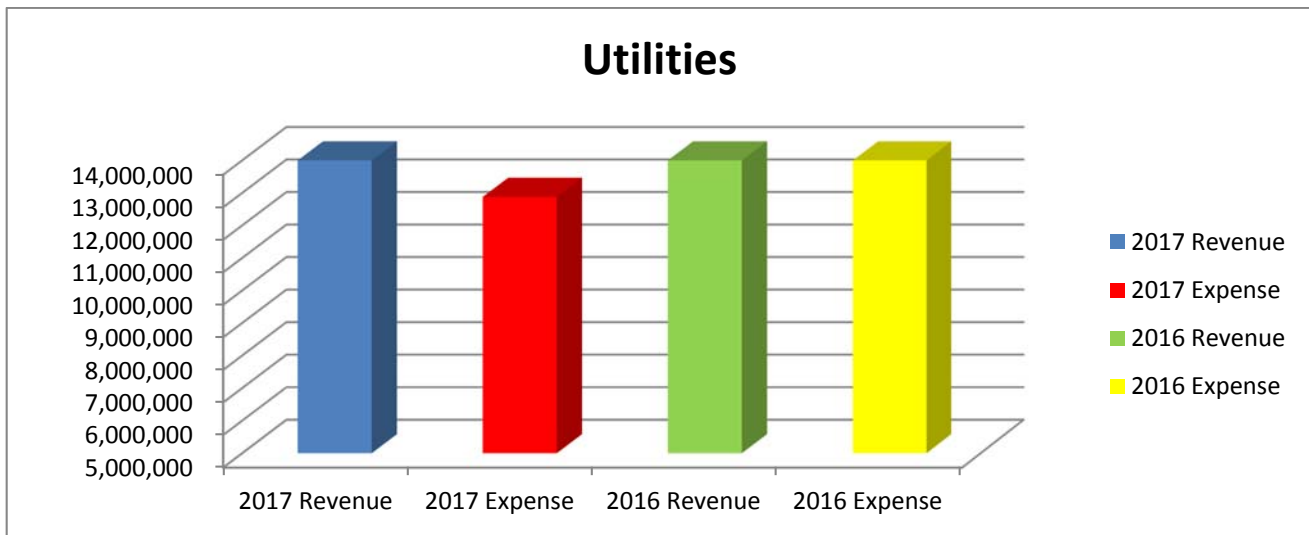


San Antonio River Authority  
Management's Discussion and Analysis  
June 30, 2017

**Business-type Activities.** The River Authority's major business-type activities are the SARA Wastewater Utilities System and the Salatrillo Wastewater Treatment Plant. These operations have rates and spending plans established by the Board of Directors.

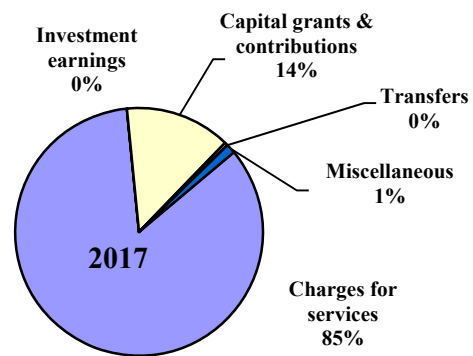
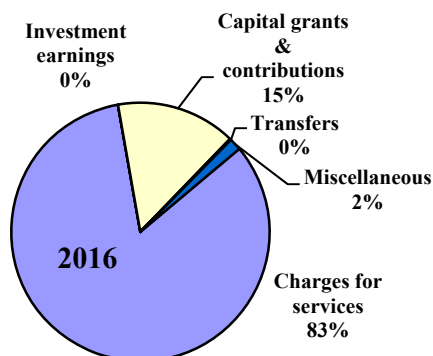
Business-type activities increased the River Authority's net position by \$3,009,038. The River Authority will also show expenses alongside revenues for each program. The program in the business-type activities is operations, which are the utility departments.

**San Antonio River Authority  
Expenses & Program Revenues – Business-type Activities**



The utility fund's revenues increased by \$2,279,713 compared to the 2016 fiscal year. Expenses decreased \$760,380 for the same period. Effective July 1, 2016 the Board of Directors increased the River Authority Wastewater Systems sewage rates by 5.4% and no increase in the Salatrillo Operating Fund sewage rate.

**San Antonio River Authority  
Revenues by Source – Business-type Activities**



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## FINANCIAL ANALYSIS OF THE AUTHORITY'S MAJOR FUNDS

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As noted earlier, the River Authority uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the River Authority's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* financial resources. Such information is useful in assessing the River Authority's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the 2017 fiscal year, the River Authority's governmental funds reported combined ending fund balances of \$27,434,695, an increase of \$190,362 in comparison with the prior year. Of this total amount, \$26,196,282 constitutes the portion of fund balance that is *nonspendable, restricted, committed or assigned* to indicate that it is not available for new spending because it has already been classified to fund capital projects, encumbrances and pay debt service. The remaining of \$1,238,413 is *unassigned fund balance*, which is available for spending at the River Authority's discretion.

The River Authority's **General Fund** is the principal fund of the River Authority and is used to account for all financial resources except those required to be accounted for by another fund. Property taxes, support fees, and charges for services provide the major sources of revenue. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,238,413 compared to \$2,459,197 in 2016, a decrease of \$1,220,784. This decrease was primarily due to an increase in the assigned portion of fund balance – projects.

**Debt Service Fund:** The River Authority entered into a contract in 1955 with Bexar County, Texas (the County) to provide to the River Authority, revenues from a flood control tax levied by the County. The contract provides that the County will set a tax rate which will provide revenues sufficient to pay each year's requirements for principal and interest of River Authority bonds which are payable from the revenues of the County flood control tax. San Antonio Channel Improvement Project (SACIP) Bonds have been issued pledging revenues of the Bexar County flood control tax for retirement of the bonds. In compliance with bond ordinances, the River Authority has met all requirements for maintenance of the Debt Service Fund. The fund balance increased \$142,755 in 2017.

The **Westside Creek Restoration** is a capital project fund which accounts for improvements to the Westside Creek Restoration project paid by Bexar County and the City of San Antonio.

The **SARA Project Fund** is a capital project fund which accounts for studies and projects that further the mission of the River Authority.

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*Proprietary funds.* The unrestricted net position of the proprietary funds at the end of the fiscal year was \$11,693,848. Other factors concerning the finances of proprietary funds have already been addressed in the discussion of the River Authority's business-type activities.

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**BUDGETARY HIGHLIGHTS**

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*General Fund.* The difference between the original adopted budget and the final amended budget, including transfers out, for 2017 increased \$1,199,778 in expenditure appropriations which is briefly summarized as follows:

- \$690,000 increase in general government to transfer out to the SARA Insurance Fund to provide additional support to this self-insured fund.
- \$400,000 increase in general government activities for a transfer to the SARA Projects Fund for two projects which were funded by additional tax revenues.

The final amended budget and actual revenues and expenditures can be briefly summarized as follows:

- Actual revenues compared to amended budgeted revenue had less than one percent variance due mainly to property tax revenues being slightly higher than anticipated.
- \$1.1 million in information technology and watershed engineering for professional services, software, and intergovernmental contracts for encumbrances carried forward into the 2017 budget.

During the year, budgetary estimates exceeded revenues by \$37,283 and expenditures were less than budgetary estimates by \$2,352,701 resulting in an increase of fund balance of \$2,234,415 from the amount estimated when developing the fiscal year 2016-17 budget.



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## CAPITAL ASSETS & DEBT ADMINISTRATION

**Long-term Debt.** At year-end, the River Authority had \$42.7 million in bonds at the end of 2017 and 2016 as shown below:

	<u>2017</u>	<u>2016</u>
SACIP Improvement Revenue Bonds	\$ 22,490,000	\$ 24,860,000
Public Facilities Corporation	2,714,000	2,836,000
SARA Wastewater Utilities System Revenue Bonds	9,860,000	10,570,000
Texas Water Development Bonds	3,040,000	3,460,000
Contract Revenue Bonds	4,615,000	4,850,000

More detailed information about the River Authority's long-term liabilities is presented in note 12 of the notes to financial statements.

**Capital Assets.** The River Authority's investments in capital assets for its governmental and business-type activities as of June 30, 2017, were \$535,294,076 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, studies, flood control infrastructures, restoration projects, parks, and sewage treatment facilities.

If more detailed information is desired on capital asset activity, please refer to the notes to the financial statements (note 10).

### San Antonio River Authority Capital Assets (net of depreciation)

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2017	2016	2017	2016	2017	2016
Capital assets, not being depreciated:						
Land	\$ 24,732,693	\$ 20,502,976	\$ 2,476,944	\$ 2,349,486	\$ 27,209,637	\$ 22,852,462
Water Rights	227,447	227,447	-	-	227,447	227,447
Construction in progress	42,692,521	38,464,675	4,871,834	2,891,172	47,564,355	41,355,847
Total capital assets, not being depreciated	67,652,661	59,195,098	7,348,778	5,240,658	75,001,439	64,435,756
Capital assets, being depreciated:						
Office furniture, fixtures and equipment	4,223,143	5,068,643	80,713	299,700	4,303,856	5,368,343
Other machinery and equipment	5,728,823	5,718,897	3,902,580	4,326,746	9,631,403	10,045,643
Automobiles and trucks	1,749,958	1,617,605	2,074,826	2,290,499	3,824,784	3,908,104
Buildings	17,443,788	16,926,848	2,359,345	2,359,345	19,803,133	19,286,193
Improvements other than buildings	3,564,507	1,614,577	11,537,611	11,537,611	15,102,118	13,152,188
Studies	2,581,964	2,581,964	422,205	422,205	3,004,169	3,004,169
Sewage treatment facilities	-	-	60,851,745	60,836,164	60,851,745	60,836,164
Flood control projects	339,133,397	339,133,397	-	-	339,133,397	339,133,397
Restoration projects	236,996,307	236,996,307	-	-	236,996,307	236,996,307
Total capital assets, being depreciated	611,421,887	609,658,238	81,229,025	82,072,270	692,650,912	691,730,508
Accumulated depreciation	(187,752,659)	(172,455,387)	(44,605,616)	(42,957,986)	(232,358,275)	(215,413,373)
Capital assets, net	<u>\$ 491,321,889</u>	<u>\$ 496,397,949</u>	<u>\$ 43,972,187</u>	<u>\$ 44,354,942</u>	<u>\$ 535,294,076</u>	<u>\$ 540,752,891</u>

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## **ECONOMIC FACTORS**

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The River Authority's jurisdiction includes the counties of Bexar, Wilson, Karnes and Goliad. The River Authority has continued to enjoy a favorable economic environment and local indicators point to continued stability. The City of San Antonio, the county seat of Bexar County, occupies an area of 467 square miles in south central Texas at the edge of the Gulf Coastal Plains, about 140 miles northwest of the Gulf of Mexico. The metropolitan statistical area (MSA) is an eight county area made up of Atascosa, Bexar, Bandera, Comal, Wilson, Kendall, Medina, and Guadalupe counties. Throughout the last century, the military has been the City's economic power-house; however, tourism, educational institutions, agribusiness, technology, the aerospace industry and medical research have rounded out the economy. The City's proximity to Mexico provides favorable conditions for international business relations with Mexico in the areas of agriculture, tourism, manufacturing, wholesale and retail markets for citizens in Mexico. Industry ranges from the manufacturing of apparel, food products, aircraft, electronics and pharmaceuticals to iron and steel products and oil well equipment.

San Antonio continues to advance its position in the area of bioscience and healthcare services. Healthcare services include both direct and indirect services. Direct services include hospital care, physicians' offices, nursing homes and a variety of other clinics. Indirect services include health insurance carriers, pharmaceutical companies, medical equipment manufacturers and medical education. The bioscience and healthcare industry has added more than 50,000 new jobs over the past decade. The economic impact of the bioscience and healthcare industry was measured at between \$28 and \$37 billion in 2015 by a study completed by the Greater San Antonio Chamber of Commerce. Cybersecurity and information technology is another sector that has established itself as a major force in the San Antonio economy. In 2014, the IT industry consisted of more than 1,000 companies, with more than 34,000 IT professionals, generating an economic impact of nearly \$10 billion. Additional information about other key industries is available through the San Antonio Economic Development Foundation (SAEDF) website.

Higher education also plays a major role in the local economy. The roster of major educational institutions includes the University of Texas Health Science Center, the University of Texas at San Antonio, St. Mary's University, Trinity University, University of the Incarnate Word and Texas A&M campus on the city's south side.

Tourism is a major industry in San Antonio offering a wide variety of activities to visitors. This includes major theme parks, the riverwalk where activities range from dining and live entertainment to hiking and biking trails. San Antonio is also rich in history with the Alamo, where the most famous battle of the Texas revolution was fought, as well as the Spanish Missions which have recently been designated a World Heritage site by the United Nations Education, Scientific and Cultural Organization (UNESCO). The city is working to make the most of this prestigious designation.

In Karnes County, fracking activities have had a very significant, positive impact on the economy. From 2010 to 2014, the property values in this county have grown 1,826 percent – from \$558.4 million in 2010 to \$10.8 billion in 2014. Although falling gas and oil prices drove a decline in property values of 15 percent for 2015 and an estimated 36 percent in 2016 from mineral rights, the overall growth since 2010 still remains very strong. This industry's activity in Karnes County has

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increased property values and generated strong increases in sales tax and hotel/motel taxes in the surrounding area. The drop in oil prices has decreased the fracking activity, which has also reduced the workforce in the oil fields. However, the fracking industry remains at work in the area and is expected to continue to positively contribute to the economy in Karnes County over the next several years.

The Texas and San Antonio economy weathered the economic downturn that began in 2008 better than much of the nation. In the San Antonio area, the downturn in property values was much less severe and the recovery was quicker. This was true in other sectors of the economy as well. Since 2011, property values in Bexar County have grown an estimated 45 percent. For 2017, growth in Bexar County is estimated at nine percent and the River Authority expects overall growth in property values in all four counties the River Authority receives tax revenue from (based on preliminary values from counties' appraisal districts) of 9.4 percent with three counties showing growth-Bexar, Karnes and Wilson, with Goliad showing a decrease of six percent. As described above, despite the downturn in recent years in Karnes County values as oil prices rose and then fell, the fracking activity in Karnes County has had a significant positive impact on property values in that area as well as all aspects of the economy in Karnes County. In 2017, property values, particularly from oil and minerals, are expected to grow twenty-three percent in Karnes County. Property values will continue to fluctuate annually depending on the price of oil. This is challenging for other public entities in Karnes County as their revenues also rise and fall. Since Karnes County's property values represent only about four percent of the River Authority's total tax base, changes in value have a smaller impact to the River Authority's revenue stream.

The San Antonio area has enjoyed a robust economy. Unemployment in May 2017 was 3.6 percent in comparison to 4.1 percent nationwide. Job growth was 2.5 percent in May 2017, down slightly from 2.6 percent in May 2016 but still ahead of the national average of 1.5 percent in May 2017. (Bureau of Labor Statistics, June 28, 2017 San Antonio Area Economic Summary; [https://www.bls.gov/regions/southwest/summary/blssummary\\_santonio.pdf](https://www.bls.gov/regions/southwest/summary/blssummary_santonio.pdf)). San Antonio saw the number of jobs increase at an annualized rate of 1.9 percent based on the last three months ending May 2017. San Antonio is expected to create approximately 30,000 new jobs in 2017 about (about 2.5 to 3 percent), with a local workforce of about one million. (San Antonio Express News January 20, 2017). Eight employment sectors saw growth with mining (31.0 percent) and construction (15.2 percent) leading the way. San Antonio continues to work hard to attract information technology and health care industry jobs and has seen overall success. However, over the last three months, technology employment has declined about 6.2 percent (Dallas Federal Reserve, June 22, 2017, San Antonio Economic Indicators; <https://www.dallasfed.org/en/research/indicators/sa.aspx>).

San Antonio still faces some economic challenges with education level of the workforce chief among them. San Antonio needs to focus on continuing to develop higher education opportunities as well as supporting small businesses and entrepreneurs. The current strong dollar will also reduce Mexican consumer spending in San Antonio. Fortunately, declining oil prices do not significantly impact the San Antonio area as jobs in this field represent a very small portion of the workforce. As described above, the reduced oil prices do negatively affect Karnes County and to a lesser extent, Wilson county (also part of the River Authority's district).

The housing market in San Antonio remains strong. The inventory of homes available for purchase in December 2016 was 3.1 months (with six months representing the balanced market between buyers and sellers) and 3.7 months by May 2017 (San Antonio Board of Realtors, June 13, 2017). It is

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currently a seller's market. The median home price increased six percent in 2016 to \$204,300. This is the first time the value has been consistently above \$200,000 for the entire year. In 2016, a record high of 29,508 homes were sold in Bexar County. (Source: the San Antonio Express-News; January 16, 2017). Housing remains more affordable in Bexar County than in many of the other large cities in Texas. The average home prices in San Antonio is \$240,000 and \$266,500 in other Texas cities.

The approach of the Board of Directors and management enables the River Authority to plan and develop new opportunities and projects that will substantially benefit the citizens within the River Authority's jurisdiction. The River Authority's General Fund budget for 2017 decreased significantly by 19 percent against the FY 2015/16 estimate mainly as a result of the creation of the San Antonio River Authority Project Fund. \$6.15 million in available reserves were transferred into this new fund as an Unrestricted Reserve. The Debt Service Fund budget for the 2017 fiscal year increased by 9.9 percent in comparison to the 2016 fiscal year amended budgets as unrestricted reserves increased.

Effective July 1, 2017, rate adjustments to utility customers will result in an average monthly increase of between \$2.36 (Salatrillo System) and \$4.03 (Martinez System) depending on the service area where customers reside. These rate adjustments ensure the financial health of the Martinez and Salatrillo Wastewater collections and treatment systems.

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**REQUESTS FOR INFORMATION**

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This financial report is designed to provide a general overview of the River Authority's finances for anyone 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 Support Services Director, 100 East Guenther, San Antonio, Texas 78204.

# Basic Financial Statements



SAN ANTONIO  

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RIVER AUTHORITY

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RIVER AUTHORITY

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San Antonio River Authority  
Statement of Net Position  
June 30, 2017

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash	\$ 1,046,899	\$ 931,640	\$ 1,978,539
Investments	23,903,537	5,144,338	29,047,875
Accounts receivable (net)	-	1,292,095	1,292,095
Intergovernmental receivables	6,587,369	-	6,587,369
Notes receivable	133,141	28,433	161,574
Interest receivable	26,168	6,380	32,548
Taxes receivable (net of \$358,695 for allowance for uncollectible)	1,438,061	-	1,438,061
Prepaid expenses and other assets	2,338,981	335,000	2,673,981
Inventory	5,127	-	5,127
Restricted assets:			
Cash	-	662,486	662,486
Accounts receivable	-	167,087	167,087
Interest receivable	-	1,437	1,437
Investments	2,630,212	1,381,395	4,011,607
Total restricted assets	2,630,212	2,212,405	4,842,617
Total current assets	38,109,495	9,950,291	48,059,786
Noncurrent assets:			
Capital assets:			
Land	24,732,693	2,476,944	27,209,637
Water rights	227,447	-	227,447
Office furniture, fixtures and equipment	4,223,143	80,713	4,303,856
Other machinery and equipment	5,728,823	3,902,580	9,631,403
Automobiles and trucks	1,749,958	2,074,826	3,824,784
Buildings	17,443,788	2,359,345	19,803,133
Improvements other than buildings	3,564,507	11,537,611	15,102,118
Sewage treatment facilities	-	60,851,745	60,851,745
Studies	2,581,964	422,205	3,004,169
Flood control projects	339,133,397	-	339,133,397
Restoration projects	236,996,307	-	236,996,307
Construction in progress	42,692,521	4,871,834	47,564,355
Less accumulated depreciation	(187,752,659)	(44,605,616)	(232,358,275)
Total capital assets (net of accumulated depreciation)	491,321,889	43,972,187	535,294,076
Investments - restricted	-	7,752,771	7,752,771
Notes receivable	303,832	364,706	668,538
Total noncurrent assets	491,625,721	52,089,664	543,715,385
Total assets	529,735,216	62,039,955	591,775,171
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss of bond refunding	\$ 857,645	\$ -	\$ 857,645

The notes to the financial statements are an integral part of this statement.

San Antonio River Authority  
Statement of Net Position  
June 30, 2017

	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 5,656,886	\$ 182,212	\$ 5,839,098
Notes payable	-	28,188	28,188
Capital leases	57,890	-	57,890
Compensated absences	181,667	46,898	228,565
Other accrued liabilities	293,487	93,485	386,972
Current liabilities payable from restricted assets:			
Accounts payable	-	369,188	369,188
Retainage payable	1,186,712	86,058	1,272,770
Unearned revenues - services	1,481,807	-	1,481,807
Bonds payable within one year	<u>2,961,254</u>	<u>1,012,152</u>	<u>3,973,406</u>
Total current liabilities payable			
from restricted assets	<u>5,629,773</u>	<u>1,467,398</u>	<u>7,097,171</u>
Total current liabilities	<u>11,819,703</u>	<u>1,818,181</u>	<u>13,637,884</u>
Noncurrent liabilities:			
Notes payable	-	993,751	993,751
OPEB liability	284,286	76,718	361,004
Compensated absences	545,000	140,694	685,694
Bonds payable after one year	<u>25,365,217</u>	<u>13,790,767</u>	<u>39,155,984</u>
Total noncurrent liabilities	<u>26,194,503</u>	<u>15,001,930</u>	<u>41,196,433</u>
Total liabilities	<u>38,014,206</u>	<u>16,820,111</u>	<u>54,834,317</u>
<b>NET POSITION</b>			
Net investment in capital assets	463,853,063	28,147,329	492,000,392
Restricted for:			
Debt service	2,142,351	1,381,395	3,523,746
Watershed management	644,625	-	644,625
Construction	1,064,651	3,997,272	5,061,923
Water management	210,841	-	210,841
TWDB projects	206,781	-	206,781
Unrestricted	<u>24,456,343</u>	<u>11,693,848</u>	<u>36,150,191</u>
Total net position	<u>\$ 492,578,655</u>	<u>\$ 45,219,844</u>	<u>\$ 537,798,499</u>

The notes to the financial statements are an integral part of this statement.



SAN ANTONIO  

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RIVER AUTHORITY

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San Antonio River Authority  
Statement of Activities  
For the Year Ended June 30, 2017

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 35,055,308	\$ 29,427,485	\$ 155,709	\$ 490,000
Operations	28,066,284	2,141,822	1,634,312	6,417,209
Technical Services	7,966,559	912,020	37,762	2,692,521
Interest and other fees	879,661	-	-	-
Total governmental activities	71,967,812	32,481,327	1,827,783	9,599,730
Business-type activities:				
Operations:				
Utilities	12,877,311	13,362,850	-	2,181,264
Total primary government	\$ 84,845,123	\$ 45,844,177	\$ 1,827,783	\$ 11,780,994
General Revenues				
Property taxes				
Investment earnings				
Miscellaneous				
Transfers				
Total General Revenues				
Change in net position				
Net position, beginning				
Net position, ending				

The notes to the financial statements are an integral part of this statement.

<b>Net (Expense) Revenue and Changes in Net Position</b>		
<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
\$ (4,982,114)		\$ (4,982,114)
(17,872,941)		(17,872,941)
(4,324,256)		(4,324,256)
(879,661)		(879,661)
<u>(28,058,972)</u>		<u>(28,058,972)</u>
	\$ 2,666,803	2,666,803
<u>(28,058,972)</u>	<u>-</u>	<u>(25,392,169)</u>
25,698,484	-	25,698,484
143,210	67,296	210,506
172,643	193,936	366,579
(81,003)	81,003	-
<u>25,933,334</u>	<u>342,235</u>	<u>26,275,569</u>
(2,125,638)	3,009,038	883,400
<u>494,704,293</u>	<u>42,210,806</u>	<u>536,915,099</u>
<u>\$ 492,578,655</u>	<u>\$ 45,219,844</u>	<u>\$ 537,798,499</u>



San Antonio River Authority  
Balance Sheet  
Governmental Funds  
June 30, 2017

	Capital Projects Funds				
	Westside Creek Restoration				
	General Fund	Bexar Co.	City of San Antonio	SARA Project Fund	Debt Service
<b>ASSETS</b>					
Cash	\$ -	\$ 143,194	\$ -	\$ -	\$ 18,307
Investments	10,471,077	1,006,189	911,429	9,742,505	-
Prepays and other assets	33,981	-	-	-	2,305,000
Intergovernmental receivables	611,253	1,756,445	-	-	-
Notes receivable	436,973	-	-	-	-
Interest receivable	21,934	-	-	-	1,174
Taxes receivable (net of allowance for uncollectible)	1,438,061	-	-	-	-
Due from other funds of the Authority	374,695	958,288	-	373,033	-
Inventory	5,127	-	-	-	-
Investments - restricted	-	-	-	-	2,105,300
Total assets	<u>\$ 13,393,101</u>	<u>\$ 3,864,116</u>	<u>\$ 911,429</u>	<u>\$ 10,115,538</u>	<u>\$ 4,429,781</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,159,719	\$ 3,006,777	\$ 275,890	\$ 309,883	\$ -
Retainage payable	-	794,411	-	39,103	-
Due to other funds of the Authority	3,684	-	102,674	-	-
Other accrued liabilities	293,487	-	-	-	-
Unearned revenue - services	172,020	54,136	524,220	-	-
Total liabilities	<u>1,628,910</u>	<u>3,855,324</u>	<u>902,784</u>	<u>348,986</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	<u>870,707</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items and other assets	33,981	-	-	-	2,305,000
Notes receivable, long term portion	303,832	-	-	-	-
Inventory	5,127	-	-	-	-
Restricted:					
Debt service	-	-	-	-	2,124,781
Construction	-	8,792	8,645	-	-
Watershed management	-	-	-	-	-
Water management	-	-	-	-	-
TWDB Projects	206,781	-	-	-	-
Committed:					
Operating Reserve	8,006,932	-	-	-	-
Unrestricted Reserve	-	-	-	6,002,082	-
Economic Development	-	-	-	-	-
Parks	-	-	-	-	-
Assigned:					
Contract Commitments	1,098,418	-	-	-	-
Projects	-	-	-	3,764,470	-
Unassigned	<u>1,238,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>10,893,484</u>	<u>8,792</u>	<u>8,645</u>	<u>9,766,552</u>	<u>4,429,781</u>
Total liabilities deferred inflows of resources and fund balances	<u>\$ 13,393,101</u>	<u>\$ 3,864,116</u>	<u>\$ 911,429</u>	<u>\$ 10,115,538</u>	<u>\$ 4,429,781</u>

The notes to the financial statements are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ 800,733	\$ 962,234
365,916	22,497,116
-	2,338,981
4,216,343	6,584,041
-	436,973
	23,108
-	1,438,061
496,474	2,202,490
-	5,127
524,912	2,630,212
<u>\$ 6,404,378</u>	<u>\$ 39,118,343</u>
\$ 896,176	\$ 5,648,445
353,198	1,186,712
2,096,132	2,202,490
-	293,487
731,431	1,481,807
<u>4,076,937</u>	<u>10,812,941</u>
-	870,707
-	2,338,981
-	303,832
-	5,127
17,570	2,142,351
1,047,214	1,064,651
644,625	644,625
210,841	210,841
-	206,781
-	8,006,932
-	6,002,082
22,125	22,125
385,066	385,066
-	1,098,418
-	3,764,470
-	1,238,413
<u>2,327,441</u>	<u>27,434,695</u>
<u>\$ 6,404,378</u>	<u>\$ 39,118,343</u>



SAN ANTONIO  

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RIVER AUTHORITY

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San Antonio River Authority  
Reconciliation of the Balance Sheet of Governmental Funds  
To the Statement of Net Position  
June 30, 2017

Total fund balances - governmental funds	\$ 27,434,695
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 funds.	491,321,889
Other long-term assets (taxes receivable, net of \$358,695 allowance) are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	870,707
Other postemployment benefits only recognizes any unfunded actuarial liabilities over a period not to exceed 30 years.	(284,286)
Compensated absences are only recognized upon maturing, therefore are not reported in the funds.	(726,667)
Internal service funds are used by management to charge the costs of insurance to individual funds. Internal service funds predominantly serve the governmental funds; therefore, the assets and liabilities of this fund are included in governmental activities in the statement of net position.	1,489,033
Long-term liabilities, including bonds payable and capital leases, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	(28,244,000)
Capital leases	(57,890)
Issuance premium (to be amortized as interest expense)	(301,571)
Issuance discount (to be amortized as interest expense)	219,100
Deferred loss on bond refunding (to be amortized as interest expense)	857,645
	(27,526,716)
Net position of governmental activities	<u>\$ 492,578,655</u>

The notes to the financial statements are an integral part of this statement.

San Antonio River Authority  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2017

	Capital Projects Funds				
	Westside Creek Restoration				
	General	Bexar Co.	City of San Antonio	SARA Project Fund	Debt Service
<b>REVENUES</b>					
Taxes	\$ 25,682,722	\$ -	\$ -	\$ -	\$ -
Investment earnings	103,141	3,731	5,206	22,750	14,831
Intergovernmental	299,403	26,068,867	1,939,041	-	3,056,113
Charges for Services	646,817	-	-	-	-
Support Fees	2,384,595	-	-	-	-
Miscellaneous	131,254	-	-	-	-
Total Revenues	<u>29,247,932</u>	<u>26,072,598</u>	<u>1,944,247</u>	<u>22,750</u>	<u>3,070,944</u>
<b>EXPENDITURES</b>					
Current:					
General government	10,191,726	22,203,661	-	-	-
Operations	6,726,034	-	2,140,909	1,696,145	-
Technical services	6,693,989	-	-	-	-
Debt Service:					
Bond principal	-	-	-	-	2,790,000
Interest and fees on bonds	-	-	-	-	766,081
Capital outlay:					
Capital projects	-	3,868,937	-	1,755,416	-
General government	351,279	-	-	-	-
Operations	422,823	-	-	-	-
Technical services	44,519	-	-	-	-
Total expenditures	<u>24,430,370</u>	<u>26,072,598</u>	<u>2,140,909</u>	<u>3,451,561</u>	<u>3,556,081</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,817,562</u>	<u>-</u>	<u>(196,662)</u>	<u>(3,428,811)</u>	<u>(485,137)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	4,292,144	627,892
Transfers out	(5,659,331)	-	-	(200,000)	-
Total other financing sources and (uses)	<u>(5,659,331)</u>	<u>-</u>	<u>-</u>	<u>4,092,144</u>	<u>627,892</u>
Net change in fund balances	<u>(841,769)</u>	<u>-</u>	<u>(196,662)</u>	<u>663,333</u>	<u>142,755</u>
Fund balances - beginning	<u>11,735,253</u>	<u>8,792</u>	<u>205,307</u>	<u>9,103,219</u>	<u>4,287,026</u>
Fund balances - ending	<u>\$ 10,893,484</u>	<u>\$ 8,792</u>	<u>\$ 8,645</u>	<u>\$ 9,766,552</u>	<u>\$ 4,429,781</u>

The notes to the financial statements are an integral part of this statement.

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 25,682,722
15,603	165,262
8,674,920	40,038,344
266,221	913,038
-	2,384,595
<u>591,502</u>	<u>722,756</u>
<u>9,548,246</u>	<u>69,906,717</u>
790,998	33,186,385
2,226,156	12,789,244
843,113	7,537,102
122,000	2,912,000
60,674	826,755
-	5,624,353
2,549,537	2,900,816
6,712	429,535
<u>2,694,643</u>	<u>2,739,162</u>
<u>9,293,833</u>	<u>68,945,352</u>
<u>254,413</u>	<u>961,365</u>
248,120	5,168,156
<u>(79,828)</u>	<u>(5,939,159)</u>
<u>168,292</u>	<u>(771,003)</u>
<u>422,705</u>	<u>190,362</u>
<u>1,904,736</u>	<u>27,244,333</u>
<u>\$ 2,327,441</u>	<u>\$ 27,434,695</u>





SAN ANTONIO  

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RIVER AUTHORITY

Leaders in Watershed Solutions

San Antonio River Authority  
Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds  
To the Statement of Activities  
For the Year Ended June 30, 2017

Net change in fund balances - total governmental funds	\$	190,362
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures (\$11,693,866). However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense (\$16,739,066). This is the amount by which depreciation expense exceeded capital outlay in the current period.		(5,045,200)
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The net effect of various miscellaneous transactions (i.e., sales, trade-ins and transfer of assets) involving capital assets is to decrease net position.		(30,858)
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Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		15,762
--	--	--------

Other postemployment benefits only recognizes any unfunded actuarial liabilities over a period not to exceed 30 years.		(42,098)
--	--	----------

Compensated absences are only recognized upon maturing, therefore are not reported in the funds.		(51,955)
--	--	----------

Bond and capital lease proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Payment of bond principal is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the statement of net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas some of these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Payment and (issuance) of capital leases	\$	56,329	
Bond principal payments		2,912,000	
Amortization of bond premium		17,946	
Amortization of bond discount		(14,692)	
Amortization of loss on refunding		<u>(56,160)</u>	2,915,423

Internal service funds are used by management to charge the costs of insurance to individual funds. Internal service funds predominantly serve the governmental funds; therefore, the net expense of this fund is reported with governmental activities.		<u>(77,074)</u>
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Change in net position of governmental activities	\$	<u><u>(2,125,638)</u></u>
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The notes to the financial statements are an integral part of this statement.

San Antoni River Authority  
Statement of Net Position  
Proprietary Funds  
June 30, 2017

	Business-Type Activities - Enterprise Funds			Business-Type Activities	Governmental Activities
	SARA Wastewater Utilities System	Salatrillo Wastewater Treatment Plant	Nonmajor Fund Randolph AFB Collection System	Enterprise Fund Total	Internal Service Fund
<b>ASSETS</b>					
Current assets:					
Cash	\$ 237,339	\$ 29,266	\$ 665,035	\$ 931,640	\$ 84,665
Investments	4,332,334	812,004	-	5,144,338	1,406,421
Accounts receivable (net)	905,756	358,162	28,177	1,292,095	3,328
Interest receivable	3,128	3,252	-	6,380	3,060
Notes receivable	28,433	-	-	28,433	-
Prepaid expenses and other assets	335,000	-	-	335,000	-
Restricted assets:					
Cash	324,616	337,870	-	662,486	-
Accounts receivable (net)	137,312	-	29,775	167,087	-
Interest receivable	1,437	-	-	1,437	-
Investments	1,381,395	-	-	1,381,395	-
Total restricted assets	1,844,760	337,870	29,775	2,212,405	-
Total current assets	7,686,750	1,540,554	722,987	9,950,291	1,497,474
Noncurrent assets:					
Capital assets:					
Land	1,925,253	551,691	-	2,476,944	-
Office furniture, fixtures, and equipment	69,206	11,507	-	80,713	-
Other machinery and equipment	2,475,855	1,306,951	119,774	3,902,580	-
Automobiles and trucks	1,638,450	436,376	-	2,074,826	-
Studies	27,917	57,369	336,919	422,205	-
Buildings	2,311,684	47,661	-	2,359,345	-
Improvements other than buildings	5,187,899	3,345,313	3,004,399	11,537,611	-
Sewage treatment facilities	34,278,321	25,163,900	1,409,524	60,851,745	-
Construction in progress	3,864,972	822,324	184,538	4,871,834	-
Less accumulated depreciation	(26,042,813)	(17,370,224)	(1,192,579)	(44,605,616)	-
Total capital assets (net of accumulated depreciation)	25,736,744	14,372,868	3,862,575	43,972,187	-
Notes receivable (net)	364,706	-	-	364,706	-
Investments	2,267,818	4,931,037	553,916	7,752,771	-
Total noncurrent assets	28,369,268	19,303,905	4,416,491	52,089,664	-
Total assets	\$ 36,056,018	\$ 20,844,459	\$ 5,139,478	\$ 62,039,955	\$ 1,497,474

The notes to the financial statements are an integral part of this statement.

San Antonio River Authority  
Statement of Net Position (continued)  
Proprietary Funds  
June 30, 2017

	Business-Type Activities - Enterprise Funds			Business-Type Activities	Governmental Activities
	SARA Wastewater Utilities System	Salatrillo Wastewater Treatment Plant	Nonmajor Fund Randolph AFB Collection System	Enterprise Fund Total	Internal Service Fund
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 100,539	\$ 81,146	\$ 527	\$ 182,212	\$ 8,441
Notes payable	-	-	28,188	28,188	-
Compensated absences	31,538	13,516	1,844	46,898	-
Other accrued liabilities	69,095	21,518	2,872	93,485	-
Current liabilities payable from restricted assets:					
Accounts payable	341,343	27,845	-	369,188	-
Retainage payable	85,986	72	-	86,058	-
Bonds payable within one year	767,152	245,000	-	1,012,152	-
Total current liabilities payable from restricted assets	1,194,481	272,917	-	1,467,398	-
Total current liabilities	1,395,653	389,097	33,431	1,818,181	8,441
Noncurrent liabilities:					
Notes payable	-	-	993,751	993,751	-
OPEB liability	45,506	31,212	-	76,718	-
Compensated absences	94,614	40,549	5,531	140,694	-
Revenue bonds payable after one year	9,420,767	4,370,000	-	13,790,767	-
Total noncurrent liabilities	9,560,887	4,441,761	999,282	15,001,930	-
Total liabilities	10,956,540	4,830,858	1,032,713	16,820,111	8,441
<b>NET POSITION</b>					
Net investment in capital assets	15,548,825	9,757,868	2,840,636	28,147,329	-
Restricted for debt service	1,381,395	-	-	1,381,395	-
Restricted for construction	-	3,997,272	-	3,997,272	-
Unrestricted	8,169,258	2,258,461	1,266,129	11,693,848	1,489,033
Total net position	\$ 25,099,478	\$ 16,013,601	\$ 4,106,765	\$ 45,219,844	\$ 1,489,033

The notes to the financial statements are an integral part of this statement.

San Antonio River Authority  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds			Business-Type Activities	Governmental Activities
	SARA Wastewater Utilities System	Salatrillo Wastewater Treatment Plant	Nonmajor Fund Randolph AFB Collection System	Enterprise Fund Total	Internal Service Fund
Operating revenues:					
Intergovernmental	\$ 1,015,833	\$ 608,617	\$ -	\$ 1,624,450	\$ -
Utility service charges	7,937,353	3,364,187	365,153	11,666,693	-
Charges for services	82,250	-	-	82,250	-
Premiums	-	-	-	-	2,637,419
Miscellaneous	193,936	-	-	193,936	-
Total operating revenues	<u>9,229,372</u>	<u>3,972,804</u>	<u>365,153</u>	<u>13,567,329</u>	<u>2,637,419</u>
Operating expenses:					
Personnel services	2,596,951	1,065,446	152,636	3,815,033	-
Supplies	536,603	204,468	3,276	744,347	-
Other services & charges	3,718,089	1,742,897	100,609	5,561,595	3,405,191
Depreciation	1,624,080	914,012	112,418	2,650,510	-
Cost allocations	(515,507)	(4,959)	(1,283)	(521,749)	-
Total operating expenses	<u>7,960,216</u>	<u>3,921,864</u>	<u>367,656</u>	<u>12,249,736</u>	<u>3,405,191</u>
Operating income (loss)	1,269,156	50,940	(2,503)	1,317,593	(767,772)
Nonoperating revenues (expenses):					
Investment earnings	34,628	28,358	4,310	67,296	698
Net gain (loss) on disposal of capital assets	(9,426)	(1,117)	-	(10,543)	-
Interest expense	(411,773)	(215,802)	-	(627,575)	-
Total nonoperating revenues (expenses) before contributions and transfers	<u>(386,571)</u>	<u>(188,561)</u>	<u>4,310</u>	<u>(570,822)</u>	<u>698</u>
Contributed capital	1,607,964	216,000	357,300	2,181,264	-
Transfer in	921,003	1,510,393	-	2,431,396	690,000
Transfer out	(1,510,393)	(840,000)	-	(2,350,393)	-
Change in net position	1,901,159	748,772	359,107	3,009,038	(77,074)
Net position, beginning	23,198,319	15,264,829	3,747,658	42,210,806	1,566,107
Net position, ending	<u>\$ 25,099,478</u>	<u>\$ 16,013,601</u>	<u>\$ 4,106,765</u>	<u>\$ 45,219,844</u>	<u>\$ 1,489,033</u>

The notes to the financial statements are an integral part of this statement.

San Antonio River Authority  
Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds			Business-Type Activities	Governmental Activities
	SARA	Salatriillo	Nonmajor Fund	Enterprise	Internal
	Wastewater	Wastewater	Randolph AFB	Fund	Service
	Utilities System	Treatment Plant	Collection System	Total	Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 9,040,289	\$ 3,883,463	\$ 480,037	\$ 13,403,789	\$ 2,637,419
Payments to suppliers	(3,725,490)	(2,056,019)	(105,744)	(5,887,253)	(3,397,616)
Payments to employees	(2,593,755)	(1,045,464)	(153,881)	(3,793,100)	-
Net cash provided (used) by operating activities	2,721,044	781,980	220,412	3,723,436	(760,197)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfer to other funds	(2,688,442)	(2,055,736)	-	(4,744,178)	-
Transfer from other funds	1,421,003	72,506	-	1,493,509	690,000
Net cash provided (used) by noncapital financing activities	(1,267,439)	(1,983,230)	-	(3,250,669)	690,000
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	1,607,964	216,000	357,300	2,181,264	-
Principal paid on capital debt	(742,152)	(235,000)	(28,188)	(1,005,340)	-
Interest and fees paid on capital debt	(411,773)	(215,802)	-	(627,575)	-
Purchases of capital assets	(1,962,262)	(131,497)	(184,538)	(2,278,297)	-
Net cash provided (used) by capital and related financing activities	(1,508,223)	(366,299)	144,574	(1,729,948)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	425,632	-	-	425,632	-
Purchase of investments	-	1,809,065	(4,221)	1,804,844	104,052
Interest on investments	48,183	27,596	4,310	80,089	287
Net cash provided (used) by investing activities	473,815	1,836,661	89	2,310,565	104,339
Net increase (decrease) in cash	419,197	269,112	365,075	1,053,384	34,142
Cash - July 1	142,758	98,024	299,960	540,742	50,523
Cash - June 30	\$ 561,955	\$ 367,136	\$ 665,035	\$ 1,594,126	\$ 84,665

The notes to the financial statements are an integral part of this statement.

San Antonio River Authority  
Statement of Cash Flows (continued)  
Proprietary Funds  
For the Year Ended June 30, 2017

	Business-Type Activities - Enterprise Funds			Business-Type Activities	Governmental Activities
	SARA Wastewater Utilities System	Salatrillo Wastewater Treatment Plant	Nonmajor Fund Randolph AFB Collection System	Enterprise Fund Total	Internal Service Fund
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>					
Net cash provided (used) by operating activities:					
Operating income (loss)	\$ 1,269,156	\$ 50,940	\$ (2,503)	\$ 1,317,593	\$ (767,772)
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation	1,624,080	914,012	112,418	2,650,510	-
Changes in operating assets and liabilities:					
Receivables	(189,083)	(89,341)	114,884	(163,540)	-
Prepaid and other assets	(10,000)	-	-	(10,000)	-
Accounts payable	46,697	(64,641)	228	(17,716)	7,575
Other accrued liabilities	(19,806)	(28,990)	(4,615)	(53,411)	-
Net cash provided (used) by operating activities	<u>\$ 2,721,044</u>	<u>\$ 781,980</u>	<u>\$ 220,412</u>	<u>\$ 3,723,436</u>	<u>\$ (760,197)</u>
Noncash investing, capital, and financing activities:					
Transfer of Capital Assets to Other Funds	\$ 1,437,887	\$ (1,437,887)	\$ -	\$ -	\$ -

The notes to the financial statements are an integral part of this statement.



San Antonio River Authority  
Notes to Financial Statements  
June 30, 2017

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**1. Reporting Entity and Significant Accounting Policies**

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**Reporting Entity**

The San Antonio River Authority (the River Authority) was created and established in 1937 by a Special Act of the Texas Legislature. This Act, as amended and added to by subsequent legislation, is codified under Article 8280-119, Vernon's Revised Civil Statutes of Texas, Title 128, Chapter 12.

The River Authority is a conservation and reclamation district under the authority of Article 16, Section 59 of the Texas Constitution, and is declared to be "a governmental agency, a municipality, body politic and corporate, vested with all the authority and full sovereignty of the State, in behalf of the State, insofar as intended by this Act and with the authority to exercise the powers, rights, privileges and functions hereinafter specified." The legislated responsibilities of the River Authority include flood and pollution control, sewage treatment, water and soil conservation, fish preservation, and forestation development. The River Authority's territory comprises all of Bexar, Wilson, Karnes, and Goliad Counties, being substantially all of the natural drainage area of the San Antonio River and its tributaries. A twelve-member elected board of directors governs the River Authority.

As required by accounting principles generally accepted in the United States of America, these financial statements present the government and its blended component units; entities for which the government is considered to be financially accountable. A blended component unit, although a legally separate entity, is, in substance, part of the government's operations, and data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, would be reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government. The River Authority has two blended component units with June 30 fiscal year-ends. The River Authority has no discretely presented component units. Financial statements of these component units can be obtained by contacting the River Authority.

*Blended Component Units*

The San Antonio River Industrial Development Authority (SARIDA) is an industrial development corporation organized under Texas law to promote industrial growth within the four-county area serviced by the River Authority by furnishing eligible applicants financial assistance through the sale of tax-free industrial development bonds. The governing body (Board of Directors), for the SARIDA is substantially the same as the River Authority's Board of Directors, since the River Authority's Board of Directors appoints officers and staff of the River Authority to SARIDA's board.

SARIDA has no direct or contingent liability for these bonds. Net position and revenues of SARIDA must ultimately be transferred to the River Authority by resolution of the directors of SARIDA. SARIDA primarily services the River Authority. SARIDA is reported as a special revenue fund.

The Public Facilities Corporation (PFC) was created as a nonprofit entity to purchase a facility for additional office/lab space. The PFC is governed by the San Antonio River Authority Board of

San Antonio River Authority  
Notes to Financial Statements  
June 30, 2017

Directors and the River Authority staff provides the staff support. The PFC is reported as a Special Revenue Fund.

In a prior year, the PFC issued bonds and entered into a lease agreement with the River Authority which occupies the property. The lease payments from the River Authority to the PFC represent and are equal to the debt service payments on the bonds. The lease payments are operations & maintenance expense to the River Authority and do not require the River Authority to pledge any revenue to the bondholders; however the PFC deeded a mortgage on the property to provide security for the bond holders.

### **Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the River Authority as a whole. These statements include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Internal service fund activity is eliminated to avoid “doubling up” revenues and expenses. Governmental activities are generally financed through intergovernmental revenues and reimbursements from participants. Business-type activities are financed by fees charged to external parties for goods or services.

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are presented on a consolidated basis by column and are reported on a full accrual basis of accounting and the economic resource measurement focus, which recognizes all long-term assets and receivables as well as long-term debt and obligations.

The Statement of Activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the River Authority and for each function of the River Authority’s governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The River Authority has certain indirect costs that are included in the program expense reported for individual function and activities. Program revenues include charges paid by the recipients of goods or services offered by the programs and grants that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, such as property taxes and investment earnings, are presented as general revenues.

The River Authority eliminates from the Statement of Net Position and the Statement of Activities most interfund receivables and payables and transfers between funds as well as the transactions associated with its Internal Service Funds to minimize the effect of double counting.

### **Fund Financial Statements**

Fund financial statements of the River Authority are organized into funds, each of which is considered to be separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into two major categories: governmental and proprietary.

San Antonio River Authority  
Notes to Financial Statements  
June 30, 2017

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the River Authority or meets the following criteria:

- a) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise funds are at least ten percent (10%) of the corresponding total for all funds of that category or type; and
- b) Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of the individual governmental and enterprise funds are at least five percent (5%) of the corresponding total for all governmental and business-type activities combined.

Non-major funds are presented in the aggregate in the fund-based financial statements and individually in the Other Supplementary Information - Combining and Individual Fund Statements and Schedules section of this report.

***Governmental funds*** are used to account for the River Authority's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period.

The River Authority considers ad valorem taxes as available, if they are collected within sixty (60) days after year-end. Expenditures are recorded when the fund liability is incurred, except for unmatured principal on long-term debt which is recorded when payment is due.

Major governmental funds include the following:

The *General Fund* is the River Authority's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Westside Creek Restoration/Bexar County* is a capital project fund which accounts for improvements to the Westside Creek Restoration project paid by Bexar County.

The *Westside Creek Restoration City of San Antonio* is a capital project fund which accounts for capital projects in the Westside Creek area which includes the Linear Creekways and Elmendorf Lake Park and Drainage.

The *SARA Project Fund* is a capital project fund which accounts for studies and projects that further the mission of the River Authority.

The *Debt Service Fund* accounts for the servicing of long-term debt financed by some of the flood tax revenue collected by Bexar County, Texas.

San Antonio River Authority  
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June 30, 2017

Non-major governmental funds of the River Authority are comprised of multiple special revenue and capital project funds.

**Proprietary funds** are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Proprietary funds of the River Authority consist of enterprise funds and an internal service fund.

Major enterprise funds include the following:

The *SARA Wastewater Utilities Systems Fund* is the River Authority's primary enterprise fund. It accounts for the activities of wastewater treatment systems for residential and business customers outside the jurisdiction of the City of San Antonio, Texas but within the San Antonio River Authority's watershed.

The *Salatrillo Wastewater Treatment Plant Fund* accounts for the wastewater treatment plant activities for wholesale customers.

The non-major enterprise fund of the River Authority is the Randolph AFB Fund.

The *Internal Service Fund* is used to account for medical, dental and vision benefits to River Authority employees, participating dependents, and eligible retirees on a cost-reimbursement basis. Internal service funds are never reported as major funds.

### **Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting; consistent with the presentation of the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. Support fees are recognized annually and received from River Authority proprietary type funds based on what is budgeted. Contribution revenues primarily consist of property donations and are recognized when the property is deeded over to the River Authority.

Government fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the River Authority considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred.

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However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the River Authority.

The accounts of the River Authority are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Direct expenses are still reflected in the various functional categories, whereas indirect expenses are not shown in the functional categories.

Amounts reported as program revenues include charges for services which represent charges to customers or applicants for goods, services, or privileges provided. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the River Authority's enterprise funds are charges to customers for water and wastewater services. Operating expenses for enterprise funds include the cost of service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **Estimates**

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

### **Investments**

Investments for the River Authority are stated at fair value. The fair value framework uses a hierarchy that prioritizes the inputs to the valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

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Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the River Authority has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in inactive markets.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The valuation methodologies described above may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, while the River Authority believes its valuation methods are appropriate and consistent with those of other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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**Inventory**

Inventory is stated using the lower of cost (first-in, first-out) or market method. Inventory purchases are recorded as inventory acquisitions (current assets) at the time of purchase and expensed when issued.

**Restricted Noncurrent Assets**

Assets restricted for the acquisition of capital assets or to pay noncurrent liabilities are reported as noncurrent assets in the balance sheet regardless of their relative liquidity.

**Unearned Revenue**

Unearned revenue – services are monies received in advance from partnering entities for construction projects that the River Authority is managing. These funds are recognized as construction progresses.

**Contributed Capital**

Capital assets that have been funded or contributed by other governmental entities and developers (connection fees) are recorded as contributed capital at the time it is recognized.

**Net Position**

Net position represents the residual difference of assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Unrestricted net position represents the remaining portion of net position.

**Deferred Outflows / Inflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The River Authority only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.



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In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The River Authority has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. The amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

### **Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for the proprietary funds. All purchased capital assets over \$5,000 are capitalized at cost. Donated capital assets are valued at their acquisition value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Assets acquired are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable. Records of all capital assets, including these infrastructure capital assets, are maintained for both management and accountability purposes.

Depreciation of capital assets is charged as an expense against operations. Accumulated depreciation is reported on the Statement of Net Position. Depreciation is generally recorded on the straight-line basis over the estimated life of the assets. The estimated useful lives are as follows:

<b>Asset Class</b>	<b>Life</b>
Office furniture, fixtures, equipment, and software	3 – 10 years
Other machinery and equipment	5 – 20 years
Automobiles and trucks	3 – 10 years
Buildings	10 – 30 years
Improvements other than buildings	5 – 30 years
Sewage treatment facilities	10 – 50 years
Water treatment facilities	10 – 50 years
Studies	3 years
Flood control infrastructures	10 – 50 years
Restoration projects	10 – 50 years

### **Ad Valorem Tax**

In 1961, an ad valorem tax of two cents per one hundred dollars assessed valuation was approved by River Authority voters and was collected annually at its maximum rate by the tax collector of each county. Effective July 1, 1977, the tax was reduced to one and one-half cents per one hundred dollars,

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and effective July 1, 1979; the tax was further reduced to one cent per one hundred dollars valuation by action of the River Authority. Use of this tax income is limited to general administration, maintenance of completed projects, and updating of the River Authority's master plan for water resource development. This tax revenue may not be pledged to debt service on any bonds nor may it be used to construct works of improvement. No tax was levied for fiscal year 1981 and subsequent years. In June 2002, the River Authority's Board of Directors, after approval of the five year service plan, reinstated the ad valorem tax in the amount of \$0.016425 per one hundred dollars valuation. The tax rate for fiscal year 2017 was \$0.01729 per one hundred dollars valuation. The service areas to address were flood control, water resources, water quality, utilities and park services. Property taxes are levied each October 1 on the taxable value as of the preceding January 1, the date a lien attaches, for all real and personal property located in the River Authority's territory. Taxes are due by January 31 following the October 1 assessment date and become delinquent on February 1, at which time they begin accruing penalty and interest.

### **Budgetary Information**

By-laws of the River Authority require the Board of Directors to adopt an annual budget which estimates the amount of funds available from all sources and to allocate the amount of funds which may be expended during the forthcoming fiscal year. The responsibility for such allocations rests in the General Manager of the River Authority. After adoption of the allocations by the Board of Directors, the General Manager has full authority to expend within the fund allocations, which becomes the appropriation level. In practice, the General Manager submits all changes in total by fund to the Board for its approval. The annual budgetary data for governmental fund types included in the financial statements represents the original budget and amendments as adopted by the Board of Directors of the River Authority and is on the same modified accrual basis used to reflect revenues and expenditures of the General Fund and Special Revenue Funds. Provisions of the bond orders and appropriated transfers from the General Fund control the Debt Service Fund. The Capital Projects Funds are budgeted by project period rather than by fiscal year.

### **Encumbrances**

Encumbrance accounting is utilized as an extension of the formal budgetary process to reflect the estimated amount of future expenditures arising from the issuance of purchase orders, contracts or other forms of legal commitments existing at year-end which will be paid in the future. Encumbrances lapse at year end; however, the succeeding year's budget provides for the re-appropriation of certain year-end encumbrances. These "open" encumbrances are included in the Assigned Fund Balance at fiscal year-end in accordance with their spending constraint. Encumbrances do not constitute expenditures or liabilities since goods and services are not yet received.

### **Allocation of Administrative Expenses**

An allocation plan is utilized to charge the various operating divisions for administrative costs recorded in the General Fund. The allocations are recorded as reimbursements of expenditures

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(negative expenditures) in the General Fund and as expenditures/expenses in each fund receiving an allocation.

### **Compensated Absences**

The River Authority allows employees to accumulate vacation leave with certain limitations. Accumulated vacation leave that is expected to be liquidated with expendable available financial resources in the event of termination is reported as an expenditure and a liability of the governmental funds that will pay the liability. Amounts of accumulated vacation leave that are not expected to be liquidated are reported in the Governmental Activities. Accumulated vacation leave of the proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

### **Fund Balances**

In accordance with GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definition, the River Authority reports several types of fund balances in its governmental funds: “Nonspendable, Restricted, Committed, Assigned, and Unassigned”.

- *Nonspendable* fund balances are those that include amounts that cannot be spent because they are (a) either not in spendable form or (b) legally or contractually required to be maintained intact.
- *Restricted* fund balances are those that have constraints placed on the use of their resources. These constraints can be: (a) externally imposed by creditors (i.e. debt covenants), grantors, contributors or laws/regulations of other governments; or (b) imposed by law through constitutional provision or enabling legislation. Both constraints are legally enforceable by an external party.
- *Committed* fund balances include amounts that can be used only for the specific purposes determined by a formal action of the River Authority’s highest level of decision-making authority. The Board of Directors is the highest level of decision-making authority for the River Authority that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation.
- *Assigned* fund balances are those that are constrained by the River Authority’s “intent” to be used for specific purposes, but are neither restricted nor committed. Assigned fund balances do not require River Authority Board of Director formal action and may be specified as “intent” simply through the budgeting process that the resources from these funds be spent for specific purposes within the fund. The River Authority has delegated the authority to make assignments to the General Manager or her designee.
- *Unassigned* fund balances are those that represent fund balance that has not been restricted, committed, or assigned.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the River Authority considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned or unassigned fund balances are available, the River

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Authority considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the River Authority Board of Directors or its delegated official has provided otherwise in its commitment or assignment actions.

The River Authority currently has a Funds Management policy that addresses the categories of fund balance and the utilization of fund balance.

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**2. Cash and Investments**

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As of June 30, 2017, the carrying amount of the River Authority's cash on the government-wide financial statements is \$2,641,024 and the bank balance was \$3,448,981. All deposits are insured by Federal depository insurance and/or collateralized with securities held by the River Authority's agent in the River Authority's name. The River Authority's cash deposits are held in Frost Bank, which is qualified as a public depository under Texas law, and is deemed to be insured and not subject to classification by credit risk.

Cash includes currency on hand and demand deposits with financial institutions. Statutes and bond covenants allow the River Authority to invest in (1) obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations; (2) obligations of the United States of America, including, but not limited to, evidence of indebtedness issued, insured, or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, United States Postal Service, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, Federal Housing Association, or Participation Certificates in the Federal Assets Financing Trust; (3) certificates of deposit that are insured by the Federal Deposit Insurance Corporation or secured by obligations having a fair value of at least the principal amount of the certificates; and (4) fully collateralized direct repurchase agreements.

The River Authority's deposits were entirely covered by federal depository insurance and collateral held in safekeeping by agents of the River Authority in the River Authority's name throughout the fiscal year.

The River Authority's investments at June 30, 2017 are as follows:

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	Carrying Amount	Weighted Average Maturities (Years)
Local Government Investment Pools		
Texas Term Texas Daily	\$ 2,654,790	0.10
TexPool	10,681,263	0.10
TexPool Prime	12,355,154	0.10
Money Market Mutual Fund	766,228	0.09
Certificates of deposit	1,476,686	0.27
U.S. Agencies	11,880,466	0.69
U.S. government securities	997,666	0.69
	<u>\$ 40,812,253</u>	
Portfolio weighted average maturity		0.29

TexasTERM Local Government Investment Pool (Pool), rating of AAA by Standard and Poor's, is a public funds investment pool established by the TexasTERM Advisory Board pursuant to provisions of the TexasTERM Common Investment Contract that established the Pool and the series known as TexasDAILY. TexasDAILY was organized in conformity with the Interlocal Cooperation Act, Chapter 791 and the Public Funds Investment Act, Chapter 2256, both of the Texas Government Code. An advisory board composed of participants and non-participant members elected by the participant shareholders of TexasTERM is responsible for the overall management of the Pool, including formulation and implementation of its investment and operating policies. In addition, the advisory board members select and oversee the activities of the investment advisor and custodian of TexasTERM and monitor investment performance and the method of valuing the shares. The Pool does not have any limitations or restrictions on withdrawals.

Texas Local Government Investment Pool (Texpool) is a public funds investment pool and is rated as AAA by Standards & Poors. Under the TexPool Participation Agreement, administration and investment services to TexPool are provided by Federated Investors, Inc. through an agreement with the State of Texas Comptroller of Public Accounts. The State of Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping trust Company authorized to operate TexPool.

The Fidelity Money Market Mutual Fund is a money market fund that is maintained at the River Authority's depository bank, Frost Bank. The money market fund is rated AAAM by Standard & Poors.

*Interest Rate Risk:* In accordance with its investment policy, the River Authority manages its exposure to declines in fair values by investing in investments that match anticipated cash flow requirements, thereby avoiding the need to sell securities on the open market prior to maturity and by investing other operating funds in short-term securities. Investments are limited to final stated maturities of not more than five years from the date of purchase. Money market funds and pools have a maturity of less than one year.

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*Credit Risk:* State Law limits investments in money market mutual funds to not less than AAA rating or its equivalent by nationally recognized statistical rating organizations (NRSROs). It is the River Authority's policy to limit its investments in these investment types to the AAA rating issued by NRSROs.

*Concentration of Credit Risk.* The River Authority places no limit on the amount that may be invested in any one issuer. However, the River Authority's investment policy calls for portfolio diversification by avoiding over-concentration in a specific maturity sector or specific instruments. The River Authority's portfolio is 10% invested in Federal Home Loan Mortgage Corporation, 6% invested in Federal Farm Credit Bank, 6% invested in Federal Home Loan Bank, and 6% invested in Farmer Mac as of June 30, 2017. The remaining 72% of the River Authority's investments are invested in external investment pools, brokered bank certificate of deposits, money market fund, U.S. Treasury notes, and Federal National Mortgage Association notes..

TexPool, TexasDaily, and the money market fund uses amortized cost to value portfolio assets and follows the criteria for GASB Statement No. 79 for use of amortized cost. Those investments do not place any limitations or restrictions such as notice periods or maximum transaction amounts, on withdrawals.

TexPool and TexasDaily are rated AAA by Standard and Poors. Investments in this rating category meet the highest standards for credit quality, conservative investment policies, and safety of principal. TexPool and TexasDaily invests in a high quality portfolio of debt securities investments that are legally permissible for local governments in the state.

#### Investment Valuation

The River Authority categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of assets. The River Authority's investments for all funds at fiscal year-end are listed below at fair value, net of accruals. The River Authority has the following recurring fair value measurements as of June 30, 2017:

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	June 30, 2017	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Certificates of Deposit	\$ 1,476,686	\$ -	\$ 1,476,686	\$ -
Debt Securities				
Federal Home Loan Mortgage Corporation	3,994,973	-	3,994,973	-
U.S. Treasury Notes	997,666	-	997,636	-
Federal Farm Credit Bank	2,496,608	-	2,496,608	-
Federal Home Loan Bank	2,246,707	-	2,246,707	-
Federal National Mortgage Association	747,643	-	747,643	-
Farmer MAC	2,394,535	-	2,394,535	-
Total Debt Securities	<u>12,878,132</u>	<u>-</u>	<u>12,878,102</u>	<u>-</u>
Total Investments Measured by Fair Value Level	<u>14,354,818</u>	<u>\$ -</u>	<u>\$ 14,354,788</u>	<u>\$ -</u>
Investments Measured at Amortized Cost:				
Fidelity Investment Money				
Government Portfolio	766,228			
External Investment Pools				
TexPool	10,681,263			
TexPool Prime	12,355,154			
TexasDaily	<u>2,654,790</u>			
Total External Investment Pools	<u>25,691,207</u>			
Total Investments Measured at Amortized Costs	<u>26,457,435</u>			
Total	<u>\$ 40,812,253</u>			

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### 3. Grants

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The River Authority 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 is 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 River Authority's financial position at June 30, 2017.

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### 4. Notes Receivable

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*Governmental Activities.* As of June 30, 2017, the River Authority has a notes receivable balance in its governmental funds in the amount of \$436,973.



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The San Antonio River Authority Board of Directors approved an agreement between the River Authority and the Goliad County Water Supply Corporation (GCWSC) that authorized the River Authority to loan the GCWSC funds to pay for the local match on grant funding for the construction of two water treatment facilities in Goliad County. The initial loan was disbursed on January 4, 2002 which locked in an interest rate of 5.13% over a twenty (20) year term with annual payments which should have started accruing in July 2004. But due to financial difficulties of the GCWSC; interest has not been accruing. During fiscal year 2014 the River Authority and the GCWSC amended the agreement. Beginning January 1, 2015, the GCWSC pledged its income, fees, rents and other charges derived from the water and wastewater systems to secure repayment of all money advanced by the River Authority. The total balance shall be amortized for 20 years at an annual interest rate of 0% with monthly payments being made. Should the GCWSC default in 90 days of non-payment of the loan, an annual interest rate of 2.5% will be assessed on the balance of the loan. The notes receivable balance is \$260,175. The GCWSC is actively pursuing an avenue for repayment therefore; the River Authority believes this note is collectible.

The San Antonio River Authority Board of Directors approved an agreement between the River Authority and the San Antonio Alternative Housing Corporation (SAAHC) on a study for the Rosedale TIRZ for \$292,713; the current balance is \$78,539.

The San Antonio River Authority Board of Directors approved an agreement between the River Authority and the San Antonio Municipal Utility District No. 1 (SAMUD #1) to loan at a 5% interest rate for Wildlake Dam improvements in the amount of \$75,000; the balance as of June 30, 2017 is \$-0-. The second loan is interest free funds to provide Wildlake Dam operations and maintenance in the amount of \$100,000; the balance as of June 30, 2017 is \$20,000. The maturity date is January 2019, with annual installment payments that began January 2015.

The San Antonio River Authority Board of Directors approved an agreement between the River Authority and the City of Universal City to loan at a 5% interest rate for the Salatrillo reuse pump station project in the amount of \$448,219; the balance as of June 30, 2017 is \$78,259. The maturity date is January 2017, with an initial payment on September 2015 and annual installment payments which began January 2015.

	Balance 7/1/2016	Additions	Reductions	Balance 6/30/2017	Current Portion
Governmental activities:					
GCWSC	\$ 270,986	\$ -	\$ 10,811	\$ 260,175	\$ -
SAAHC	113,421	-	34,882	78,539	34,882
SAMUD #1	16,075	-	16,075	-	-
SAMUD #1	40,000	-	20,000	20,000	20,000
City of Universal City	169,771	58,622	150,134	78,259	78,259
Total notes receivable	<u>\$ 610,253</u>	<u>\$ 58,622</u>	<u>\$ 231,902</u>	<u>\$ 436,973</u>	<u>\$ 133,141</u>

*Business-type Activities.* As of June 30, 2017, the River Authority has a notes receivable balance in its business-type funds in the amount of \$393,139.

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The San Antonio River Authority Board of Directors approved an agreement between the River Authority and the City of La Vernia that authorized the River Authority to loan the City of La Vernia funds to obtain, maintain and operate certain wastewater treatment and other related facilities in La Vernia. The River Authority loaned the City of La Vernia \$600,000 at an interest rate of 4.48% over a twenty (20) year term with annual payments to begin one year after the final draw is made. The River Authority will advance the money in installments at the request of the City. As of June 30, 2017, the River Authority has a notes receivable balance for the City of La Vernia in the amount of \$393,139.

	Balance 7/1/2016	Additions	Reductions	Balance 6/30/2017	Current Portion
Business-type activities:					
City of La Vernia	\$ 420,353	\$ -	\$ 27,214	\$ 393,139	\$ 28,433
Total notes receivable	<u>\$ 420,353</u>	<u>\$ -</u>	<u>\$ 27,214</u>	<u>\$ 393,139</u>	<u>\$ 28,433</u>

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## 5. Interfund Balances and Transfers

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The interfund receivables and payables consist primarily of changes to loan funds to prevent negative cash balances arising at year-end.

	Due From (Receivables)	Due To (Payables)
General Fund	\$ 374,695	\$ 3,684
Westside Creek Restoration-Bexar Co.	958,288	-
Westside Creek Restoration-City of San Antonio	-	102,674
SARA Project Fund	373,033	-
Non-major Governmental	496,474	2,096,132
Total governmental funds	<u>\$ 2,202,490</u>	<u>\$ 2,202,490</u>

The transfers in and out consist primarily of earnings from investments in funds being transferred to other funds for capital projects.

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	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 5,659,331
Debt Service	627,892	-
SARA Project Fund	4,292,144	200,000
Non-major Governmental	<u>248,120</u>	<u>79,828</u>
Total governmental funds	<u>5,168,156</u>	<u>5,939,159</u>
 SARA Wastewater Utilities System Fund	 921,003	 1,510,393
Salatrillo Wastewater Treatment Plant System Fund	1,510,393	840,000
Internal Service Fund	<u>690,000</u>	<u>-</u>
Total proprietary funds	<u>3,121,396</u>	<u>2,350,393</u>
Total all funds	<u>\$ 8,289,552</u>	<u>\$ 8,289,552</u>

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## 6. Depreciation

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Depreciation expense was charged to functions/programs of the River Authority as follows:

<u>Governmental activities</u>	
General government	\$ 1,506,516
Operations	15,065,159
Technical Services	<u>167,391</u>
Total depreciation expense – governmental activities	<u>\$ 16,739,066</u>
<u>Business-type activities</u>	
Utilities	<u>\$ 2,650,510</u>

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**7. Commitments**

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Listed below are the estimated costs to complete construction in progress at year-end:

*Governmental Activities*

SARA Project Fund	\$	1,099,732
City of San Antonio		2,262,033
Park Resource Development Fund		244,453
Grants Fund		3,262,982
SARIP-Bexar County Flood Tax		928,538
Westside Creek-Bexar County		56,708,398
Other Capital Projects Fund		6,895,784
Down Stream Capital Projects Fund		1,553,442
Bexar County CIP		2,574,172
Westside Creek-City of San Antonio		16,621,198
	\$	<u>92,150,732</u>

*Business-type Activities*

SARA Wastewater Utilities System	\$	13,044,338
Salatrillo Wastewater Treatment Plant		8,331,506
Randolph Air Force Base		881,019
	\$	<u>22,256,863</u>

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**8. Encumbrances**

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Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of June 30, 2017 that will be re-appropriated in the subsequent year are as follows:

General Fund:

General Government	\$	589,232
Watershed Park Operations		93,079
Watershed Engineering		416,107
Total Encumbrances	\$	<u>1,098,418</u>

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**9. Net Position**

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The following table summarizes net position by purpose at June 30, 2017:

	Governmental Activities	Business-type Activities	Total
<b>Net investment in capital assets:</b>			
Capital assets – net of accumulated depreciation	\$ 491,321,889	\$ 43,972,187	\$ 535,294,076
Deferred loss on bond refunding	857,645	-	857,645
Debt	(28,326,471)	(15,824,858)	(44,151,329)
Net investment in capital assets	<u>\$ 463,853,063</u>	<u>\$ 28,147,329</u>	<u>\$ 492,000,392</u>
<b>Restricted net position:</b>			
Debt service	\$ 2,142,351	\$ 1,381,395	\$ 3,523,746
Watershed management	644,625	-	644,625
Water management	210,841	-	210,841
Construction	1,064,651	3,997,272	5,061,923
TWDB Projects	206,781	-	206,781
Total restricted net position	<u>\$ 4,269,249</u>	<u>\$ 5,378,667</u>	<u>\$ 9,647,916</u>
<b>Unrestricted net position:</b>			
Total net position	\$ 492,578,655	\$ 45,219,844	\$ 537,798,499
Less: invested in capital assets	(463,853,063)	(28,147,329)	(492,000,392)
Less: restricted net position	(4,269,249)	(5,378,667)	(9,647,916)
Total unrestricted net position	<u>\$ 24,456,343</u>	<u>\$ 11,693,848</u>	<u>\$ 36,150,191</u>

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**10. Capital Assets**

The following tables summarize the changes in the components of the Capital Assets:

	Balance July 1, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
<i>Governmental Activities:</i>					
Capital assets, not being depreciated:					
Land	\$ 20,502,976	\$ 4,029,717	\$ -	\$ 200,000	\$ 24,732,693
Water rights	227,447	-	-	-	227,447
Construction in progress	38,464,675	5,250,052	-	(1,022,206)	42,692,521
Total capital assets, not being depreciated	59,195,098	9,279,769	-	(822,206)	67,652,661
Capital assets, being depreciated:					
Office furniture, fixtures and equipment	5,068,643	-	(845,500)	-	4,223,143
Other machinery and equipment	5,718,897	527,241	(517,315)	-	5,728,823
Automobiles and trucks	1,617,605	242,190	(109,837)	-	1,749,958
Buildings	16,926,848	172,046	-	344,894	17,443,788
Improvements other than buildings	1,614,577	1,472,618	-	477,312	3,564,507
Studies	2,581,964	-	-	-	2,581,964
Flood control projects	339,133,397	-	-	-	339,133,397
Restoration projects	236,996,307	-	-	-	236,996,307
Total capital assets, being depreciated	609,658,238	2,414,095	(1,472,652)	822,206	611,421,887
Accumulated depreciation					
Office furniture, fixtures and equipment	(4,252,587)	(258,860)	838,761	-	(3,672,686)
Other machinery and equipment	(3,809,938)	(481,415)	495,881	-	(3,795,472)
Automobiles and trucks	(1,225,881)	(170,827)	107,152	-	(1,289,556)
Buildings	(7,333,634)	(657,335)	-	-	(7,990,969)
Improvements other than buildings	(418,960)	(120,182)	-	-	(539,142)
Studies	(2,581,965)	-	-	-	(2,581,965)
Flood control projects	(123,826,436)	(7,112,598)	-	-	(130,939,034)
Restoration projects	(29,005,986)	(7,937,849)	-	-	(36,943,835)
Total accumulated depreciation	(172,455,387)	(16,739,066)	1,441,794	-	(187,752,659)
Governmental activities capital assets, net	\$ 496,397,949	\$ (5,045,202)	\$ (30,858)	\$ -	\$ 491,321,889

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	Balance July 1, 2016	Additions	Deletions	Transfers	Balance June 30, 2017
<i>Business-type Activities:</i>					
Capital assets, not being depreciated:					
Land	\$ 2,349,486	\$ 127,458	\$ -	\$ -	\$ 2,476,944
Construction in progress	2,891,172	1,980,662	-	-	4,871,834
Total capital assets, not being depreciated	<u>5,240,658</u>	<u>2,108,120</u>	<u>-</u>	<u>-</u>	<u>7,348,778</u>
Capital assets, being depreciated:					
Office furniture, fixtures and equipment	299,700	-	(218,987)	-	80,713
Other machinery and equipment	4,326,746	93,782	(517,948)	-	3,902,580
Automobiles and trucks	2,290,499	60,816	(276,489)	-	2,074,826
Buildings	2,359,345	-	-	-	2,359,345
Improvements other than buildings	11,537,611	-	-	-	11,537,611
Studies	422,205	-	-	-	422,205
Sewage treatment facilities	60,836,164	15,581	-	-	60,851,745
Total capital assets, being depreciated	<u>82,072,270</u>	<u>170,179</u>	<u>(1,013,424)</u>	<u>-</u>	<u>81,229,025</u>
Accumulated depreciation					
Office furniture, fixtures and equipment	(279,971)	(9,080)	213,389	-	(75,662)
Other machinery and equipment	(2,780,715)	(191,506)	513,001	-	(2,459,220)
Automobiles and trucks	(1,990,045)	(120,354)	276,490	-	(1,833,909)
Buildings	(702,841)	(128,842)	-	-	(831,683)
Improvements other than buildings	(2,001,135)	(521,541)	-	-	(2,522,676)
Studies	(422,205)	(29,191)	-	-	(451,396)
Sewage treatment facilities	(34,781,074)	(1,649,996)	-	-	(36,431,070)
Total accumulated depreciation	<u>(42,957,986)</u>	<u>(2,650,510)</u>	<u>1,002,880</u>	<u>-</u>	<u>(44,605,616)</u>
Business-type activities capital assets, net	<u>\$ 44,354,942</u>	<u>\$ (372,211)</u>	<u>\$ (10,544)</u>	<u>\$ -</u>	<u>\$ 43,972,187</u>

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## 11. Pension Plan

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### **Defined Contribution Pension Plan**

The River Authority has a defined contribution pension plan, ICMA Retirement Corporation Governmental Money Purchase Plan & Trust (Plan) that was adopted in 1979. To be eligible for the Plan, a participant must be a full-time employee with one year's service. A participant is fully vested after three years of service. The plan's benefit provisions were established and may be amended by the River Authority's General Manager. The River Authority is required to contribute a minimum of 8% of eligible payroll each plan year into each employee's 401(k) account. The Plan also allows voluntary after-tax employee contributions. Effective January 1, 1987, voluntary employee contributions (made after December 31, 1986) may no longer be withdrawn without penalty. The Plan allows for early and late retirement. ICMA-RC is the independent administrator of the plan.



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The River Authority's total current-year payroll for all employees (full-time and part-time) was \$14,478,044 for the year ended June 30, 2017. Employer contributions to the Plan were \$1,525,259. The River Authority's policy is to fund all Plan costs as they accrue.

*Plan Provisions*

All full-time employees are eligible to participate in the Plan from the date of employment. Normal retirement age is 55 years. After one year of employment, the River Authority contributes eight percent of each pay periods eligible earnings on behalf of each participant. Earnings are described as W-2 earnings less overtime, shift differential, auto allowances, taxable fringe benefits, and other non-routine portions of employee's compensation, compensation voluntarily deferred under an eligible deferred compensation plan under Section 457, a flexible Section 125 compensation plan as defined by the Internal Revenue Code, or a Retirement Health Savings Plan.

Participants may also make voluntary, after-tax contributions. Voluntary contributions are 25 percent vested at the start of employment, 50 percent vested at the end of year one, 75 percent vested at the end of year two, and fully vested once an employee reaches three years of employment. A participant may direct the investment of the money contributed by the River Authority on his behalf in any of the available ICMA-RC investment options. There is no investment restriction on any voluntary contribution made by each employee.

The River Authority has no responsibility or authorization to direct the investment of the Plan assets. Accordingly, the financial statements of the River Authority Employee's Defined Contribution Pension Plan are not presented in this report.

**Deferred Compensation Plan**

The River Authority maintains a deferred compensation plan, which is available to all employees. The plan complies with Section 457(b) of the Internal Revenue Code (Deferred Compensation Plans with Respect to Service for State and Local Governments.) ICMA-RC is the independent administrator of the plan.

ICMA-RC issues a publicly available financial report that includes financial information related to participating entities. The report may be obtained by contacting ICMA-RC at:

ICMA-RC Headquarters  
777 North Capitol Street, NE  
Washington, DC 20002  
Telephone: 1-800-326-7272  
Website: [www.icmarc.org](http://www.icmarc.org)

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**Other Post-Retirement Benefits (OPEB)**

In addition to providing pension benefits described previously, the River Authority provides certain health care benefits for eligible retirees, their spouses, and their dependents through a single-employer defined benefit plan administered by the River Authority. The authority to establish and amend the OPEB provisions is vested in the River Authority management.

The eligibility requirements for participation in this plan is dependent upon initial hire date and retirement eligibility as follows:

Hired prior to May 1, 2007

- Must be 40 years of age or older as of May 1, 2007;
- Must be under the age of 65 and not eligible for Medicare; and
- At least 20 years of of credible combined service

Hired on or after May 1, 2007

- There are no health care benefits available for these retirees

Retirees must purchase coverage for themselves, spouses and dependents at the River Authority group rates.

The following is the participant summary as of June 30, 2015 (the most recent actuarial valuation date):

Active employees	<u>254</u>
Eligible employees	52
Retired employees	2
Spouses of retired employees	<u>0</u>
Total	<u>54</u>

The contribution requirements of the plan members and the River Authority are established and may be amended by the River Authority management. To date, the River Authority has funded all obligations arising under these plans on a pay-as-you-go basis.

The result of the acturial study as of July 1, 2014 was an actuarial accrued liability of \$514,698. The annual OPEB cost for fiscal year 2016/17 is \$30,633. The River Authority will continue to pay the cost of retiree benefits from current assets. The River Authority has not established a irrevocable trust for pre-funding. The general fund is used to liquidate other post-retirement benefits for governmental activities.

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Annual OPEB Cost and Net OPEB Obligation: The River Authority's annual OPEB cost is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with GASB Statement 45. The ARC represents a level of accrual that if recognized on an ongoing basis, will fully account for the normal cost and any unfunded actuarial accrued liabilities over thirty years. The following table shows the components of the River Authority's annual OPEB cost, the amount actually contributed to the plan and changes in the net OPEB obligation for the year ended June 30, 2017:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>
Annual Required Contribution	\$ 45,796	\$ 45,796
Interest on net OPEB obligation	11,130	9,949
ARC adjustment	(26,293)	(21,551)
Annual OPEB costs	30,633	34,194
Employer Amount Contributed (estimated)	11,463	468
Change in net OPEB obligation	42,096	34,662
Net OPEB obligation at beginning of year	318,908	284,246
Net OPEB obligation at end of year	<u>\$ 361,004</u>	<u>\$ 318,908</u>

The River Authority's annual OPEB cost and the percentage cost contributed to the plan by the general fund, SARA wastewater fund and the Salatrillo wastewater fund for the year ended June 30, 2017 and the two preceeding fiscal years were as follows:

Year Ended <u>June 30</u>	Annual OPEB <u>Cost</u>	Percentage of Annual OPEB Cost <u>Contributed</u>
2015	\$33,445	154.9%
2016	\$34,194	1.37%
2017	\$30,633	3.74%

Funded Status

The funded status of OPEB plan as of the actuarial valuation performed as of June 30, 2015 and payroll totals as of June 30, 2015 is as follows:

<u>Actuarial Valuation Date</u>	<u>Value of Assets</u>	<u>Liability (AAL)</u>	<u>AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Payroll</u>	<u>Percent of Covered Payroll</u>
July 1, 2014	\$ -0-	\$ 514,698	\$ 514,698	-0-	\$3,575,877	14.4%

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. In accordance with GASB 45 – *Accounting and Financial Reporting by*

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*Employers for Postemployment Benefits Other than Pensions*, the River Authority will obtain new actuarial valuations for its OPEB plan at least triennially.

Actuarial Methods and Assumptions: 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 the River Authority 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 volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following table summarizes the actuarial methods and assumptions used in the most recent actuarial valuation for the River Authority's defined health care benefit plan.

<u>Actuarial Methods and Assumptions</u>		
Actuarial Valuation Date		June 30, 2014
Actuarial Cost Method		Projected Unit Credit
Amortization Method		Level Dollar
Remaining Amortization Period		18 years – Closed
Asset Valuation Method		Market Value
Actuarial Assumptions:		
Investment Rate of Return		3.50%
Inflation Rate		2.20%

In addition, the River Authority had no post-retirement health care benefits increases during the fiscal year. Health care cost trend rates are used to anticipate increases in medical benefit costs expected to be experienced by the retiree health plan in each future year. The trend rates used are as follows:

Year Beginning <u>July 1</u>	Medical and Prescription Drugs Annual <u>Rate of Increase</u>
2012	0.0%
2013	8.0%
2014	7.5%
2015	7.0%
2016	6.5%
2017	5.5%
2019	5.0%
2020+	4.5%

The 2013 premiums were known at the time of the valuation and were used in the calculations. The schedule of funding progress, presented as required supplementary information following the notes to

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the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing relative to the actuarial accrued liability for benefits.

A copy of the River Authority's actuarial study may be obtained from the Finance Department at the River Authority's main office, 100 E. Guenther, San Antonio, Texas 78204.

## 12. Summary of Long-Term Debt

Long-term liability activity for the year ended June 30, 2017, was as follows:

	Balance July 01, 2016	Additions	Reductions	Balance June 30, 2017	Current Portion
Governmental activities:					
Bonds payable	\$ 31,156,000	\$ -	\$ 2,912,000	\$ 28,244,000	\$ 2,958,000
Premiums/(Discounts)	85,725	-	3,254	82,471	3,254
Capital leases	114,219	-	56,329	57,890	57,890
Compensated absences	674,712	220,633	168,678	726,667	181,667
Total long-term liabilities	<u>\$ 32,030,656</u>	<u>\$ 220,633</u>	<u>\$ 3,140,261</u>	<u>\$ 29,111,028</u>	<u>\$ 3,200,811</u>
Business-type activities:					
Bonds payable	\$ 15,420,000	\$ -	\$ 945,000	\$ 14,475,000	\$ 980,000
Premiums/(Discounts)	360,071	-	32,152	327,919	32,152
Notes payable	1,050,127	-	28,188	1,021,939	28,188
Compensated absences	165,659	63,348	41,415	187,592	46,898
Total long-term liabilities	<u>\$ 16,995,857</u>	<u>\$ 63,348</u>	<u>\$ 1,046,755</u>	<u>\$ 16,012,450</u>	<u>\$ 1,087,238</u>

The River Authority issues bonds where the River Authority pledges income derived from the acquired or constructed assets to pay debt service. The following is a summary of changes in long-term debt of the River Authority during the year ended June 30, 2017:

### Governmental Activities

Series	Effective Interest Rate	Range of Maturity	Original Amount	Outstanding July 1, 2016	Additions	Deletions	Outstanding June 30, 2017	Amount Due within One Year
SACIP Improvement Revenue Bonds:								
2007	4.3921%	2017-2033	\$ 14,525,000	\$ 12,960,000	\$ -	\$ 545,000	\$ 12,415,000	\$ 565,000
2014	1.2400%	2017-2021	5,165,000	3,460,000	-	675,000	2,785,000	680,000
2015	1.9000%	2017-2028	8,265,000	7,240,000	-	1,035,000	6,205,000	1,060,000
2016	1.7700%	2017-2026	1,200,000	1,200,000	-	115,000	1,085,000	110,000
			<u>29,155,000</u>	<u>24,860,000</u>	<u>-</u>	<u>2,370,000</u>	<u>22,490,000</u>	<u>2,415,000</u>
Texas Water Development Bonds:								
2013A	1.4536%	2016-2024	4,300,000	3,460,000	-	420,000	3,040,000	420,000
Public Facilities Corp. Lease Revenue Bonds:								
2014	2.1020%	2016-2035	3,100,000	2,836,000	-	122,000	2,714,000	123,000
			<u>\$ 36,555,000</u>	<u>\$ 31,156,000</u>	<u>-</u>	<u>\$ 2,912,000</u>	<u>\$ 28,244,000</u>	<u>\$ 2,958,000</u>

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*Business-type Activities*

The River Authority has pledged future wastewater customer revenue net of specified operating expenses, to repay \$18,785,000 in Wastewater system revenue bonds issued in 2010 and 2013. Proceeds from these bonds have provided financing for the expansion to the Salatrillo Wastewater treatment plant; and expansion to the Martinez II Wastewater treatment plant. These bonds are payable solely from SARA Wastewater Utilities System customer net revenues and are payable through 2031. Annual principal and interest payments on the bonds are expected to require approximately twenty percent of operating revenues. The total principal and interest remaining to be paid on the bonds is \$19,185,646. Principal and interest paid for the current year and total customer operating revenues were \$1,620,285 and \$13,202,176 respectively.

Series	Effective Interest Rate	Range of Maturity	Original Amount	Outstanding July 1, 2016	Additions	Deletions	Outstanding June 30, 2017	Amount Due within One Year
SARA Wastewater Utilities System Revenue Bonds:								
2010	4.7888%	2017-2031	\$ 9,785,000	\$ 8,070,000	\$ -	\$ 385,000	\$ 7,685,000	\$ 400,000
SARA Wastewater Utilities System Revenue Refunding Bonds:								
2013	2.3167%	2017-2022	3,120,000	2,500,000	-	325,000	2,175,000	335,000
Contract Revenue Bonds:								
2010	4.5600%	2017-2031	5,880,000	4,850,000	-	235,000	4,615,000	245,000
			<u>\$ 18,785,000</u>	<u>\$ 15,420,000</u>	<u>\$ -</u>	<u>\$ 945,000</u>	<u>\$ 14,475,000</u>	<u>\$ 980,000</u>

As of June 30, 2017, Standard & Poor's rated the River Authority's tax supported (channel improvement) debt as AA+ and the wastewater/sewer system funds as A+. Moody's rated the River Authority's tax support debt (channel improvement) as Aaa and the wastewater system as A1.

	<i>Governmental Activities</i>	<i>Business-type Activities</i>
Various Issues	\$ 28,244,000	\$ 14,475,000
Unamortized premium	301,571	327,919
Unamortized (discount)	(219,100)	-
Total bonds payable, net	28,326,471	14,802,919
Less bonds payable within one year	2,961,254	1,012,152
Bonds payable after one year, net	<u>\$ 25,365,217</u>	<u>\$ 13,790,767</u>

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Principal and interest requirements to maturity for all long-term debt of the River Authority as of June 30, 2017 are summarized as follows:

Fiscal Year	Governmental Activities			Business-type Activities			Total
	Principal	Interest	Total	Principal	Interest	Total	All Debt
2018	\$ 2,958,000	\$ 800,195	\$ 3,758,195	\$ 980,000	\$ 621,283	\$ 1,601,283	\$ 5,359,478
2019	3,025,000	699,976	3,724,976	1,020,000	580,033	1,600,033	5,325,009
2020	3,082,000	635,385	3,717,385	1,065,000	535,913	1,600,913	5,318,298
2021	3,150,000	564,455	3,714,455	1,105,000	491,648	1,596,648	5,311,103
2022	1,888,000	512,161	2,400,161	1,155,000	447,463	1,602,463	4,002,624
2023 – 2027	7,183,000	1,824,443	9,007,443	4,800,000	1,601,381	6,401,381	15,408,824
2028 – 2032	6,005,000	646,350	6,651,350	4,350,000	432,925	4,782,925	11,434,275
2033 – 2035	953,000	10,413	963,413	-	-	-	963,413
	<u>\$ 28,244,000</u>	<u>\$ 5,693,378</u>	<u>\$ 33,937,378</u>	<u>\$ 14,475,000</u>	<u>\$ 4,710,646</u>	<u>\$ 19,185,646</u>	<u>\$ 53,123,024</u>

Additional bonds for the wastewater facility funds are on parity with all outstanding bonds. Bonds may be issued when the net revenues of the System (1) are at least 1.25 times the average annual principal and interest requirements on all outstanding bonds and the then-proposed additional bonds for the past fiscal year or twelve-month period ending within 90 days of the sale of the additional bonds, and (2) are estimated by a Registered Professional Engineer to be at least 1.50 times the future principal and interest requirement on the then-outstanding bonds and the then-proposed additional bonds. Management deems the River Authority is in compliance with bond covenants.

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 liability is not recorded until payment is actually made or the liability has become due and payable. As of June 30, 2017, the River Authority has no arbitrage liability for its governmental or proprietary funds.

### Compensated Absences

A reconciliation of changes in the liabilities for compensated absences of the prior and current year is presented below:

	Balance 7/1/2016	Additions 2017	Deletions 2017	Balance 6/30/2017	Due within One year
Governmental Activities	\$ 674,712	\$ 220,633	\$ 168,678	\$ 726,667	\$ 181,667
Business-Type Activities	165,659	63,348	41,415	187,592	46,898
Total Compensated Absences	<u>\$ 840,371</u>	<u>\$ 283,981</u>	<u>\$ 210,093</u>	<u>\$ 914,259</u>	<u>\$ 228,565</u>

The general fund is used to liquidate compensated absences for governmental activities.

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### Capital Leases

*Governmental Activities.* As of June 30, 2017, the River Authority had the following capital leases for the purchase of equipment. The gross amount of the equipment purchased is \$274,260 with accumulated depreciation of \$224,845.

	Interest Rate	Original Amount	Balance 7/1/2016	Additions 2017	Payments 2017	Balance 6/30/2017	Current Portion
JPMorgan Chase	2.77%	<u>\$ 274,260</u>	<u>\$ 114,219</u>	<u>\$ -</u>	<u>\$ 56,329</u>	<u>\$ 57,890</u>	<u>\$ 57,890</u>
		<u>\$ 274,260</u>	<u>\$ 114,219</u>	<u>\$ -</u>	<u>\$ 56,329</u>	<u>\$ 57,890</u>	<u>\$ 57,890</u>

Principal and interest requirements to maturity for all capital leases of the River Authority as of June 30, 2017 are as follows:

Fiscal Year	<i>Governmental Activities</i>		
	Principal	Interest	Total
2018	<u>\$ 57,890</u>	<u>\$ 1,604</u>	<u>\$ 59,494</u>
	<u>\$ 57,890</u>	<u>\$ 1,604</u>	<u>\$ 59,494</u>

### Notes Payable

*Business-type Activities.* As of June 30, 2017, the River Authority had the following notes for the purchase of a collection system. The gross amount of the sewage treatment facilities is \$1,409,524, with accumulated depreciation of \$387,619.

	Interest Rate	Original Amount	Balance 7/1/2016	Additions 2017	Payments 2017	Balance 6/30/2017	Current Portion
Dept of Defense	<u>0.00%</u>	<u>\$1,409,524</u>	<u>\$1,050,127</u>	<u>\$ -</u>	<u>\$ 28,188</u>	<u>\$1,021,939</u>	<u>\$ 28,188</u>



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Principal and interest requirements to maturity for all notes payable of the River Authority as of June 30, 2017 are as follows:

Fiscal Year	<i>Business-type Activities</i>		
	Principal	Interest	Total
2018	\$ 28,188	\$ -	\$ 28,188
2019	28,188	-	28,188
2020	28,188	-	28,188
2021	28,188	-	28,188
2022	28,188	-	28,188
2023-2054	880,999	-	880,999
	<u>\$ 1,021,939</u>	<u>\$ -</u>	<u>\$ 1,021,939</u>

### **13. Risk Management**

The River Authority is subject to various litigation and claims arising out of the course of its operations. While the results of the lawsuits cannot be predicted with certainty, management does not believe these matters will have an adverse effect on the River Authority's financial position.

The River Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. State law imposes limits on losses from torts. The River Authority carries commercial insurance in amounts that are subject to certain deductibles considered by management to be immaterial in case of loss.

There has been no significant reduction in insurance coverage from coverage in the prior year by major category of risk. There were no settlements in excess of the insurance coverage in any of the three prior fiscal years.

In addition, the River Authority sponsors a partially self-insured, voluntary employee benefit plan that provides both medical and dental coverage to participating employees and their dependents. The plan is designed to provide a specified level of coverage, with excess insurance coverage provided by a commercial insurer. The River Authority's maximum medical claim exposure is limited to \$35,000 in claims per occurrence and a dental benefit of \$2,000 per covered person per year. Total claims per year are limited based on the number of participating employees. The plan includes a pre-existing clause to deter adverse selection into the plan. Features of the medical plan include a preferred provider organization and various cost containment features such as outpatient testing and surgery. The plan is funded by contributions from the River Authority and participating employees based on recommendations as calculated by an employee benefits specialty firm. Projected claim costs are based on claims experience, lag studies, consideration of claims run off, and aggregate factors. A liability for claims is established if information indicates that it is probable that liability has been incurred at the date of the financial statements and the amount of the loss is reasonably estimable. The

San Antonio River Authority  
Notes to Financial Statements  
June 30, 2017

stop loss carrier establishes the aggregate attachment point based on census and aggregate facets agreed to in the contract.

A reconciliation of changes in the aggregate liabilities of the prior and current year is present below:

Year Ended June 30,	Beginning Liability	Current Year Claims And Changes in Estimates	Claim Payments	Ending Liability	Amount Due Within One Year
2016	\$ 33,894	\$ 2,985,792	\$ 3,018,820	\$ 866	\$ 866
2017	866	3,412,766	3,405,191	8,441	8,441



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# **Required Supplementary Information**



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San Antonio River Authority  
General Fund  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balances – Budget and Actual  
For the Year Ended June 30, 2017, With Comparative Totals for 2016

	2017 Budgeted Amounts		2017	Variance with Final Budget - Positive (Negative)	2016
	Original	Final	Actual		Actual
<b>REVENUES</b>					
Taxes	\$ 24,240,852	\$ 25,460,952	\$ 25,682,722	\$ 221,770	\$ 24,276,704
Investment earnings (loss)	161,782	161,782	103,141	(58,641)	153,872
Intergovernmental	348,142	348,142	299,403	(48,739)	305,516
Charges for services	704,283	704,283	646,817	(57,466)	697,392
Support Fees	2,402,210	2,402,210	2,384,595	(17,615)	2,301,631
Miscellaneous	207,846	207,846	131,254	(76,592)	849,861
Total revenues	28,065,115	29,285,215	29,247,932	(37,283)	28,584,976
<b>EXPENDITURES</b>					
Current:					
General Government:					
Organizational Support:					
Personnel services	2,058,786	2,119,786	2,034,741	85,045	1,917,950
Materials and supplies	115,000	85,000	65,428	19,572	82,975
Other services and charges	1,778,915	1,778,915	1,061,030	717,885	1,287,752
Capital outlay	-	-	-	-	-
	3,952,701	3,983,701	3,161,199	822,502	3,288,677
Board of Directors:					
Personnel services	51,824	51,824	45,104	6,720	44,828
Other services and charges	44,200	44,200	45,097	(897)	209,280
	96,024	96,024	90,201	5,823	254,108
Executive Offices:					
Human Resources:					
Personnel services	360,137	360,137	345,139	14,998	348,457
Materials and supplies	5,100	5,100	4,912	188	5,616
Other services and charges	79,709	79,709	75,098	4,611	69,183
Capital outlay	-	-	-	-	-
	444,946	444,946	425,149	19,797	423,256
Facilities:					
Personnel services	275,249	275,249	265,624	9,625	280,012
Materials and supplies	318,750	287,239	224,209	63,030	275,890
Other services and charges	597,908	595,376	594,373	1,003	575,504
Capital outlay	163,720	307,541	297,841	9,700	-
	1,355,627	1,465,405	1,382,047	83,358	1,131,406
Finance:					
Personnel services	1,083,341	1,083,341	1,057,535	25,806	1,011,993
Materials and supplies	11,250	11,250	11,698	(448)	1,005
Other services and charges	391,662	361,662	222,190	139,472	258,433
Capital outlay	-	-	-	-	-
	1,486,253	1,456,253	1,291,423	164,830	1,271,431
Information Technology:					
Personnel services	995,193	1,082,590	1,142,367	(59,777)	892,967
Materials and supplies	478,570	478,570	375,645	102,925	134,301
Other services and charges	1,241,110	1,271,110	1,011,057	260,053	888,165
Capital outlay	63,685	63,685	53,438	10,247	24,127
	2,778,558	2,895,955	2,582,507	313,448	1,939,560

(continued)

San Antonio River Authority  
General Fund  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balances – Budget and Actual (Continued)  
For the Year Ended June 30, 2017, With Comparative Totals for 2016

	2017 Budgeted Amounts		2017	Variance with Final Budget - Positive (Negative)	2016
	Original	Final	Actual		Actual
General Government (Continued):					
Intergovernmental & Community Relations:					
Personnel services	\$ 1,043,385	\$ 1,043,385	\$ 1,045,065	\$ (1,680)	\$ 992,527
Materials and supplies	41,100	41,100	38,533	2,567	40,682
Other services and charges	1,265,600	1,265,600	1,196,096	69,504	1,184,362
Capital outlay	-	-	-	-	-
	<u>2,350,085</u>	<u>2,350,085</u>	<u>2,279,694</u>	<u>70,391</u>	<u>2,217,571</u>
Total Cost Allocations:	<u>(2,176,753)</u>	<u>(2,176,753)</u>	<u>(669,215)</u>	<u>(1,507,538)</u>	<u>(1,869,872)</u>
 Total General Government	 <u>10,287,441</u>	 <u>10,515,616</u>	 <u>10,543,005</u>	 <u>(27,389)</u>	 <u>8,656,137</u>
Operations:					
Watershed and Parks Operations:					
Personnel services	4,000,215	4,000,215	3,890,058	110,157	3,720,404
Materials and supplies	882,300	882,300	846,734	35,566	708,483
Other services and charges	2,220,388	2,230,724	1,989,860	240,864	1,951,918
Capital outlay	443,600	452,864	422,823	30,041	181,488
	<u>7,546,503</u>	<u>7,566,103</u>	<u>7,149,475</u>	<u>416,628</u>	<u>6,562,293</u>
Total Cost Allocations:	<u>-</u>	<u>-</u>	<u>(618)</u>	<u>618</u>	<u>-</u>
 Total Operations	 <u>7,546,503</u>	 <u>7,566,103</u>	 <u>7,148,857</u>	 <u>417,246</u>	 <u>6,562,293</u>

(continued)

San Antonio River Authority  
General Fund  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balances – Budget and Actual (Continued)  
For the Year Ended June 30, 2017, With Comparative Totals for 2016

	2017 Budgeted Amounts		2017	Variance with Final Budget - Positive (Negative)	2016
	Original	Final	Actual		Actual
Technical Services:					
Watershed Engineering:					
Personnel services	\$ 2,690,263	\$ 2,602,866	\$ 2,529,668	\$ 73,198	\$ 2,549,890
Materials and supplies	6,400	6,400	6,706	(306)	8,989
Other services and charges	1,483,971	1,443,371	963,437	479,934	1,185,519
Capital outlay	-	-	-	-	17,821
	<u>4,180,634</u>	<u>4,052,637</u>	<u>3,499,811</u>	<u>552,826</u>	<u>3,762,219</u>
Environmental Sciences:					
Personnel services	2,911,980	2,911,980	2,938,716	(26,736)	2,806,052
Materials and supplies	218,501	208,501	205,569	2,932	182,041
Other services and charges	697,638	697,638	423,819	273,819	365,677
Capital outlay	86,000	86,000	44,519	41,481	7,080
	<u>3,914,119</u>	<u>3,904,119</u>	<u>3,612,623</u>	<u>291,496</u>	<u>3,360,850</u>
Texas Water Development Board:					
Other services and charges	<u>249,027</u>	<u>249,027</u>	<u>249,027</u>	-	<u>365,124</u>
	<u>249,027</u>	<u>249,027</u>	<u>249,027</u>	-	<u>365,124</u>
Real Estate:					
Personnel services	449,831	449,831	467,875	(18,044)	440,137
Materials and supplies	150	150	123	27	125
Other services and charges	<u>45,588</u>	<u>45,588</u>	<u>24,741</u>	<u>20,847</u>	<u>29,206</u>
	<u>495,569</u>	<u>495,569</u>	<u>492,739</u>	<u>2,830</u>	<u>469,468</u>
Total Cost Allocations:	-	-	(1,115,692)	1,115,692	-
Total Technical Services	<u>8,839,349</u>	<u>8,701,352</u>	<u>6,738,508</u>	<u>1,962,844</u>	<u>7,957,661</u>
Total expenditures	<u>26,673,293</u>	<u>26,783,071</u>	<u>24,430,370</u>	<u>2,352,701</u>	<u>23,176,091</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,391,822</u>	<u>2,502,144</u>	<u>4,817,562</u>	<u>2,315,418</u>	<u>5,408,885</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	<u>(4,488,328)</u>	<u>(5,578,328)</u>	<u>(5,659,331)</u>	<u>(81,003)</u>	<u>(11,890,074)</u>
Total other financing sources and (uses)	<u>(4,488,328)</u>	<u>(5,578,328)</u>	<u>(5,659,331)</u>	<u>(81,003)</u>	<u>(11,890,074)</u>
Net change in fund balances	<u>(3,096,506)</u>	<u>(3,076,184)</u>	<u>(841,769)</u>	<u>2,234,415</u>	<u>(6,481,189)</u>
Fund balance - beginning	<u>11,735,253</u>	<u>11,735,253</u>	<u>11,735,253</u>	-	<u>18,216,442</u>
Fund balances, end of year, as restated	<u>\$ 8,638,747</u>	<u>\$ 8,659,069</u>	<u>\$ 10,893,484</u>	<u>\$ 2,234,415</u>	<u>\$ 11,735,253</u>





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San Antonio River Authority  
Notes to Required Supplementary Information  
June 30, 2017

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**1.           Budgeting**

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By-laws of the River Authority require the Board of Directors to adopt an annual budget which estimates the amount of funds available from all sources and allocates the amount of funds that may be expended during the forthcoming fiscal year. The responsibility for such allocation rests with the general manager of the River Authority. After adoption of the allocations by the Board of Directors, the general manager has full authority to expend within the departmental allocations which become the appropriation level. In practice, the general manager submits all changes by total fund to the Board for its approval. The annual budgetary data for governmental fund types included in the financial statements represent the original budget and amendments as adopted by the Board of Directors of the River Authority and are on the same modified accrual basis (GAAP basis) used to reflect revenues and expenditures of the General Fund.

Encumbrance accounting is utilized as an extension of the formal budgetary process to reflect the estimated amount of future expenditures arising from the issuance of purchase orders, contracts or other forms of legal commitments existing at year-end which will be paid in the future. Encumbrances lapse at year end; however, the succeeding year's budget provides for the re-appropriation of certain year-end encumbrances. These "open" encumbrances are included in the Assigned Fund Balance at fiscal year-end in accordance with their spending constraint. Encumbrances do not constitute expenditures or liabilities since goods and services are not yet received.

San Antonio River Authority  
Required Supplementary Information (Unaudited)  
Post-Employment Benefit Plan  
Schedule of Funding Progress

Historical trend information about the River Authority health care benefit plan is presented herewith as required supplementary information. It is intended to help users assess the plans' funding-status on an on-going basis, assess progress made in accumulating assets to pay benefits when due, and make comparisons with other retirement health care benefit systems.

Actuarial Valuation Date	Value of Assets	Liability (AAL)	AAL (UAAL)	Funded Ratio	Payroll	Percent of Covered Payroll
June 30, 2009	\$ —	\$ 919,853	\$ 919,853	—	\$ 10,302,448	9%
June 30, 2011	\$ —	\$ 1,009,554	\$ 1,009,554	—	\$ 11,452,815	8%
June 30, 2015	\$ —	\$ 514,698	\$ 514,698	—	\$ 3,575,877	14.4%

# **Supplemental Combining and Individual Fund Statements and Schedules**



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San Antonio River Authority  
Debt Service Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual  
For the Year Ended June 30, 2017, With Comparative Totals for 2016

	2017 Original and Final Budgeted Amounts	2017 Actual	Variance – Positive (Negative)	2016 Actual
<b>REVENUES</b>				
Investment earnings	\$ 20,000	\$ 14,831	\$ (5,169)	\$ 12,343
Intergovernmental	<u>3,433,070</u>	<u>3,056,113</u>	<u>(376,957)</u>	<u>2,986,452</u>
Total revenues	<u>3,453,070</u>	<u>3,070,944</u>	<u>(382,126)</u>	<u>2,998,795</u>
<b>EXPENDITURES</b>				
Debt service:				
Bond principal	3,025,000	2,790,000	235,000	2,635,000
Interest and fees on bonds	<u>1,030,254</u>	<u>766,081</u>	<u>264,173</u>	<u>806,990</u>
Total expenditures	<u>4,055,254</u>	<u>3,556,081</u>	<u>499,173</u>	<u>3,441,990</u>
Deficiency of revenues under expenditures	<u>(602,184)</u>	<u>(485,137)</u>	<u>117,047</u>	<u>(443,195)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>597,184</u>	<u>627,892</u>	<u>30,708</u>	<u>631,485</u>
Net change in fund balance	(5,000)	142,755	147,755	188,290
Fund balance, beginning of year	<u>4,287,026</u>	<u>4,287,026</u>	<u>-</u>	<u>4,098,736</u>
Fund balance, end of year	<u>\$ 4,282,026</u>	<u>\$ 4,429,781</u>	<u>\$ 147,755</u>	<u>\$ 4,287,026</u>

San Antonio River Authority  
Combining Balance Sheet – Nonmajor Governmental Funds  
June 30, 2017

	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash	\$ 438,796	\$ 361,937	\$ 800,733
Investments	287,632	78,284	365,916
Intergovernmental receivables	2,053,058	2,163,285	4,216,343
Investments - restricted	-	524,912	524,912
Due from other funds of the Authority	496,474	-	496,474
Total assets	<u>\$ 3,275,960</u>	<u>\$ 3,128,418</u>	<u>\$ 6,404,378</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 320,814	\$ 575,362	\$ 896,176
Retainage payable	236,011	117,187	353,198
Unearned revenue - services	111,271	620,160	731,431
Due to other funds of the Authority	1,327,637	768,495	2,096,132
Total liabilities	<u>1,995,733</u>	<u>2,081,204</u>	<u>4,076,937</u>
<b>FUND BALANCES</b>			
Restricted:			
Debt Service	17,570	-	17,570
Construction	-	1,047,214	1,047,214
Watershed management	644,625	-	644,625
Water management	210,841	-	210,841
Committed:			
Parks	385,066	-	385,066
Economic development	22,125	-	22,125
Unassigned	-	-	-
Total fund balances	<u>1,280,227</u>	<u>1,047,214</u>	<u>2,327,441</u>
Total liabilities and fund balances	<u>\$ 3,275,960</u>	<u>\$ 3,128,418</u>	<u>\$ 6,404,378</u>

San Antonio River Authority  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2017

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Investment earnings	\$ 4,375	\$ 11,228	\$ 15,603
Intergovernmental	4,692,240	3,982,680	8,674,920
Charges for services	266,221	-	266,221
Miscellaneous	569,627	21,875	591,502
Total revenues	<u>5,532,463</u>	<u>4,015,783</u>	<u>9,548,246</u>
<b>EXPENDITURES</b>			
Current:			
General government	679,726	111,272	790,998
Operations	757,157	1,468,999	2,226,156
Technical services	779,839	63,274	843,113
Debt Service:			
Bond principal	122,000	-	122,000
Interest and fees on bonds	60,674	-	60,674
Capital outlay:			
Capital projects	-	2,549,537	2,549,537
Operations	6,712	-	6,712
Technical Services	2,694,643	-	2,694,643
Total expenditures	<u>5,100,751</u>	<u>4,193,082</u>	<u>9,293,833</u>
Excess (deficiency) of revenues over (under) expenditures	<u>431,712</u>	<u>(177,299)</u>	<u>254,413</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	248,120	248,120
Transfers out	-	(79,828)	(79,828)
Total other financing sources and uses	<u>-</u>	<u>168,292</u>	<u>168,292</u>
Net change in fund balances	431,712	(9,007)	422,705
Fund balances, beginning of year	<u>848,515</u>	<u>1,056,221</u>	<u>1,904,736</u>
Fund balances, end of year	<u>\$ 1,280,227</u>	<u>\$ 1,047,214</u>	<u>\$ 2,327,441</u>



San Antonio River Authority  
Nonmajor Governmental Funds  
June 30, 2017

**Special Revenue Funds**

The Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Grants Fund – Accounts for revenues received from local, state, and federal for expenditures related to programs, projects, and efforts that help further the mission of the River Authority.

South Central Texas Regional Water Planning Group – This fund accounts for monies collected from participants of the South Central Texas Regional Water Planning Group (Region L) and the Texas Water Development Board per Senate Bill 1 (1997) and the expenditures thereof as authorized by interlocal agreements between the participants.

Edwards Water Acquisition – This fund accounts for the administration of the Regional Water Resource Development Group that collectively appropriates water within the area for the area.

Regional Water Alliance – This fund accounts for the administration of the Regional Water Alliance Group that collectively meets to discuss water topics in the region.

San Antonio River Public Facility Corporation (PFC) – This fund presents a blended component unit of the San Antonio River Authority as required by generally accepted accounting principles. The PFC is a nonprofit public facility corporation that acts on behalf of the Authority and assists the Authority in financing and providing public facilities.

SACIP Land Sales – Accounts for revenue received for land use activities as authorized in the 1999 Amendatory Contract with Bexar County.

San Antonio River Industrial Development Authority (SARIDA) – This fund presents a blended component unit of the San Antonio River Authority as required by generally accepted accounting principles. SARIDA furnishes eligible applicants financial assistance through the sale of tax-free industrial development bonds. SARIDA has no direct or contingent liability for these bonds.

Park Resources Development Fund – Accounts for revenues received from the sale of non-essential lands or revenues from leases, license agreements and easements unless otherwise dedicated to other funds. Can only be used for land acquisition and/or the development of any project included in the San Antonio River Authority's River Basin Plan for Nature-Based Park Resources or subsequent regional park and recreation plan.



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San Antonio River Authority  
Combining Balance Sheet – Nonmajor Special Revenue Funds  
June 30, 2017, With Comparative Totals for 2016

		South Central Texas Regional Water Planning Group	Edwards Water Acquisition
	Grants Fund		
<b>ASSETS</b>			
Cash	\$ -	\$ 739	\$ 113,175
Investments	-	-	980
Intergovernmental receivables	1,947,958	103,446	200
Due from other funds of the Authority	-	-	-
Total assets	<u>\$ 1,947,958</u>	<u>\$ 104,185</u>	<u>\$ 114,355</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 295,173	\$ 12,938	\$ -
Retainage payable	217,349	6,386	-
Due to other funds of the Authority	1,327,637	-	-
Unearned revenue - services	<u>2,257</u>	<u>84,861</u>	<u>24,153</u>
Total liabilities	<u>1,842,416</u>	<u>104,185</u>	<u>24,153</u>
<b>FUND BALANCES</b>			
Restricted:			
Debt Service	-	-	-
Watershed management	-	-	-
Water management	105,542	-	90,202
Committed:			
Parks	-	-	-
Economic development	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>105,542</u>	<u>-</u>	<u>90,202</u>
Total liabilities and fund balances	<u>\$ 1,947,958</u>	<u>\$ 104,185</u>	<u>\$ 114,355</u>

Regional Water Alliance	San Antonio River Public Facility Corp.	San Antonio River		
		SACIP Land Sales	Industrial Development Authority	Park Resources Development
\$ 14,672	\$ 29,846	\$ 147,823	\$ 6,000	\$ 126,541
25	-	1,002	16,125	269,500
400	-	1,054	-	-
-	-	496,474	-	-
<u>\$ 15,097</u>	<u>\$ 29,846</u>	<u>\$ 646,353</u>	<u>\$ 22,125</u>	<u>\$ 396,041</u>
\$ -	\$ -	\$ 1,728	\$ -	\$ 10,975
-	12,276	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>-</u>	<u>12,276</u>	<u>1,728</u>	<u>-</u>	<u>10,975</u>
-	17,570	-	-	-
-	-	644,625	-	-
15,097	-	-	-	-
-	-	-	-	385,066
<u>-</u>	<u>-</u>	<u>-</u>	<u>22,125</u>	<u>-</u>
<u>15,097</u>	<u>17,570</u>	<u>644,625</u>	<u>22,125</u>	<u>385,066</u>
<u>\$ 15,097</u>	<u>\$ 29,846</u>	<u>\$ 646,353</u>	<u>\$ 22,125</u>	<u>\$ 396,041</u>

(continued)

San Antonio River Authority  
Combining Balance Sheet – Nonmajor Special Revenue Funds (continued)  
June 30, 2017, With Comparative Totals for 2016

	<b>Total Nonmajor Special Revenue Funds</b>	
	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash	\$ 438,796	\$ 249,906
Investments	287,632	641,149
Intergovernmental receivables	2,053,058	3,469,804
Due from other funds of the Authority	496,474	170,203
Total assets	<u>\$ 3,275,960</u>	<u>\$ 4,531,062</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 320,814	\$ 529,511
Retainage payable	236,011	154,764
Due to other funds of the Authority	1,327,637	2,870,616
Unearned revenue - services	111,271	-
Total liabilities	<u>1,995,733</u>	<u>3,554,891</u>
<b>FUND BALANCES</b>		
Restricted:		
Debt Service	17,570	166,287
Watershed management	644,625	357,948
Water management	210,841	78,644
Committed:		
Parks	385,066	339,358
Economic development	22,125	33,934
Total fund balances	<u>1,280,227</u>	<u>976,171</u>
Total liabilities and fund balances	<u>\$ 3,275,960</u>	<u>\$ 4,531,062</u>



SAN ANTONIO  

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RIVER AUTHORITY

Leaders in Watershed Solutions

San Antonio River Authority  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2017, With Comparative Totals for 2016

	<b>Grants Fund</b>	<b>South Central Texas Regional Water Planning Group</b>	<b>Edwards Water Acquisition</b>
<b>REVENUES</b>			
Investment earnings (losses)	\$ -	\$ 5	\$ 778
Intergovernmental	3,910,873	133,819	643,148
Charges for services	-	-	-
Miscellaneous	40,625	-	-
Total revenues	<u>3,951,498</u>	<u>133,824</u>	<u>643,926</u>
<b>EXPENDITURES</b>			
Current:			
General government	666,534	-	-
Operations	-	133,835	622,499
Technical Services	590,321	-	-
Debt Service:			
Bond principal	-	-	-
Interest and fees on bonds	-	-	-
Capital Outlay			
Operations	-	-	-
Technical services	2,694,643	-	-
Total expenditures	<u>3,951,498</u>	<u>133,835</u>	<u>622,499</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(11)</u>	<u>21,427</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	-	-	-
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(11)</u>	<u>21,427</u>
Fund balances, beginning	105,542	11	68,775
Fund balances, end of year	<u>\$ 105,542</u>	<u>\$ -</u>	<u>\$ 90,202</u>

<b>Regional Water Alliance</b>	<b>San Antonio River Public Facility Corp.</b>	<b>SACIP Land Sales</b>	<b>San Antonio River Industrial Development Authority</b>	<b>Park Resources Development</b>
\$ 57	\$ -	\$ 1,547	\$ 119	\$ 1,869
4,400	-	-	-	-
-	182,674	60,517	-	23,030
764	-	528,238	-	-
5,221	182,674	590,302	119	24,899
-	-	-	6,000	7,192
823	-	-	-	-
-	-	189,518	-	-
-	122,000	-	-	-
-	60,674	-	-	-
-	-	-	-	6,712
-	-	-	-	-
823	182,674	189,518	6,000	13,904
4,398	-	400,784	(5,881)	10,995
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,398	-	400,784	(5,881)	10,995
10,699	17,570	243,841	28,006	374,071
\$ 15,097	\$ 17,570	\$ 644,625	\$ 22,125	\$ 385,066

(continued)



San Antonio River Authority  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Nonmajor Special Revenue Funds (continued)  
For the Year Ended June 30, 2017, With Comparative Totals for 2016

	<b>Total Nonmajor Special Revenue Funds</b>	
	<b>2017</b>	<b>2016</b>
<b>REVENUES</b>		
Investment earnings (losses)	\$ 4,375	\$ 1,182
Intergovernmental	4,692,240	7,375,677
Charges for services	266,221	105,387
Miscellaneous	<u>569,627</u>	<u>7,984</u>
Total revenues	<u>5,532,463</u>	<u>7,490,230</u>
<b>EXPENDITURES</b>		
Current:		
General government	679,726	410,225
Operations	757,157	734,690
Technical Services	779,839	1,232,309
Debt Service:		
Bond principal	122,000	-
Interest and fees on bonds	60,674	-
Capital Outlay		
Operations	6,712	18,177
Technical services	<u>2,694,643</u>	<u>2,684,992</u>
Total expenditures	<u>5,100,751</u>	<u>5,080,393</u>
Excess (deficiency) of revenues over (under) expenditures	<u>431,712</u>	<u>2,409,837</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	306,358
Transfers out	<u>-</u>	<u>(2,834,570)</u>
Total other financing sources and (uses)	<u>-</u>	<u>(2,528,212)</u>
Net change in fund balances	<u>431,712</u>	<u>(118,375)</u>
Fund balances, beginning	<u>848,515</u>	<u>1,094,546</u>
Fund balances, end of year	<u><u>\$ 1,280,227</u></u>	<u><u>\$ 976,171</u></u>

San Antonio River Authority  
Grants Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual  
For the Year Ended June 30, 2017, With Comparative Totals for 2016

	<b>2017</b>			<b>Variance --</b>	
	<b><u>Budgeted Amounts</u></b>		<b>2017</b>	<b>Positive</b>	<b>2016</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>(Negative)</u></b>	<b><u>Actual</u></b>
<b>REVENUES</b>					
Intergovernmental	\$ 9,839,986	\$ 10,284,066	\$ 3,910,873	\$ (6,373,193)	\$ 5,469,428
Miscellaneous	<u>-</u>	<u>-</u>	<u>40,625</u>	<u>40,625</u>	<u>-</u>
Total revenues	<u>9,839,986</u>	<u>10,284,066</u>	<u>3,951,498</u>	<u>(6,332,568)</u>	<u>5,469,428</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,932,642	2,323,460	666,534	1,656,926	287,317
Technical services	1,370,830	1,417,012	590,321	826,691	528,763
Capital outlay:					
Technical services	<u>6,536,514</u>	<u>6,543,594</u>	<u>2,694,643</u>	<u>3,848,951</u>	<u>4,626,657</u>
Total expenditures	<u>9,839,986</u>	<u>10,284,066</u>	<u>3,951,498</u>	<u>6,332,568</u>	<u>5,442,737</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,691</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,851</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>105,542</u>
Fund balance, beginning of year	<u>105,542</u>	<u>105,542</u>	<u>105,542</u>	<u>-</u>	<u>-</u>
Fund balance, end of year	<u><u>\$ 105,542</u></u>	<u><u>\$ 105,542</u></u>	<u><u>\$ 105,542</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 105,542</u></u>

San Antonio River Authority  
So. Central Texas Regional Water Planning Group Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual  
For the Year Ended June 30, 2017, With Comparative Totals for 2016

	<b>2017</b>			<b>Variance --</b>	
	<b><u>Budgeted Amounts</u></b>		<b>2017</b>	<b>Positive</b>	<b>2016</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>(Negative)</u></b>	<b><u>Actual</u></b>
<b>REVENUES</b>					
Investment earnings	\$ 50	\$ 50	\$ 5	\$ (45)	\$ 62
Intergovernmental	<u>204,030</u>	<u>204,030</u>	<u>133,819</u>	<u>(70,211)</u>	<u>107,984</u>
Total revenues	204,080	204,080	133,824	(70,256)	108,046
<b>EXPENDITURES</b>					
Operations	<u>204,080</u>	<u>204,080</u>	<u>133,835</u>	<u>70,245</u>	<u>108,189</u>
Net change in fund balances	-	-	(11)	(11)	(143)
Fund balance, beginning of year	<u>11</u>	<u>11</u>	<u>11</u>	<u>-</u>	<u>154</u>
Fund balance, end of year	<u><u>\$ 11</u></u>	<u><u>\$ 11</u></u>	<u><u>\$ -</u></u>	<u><u>\$ (11)</u></u>	<u><u>\$ 11</u></u>

San Antonio River Authority  
 Edwards Water Acquisitions Special Revenue Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
 Budget and Actual  
 For the Year Ended June 30, 2017, With Comparative Totals for 2016

	<b>2017 Original and Final Budgeted Amounts</b>	<b>2017 Actual</b>	<b>Variance -- Positive (Negative)</b>	<b>2016 Actual</b>
<b>REVENUES</b>				
Investment earnings	\$ 100	\$ 778	\$ 678	\$ 170
Intergovernmental	630,286	643,148	12,862	16,574
Charges for services	<u>1,100</u>	<u>-</u>	<u>(1,100)</u>	<u>-</u>
Total revenues	631,486	643,926	12,440	16,744
<b>EXPENDITURES</b>				
Operations	<u>631,486</u>	<u>622,499</u>	<u>8,987</u>	<u>18,293</u>
Net change in fund balances	-	21,427	21,427	(1,549)
Fund balance, beginning of year	<u>68,775</u>	<u>68,775</u>	<u>-</u>	<u>70,324</u>
Fund balance, end of year	<u><u>\$ 68,775</u></u>	<u><u>\$ 90,202</u></u>	<u><u>\$ 21,427</u></u>	<u><u>\$ 68,775</u></u>

San Antonio River Authority  
Regional Water Resource Alliance Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual  
For the Year Ended June 30, 2017, With Comparative Totals for 2016

	<b>2017</b>			<b>Variance --</b>	
	<b><u>Budgeted Amounts</u></b>		<b>2017</b>	<b>Positive</b>	<b>2016</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>(Negative)</u></b>	<b><u>Actual</u></b>
<b>REVENUES</b>					
Investment earnings	\$ 10	\$ 10	\$ 57	\$ 47	\$ 24
Intergovernmental	4,200	4,200	4,400	200	4,200
Miscellaneous	-	-	764	764	-
Total revenues	4,210	4,210	5,221	1,011	4,224
<b>EXPENDITURES</b>					
Operations	6,000	6,000	823	5,177	1,691
Net change in fund balances	(1,790)	(1,790)	4,398	6,188	2,533
Fund balance, beginning of year	10,699	10,699	10,699	-	8,166
Fund balance, end of year	<u>\$ 8,909</u>	<u>\$ 8,909</u>	<u>\$ 15,097</u>	<u>\$ 6,188</u>	<u>\$ 10,699</u>

San Antonio River Authority  
San Antonio River Public Facility Corporation Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual  
For the Year Ended June 30, 2017, With Comparative Totals for 2016

	2017 <u>Budgeted Amounts</u>			Variance –	
	<u>Original</u>	<u>Final</u>	<u>2017 Actual</u>	<u>Positive (Negative)</u>	<u>2016 Actual</u>
<b>REVENUES</b>					
Investment earnings	\$ -	\$ -	\$ -	\$ -	\$ 8
Charges for services:					
Lease/rentals	182,674	182,674	182,674	-	182,738
Total revenues	<u>182,674</u>	<u>182,674</u>	<u>182,674</u>	<u>-</u>	<u>182,746</u>
<b>EXPENDITURES</b>					
Debt service:					
Bond principal	122,000	122,000	122,000	-	121,000
Interest on bonds	60,674	60,674	60,674	-	61,738
Bond issuance cost	-	-	-	-	-
Capital Outlay	<u>12,277</u>	<u>12,277</u>	<u>-</u>	<u>12,277</u>	<u>-</u>
Total expenditures	<u>194,951</u>	<u>194,951</u>	<u>182,674</u>	<u>12,277</u>	<u>182,738</u>
 Net change in fund balance	 (12,277)	 (12,277)	 -	 12,277	 8
 Fund balance, beginning of year	 <u>17,570</u>	 <u>17,570</u>	 <u>17,570</u>	 <u>-</u>	 <u>17,562</u>
Fund balance, end of year	<u>\$ 5,293</u>	<u>\$ 5,293</u>	<u>\$ 17,570</u>	<u>\$ 12,277</u>	<u>\$ 17,570</u>

San Antonio River Authority  
SACIP Land Sales Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance –  
Budget and Actual  
For the Year Ended June 30, 2017, With Comparative Totals for 2016

	<b>2017</b>			<b>Variance --</b>	
	<b><u>Budgeted Amounts</u></b>		<b>2017</b>	<b>Positive</b>	<b>2016</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>(Negative)</u></b>	<b><u>Actual</u></b>
<b>REVENUES</b>					
Investment earnings	\$ 400	\$ 400	\$ 1,547	\$ 1,147	\$ 843
Charges for services	55,520	55,520	60,517	4,997	54,215
Miscellaneous	-	-	528,238	528,238	-
Total revenues	<u>55,920</u>	<u>55,920</u>	<u>590,302</u>	<u>534,382</u>	<u>55,058</u>
<b>EXPENDITURES</b>					
Technical services	<u>267,261</u>	<u>267,261</u>	<u>189,518</u>	<u>77,743</u>	<u>169,165</u>
Net change in fund balances	(211,341)	(211,341)	400,784	612,125	(114,107)
Fund balance, beginning of year	<u>243,841</u>	<u>243,841</u>	<u>243,841</u>	-	<u>357,948</u>
Fund balance, end of year	<u>\$ 32,500</u>	<u>\$ 32,500</u>	<u>\$ 644,625</u>	<u>\$ 612,125</u>	<u>\$ 243,841</u>

San Antonio River Authority  
San Antonio River Industrial Development Authority Special Revenue Fund  
Schedule of Revenues, Expenditures, and Changes in Fund Balance  
For the Year Ended June 30, 2017, With Comparative Totals for 2016

	<u>2017 Original and Final Budgeted Amounts</u>	<u>2017 Actual</u>	<u>Variance -- Positive (Negative)</u>	<u>2016 Actual</u>
<b>REVENUES</b>				
Investment earnings	\$ 50	\$ 119	\$ 69	\$ 72
<b>EXPENDITURES</b>				
General government	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Net change in fund balances	(5,950)	(5,881)	69	(5,928)
Fund balance, beginning of year	<u>28,006</u>	<u>28,006</u>	<u>-</u>	<u>33,934</u>
Fund balance, end of year	<u><u>\$ 22,056</u></u>	<u><u>\$ 22,125</u></u>	<u><u>\$ 69</u></u>	<u><u>\$ 28,006</u></u>



San Antonio River Authority  
 Park Resources Development Special Revenue Fund  
 Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 For the Year Ended June 30, 2017, With Comparative Totals for 2016

	<b>2017</b>			<b>Variance --</b>	
	<b><u>Budgeted Amounts</u></b>		<b>2017</b>	<b>Positive</b>	<b>2016</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>	<b><u>Actual</u></b>	<b><u>(Negative)</u></b>	<b><u>Actual</u></b>
<b>REVENUES</b>					
Investment earnings	\$ 180	\$ 180	\$ 1,869	\$ 1,689	\$ 898
Charges for services	20,000	20,000	23,030	3,030	23,972
Miscellaneous	-	-	-	-	9,843
Total revenues	20,180	20,180	24,899	4,719	34,713
<b>EXPENDITURES</b>					
Current					
Operations	-	4,264	7,192	(2,928)	-
Capital Outlay					
Operations	317,000	312,736	6,712	306,024	-
Total expenditures	317,000	317,000	13,904	303,096	-
Net change in fund balances	(296,820)	(296,820)	10,995	307,815	34,713
Fund balance, beginning of year	374,071	374,071	374,071	-	339,358
Fund balance, end of year	<u>\$ 77,251</u>	<u>\$ 77,251</u>	<u>\$ 385,066</u>	<u>\$ 307,815</u>	<u>\$ 374,071</u>

San Antonio River Authority  
Nonmajor Governmental Funds  
June 30, 2017

**Capital Project Funds**

The Capital Projects Funds account for proceeds from bond issues, federal grants and contracts, and other similar resources that are specifically designated for capital expenditures.

SARIP - City of San Antonio Fund – Accounts for expenditures incurred in assisting the City of San Antonio. The City of San Antonio reimburses all expenditures incurred.

SACIP 1999 – Accounts for improvements on the San Antonio River, other watersheds and the Cibolo Creek Floodplain Buyout as authorized in the 1999 amendatory contract with Bexar County.

SARIP – Bexar County Flood Tax – Accounts for the acquisition of capital assets for construction and is funded with flood tax received by Bexar County.

SARIP – Bexar County Visitor Tax – Accounts for betterment and enhancement expenditures and is funded with a special visitor tax received by Bexar County.

Bexar County Capital Projects – Accounts for capital projects within the boundaries of Bexar County that are not reported in any other Capital Project fund. Expenditures originating in this fund can be recovered from the SACIP Land Sales fund and other entities within Bexar County.

Downstream Counties Capital Projects – Accounts for capital projects within the boundaries of Wilson, Karnes and Goliad Counties that are not reported in any other Capital Project fund. Expenditures originating in this fund can be recovered from other entities within Wilson, Karnes and Goliad Counties.

Bexar County Capital Improvement Projects (CIP) – Accounts for expenditures incurred in assisting Bexar County of Capital Improvement projects. Bexar County reimburses all expenditures incurred.

Medina Dam Improvement Fund – Accounts for expenditures incurred in assisting Bexar Medina Atascosa Water District (BMA) with repairs to the Medina Dam. Bexar County, BMA and Texas Water Development Board reimburse all expenditures incurred.

Other Capital Projects – Accounts for expenditures for projects funded with other public entities.

San Antonio River Authority  
Combining Balance Sheet – Nonmajor Capital Project Funds  
June 30, 2017, With Comparative Totals for 2016

	San Antonio River Improvement Project			
	City of San Antonio	SACIP 1999	Bexar Co. Flood Tax	Bexar Co. Visitor Tax
<b>ASSETS</b>				
Cash	\$ 246,578	\$ 32,342	\$ 18,565	\$ -
Investments	78,275	-	-	-
Intergovernmental receivables	56,279	-	4,174	-
Investments - Restricted	-	-	524,912	-
Total assets	<u>\$ 381,132</u>	<u>\$ 32,342</u>	<u>\$ 547,651</u>	<u>\$ -</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 8,882	\$ -	\$ 35,716	\$ -
Retainage payable	-	-	-	-
Unearned revenue - services	-	-	500,165	-
Due to other funds of the Authority	-	-	-	-
Total liabilities	<u>8,882</u>	<u>-</u>	<u>535,881</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted:				
Construction	<u>372,250</u>	<u>32,342</u>	<u>11,770</u>	<u>-</u>
Total fund balances	<u>372,250</u>	<u>32,342</u>	<u>11,770</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 381,132</u>	<u>\$ 32,342</u>	<u>\$ 547,651</u>	<u>\$ -</u>

<u>Bexar County</u>	<u>Downstream Counties</u>	<u>Bexar County CIP</u>	<u>Medina Dam Improvements</u>	<u>Other Capital Projects</u>
\$ -	\$ 64,452	\$ -	\$ -	\$ -
-	-	-	-	9
1,134,980	-	18,537	12,450	936,865
-	-	-	-	-
<u>\$ 1,134,980</u>	<u>\$ 64,452</u>	<u>\$ 18,537</u>	<u>\$ 12,450</u>	<u>\$ 936,874</u>
\$ 503,467	\$ 10,945	\$ 2,347	\$ 50	\$ 13,955
113,913	-	-	1,800	1,474
-	53,414	-	-	66,581
<u>496,474</u>	<u>-</u>	<u>16,190</u>	<u>10,600</u>	<u>245,231</u>
<u>1,113,854</u>	<u>64,359</u>	<u>18,537</u>	<u>12,450</u>	<u>327,241</u>
<u>21,126</u>	<u>93</u>	<u>-</u>	<u>-</u>	<u>609,633</u>
<u>21,126</u>	<u>93</u>	<u>-</u>	<u>-</u>	<u>609,633</u>
<u>\$ 1,134,980</u>	<u>\$ 64,452</u>	<u>\$ 18,537</u>	<u>\$ 12,450</u>	<u>\$ 936,874</u>

(continued)

San Antonio River Authority  
Combining Balance Sheet – Nonmajor Capital Project Funds  
June 30, 2017, With Comparative Totals for 2016

	<b>Total Nonmajor Capital Project Funds</b>	
	<b>2017</b>	<b>2016</b>
<b>ASSETS</b>		
Cash	\$ 361,937	\$ 150,777
Investments	78,284	377,276
Intergovernmental receivables	2,163,285	1,141,777
Investments - Restricted	<u>524,912</u>	<u>-</u>
Total assets	<u><u>\$ 3,128,418</u></u>	<u><u>\$ 1,669,830</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 575,362	\$ 238,964
Retainage payable	117,187	135,518
Unearned revenue - services	620,160	120,843
Due to other funds of the Authority	<u>768,495</u>	<u>661,547</u>
Total liabilities	<u><u>2,081,204</u></u>	<u><u>1,156,872</u></u>
<b>FUND BALANCES</b>		
Restricted:		
Construction	<u>1,047,214</u>	<u>512,958</u>
Total fund balances	<u><u>1,047,214</u></u>	<u><u>512,958</u></u>
Total liabilities and fund balances	<u><u>\$ 3,128,418</u></u>	<u><u>\$ 1,669,830</u></u>



SAN ANTONIO  

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RIVER AUTHORITY

Leaders in Watershed Solutions

San Antonio River Authority  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Nonmajor Capital Project Funds  
For the Year Ended June 30, 2017, With Comparative Totals for 2016

	<b>San Antonio River Improvement Project</b>			
	<b>City of San Antonio</b>	<b>SACIP 1999</b>	<b>Bexar Co. Flood Tax</b>	<b>Bexar Co. Visitor Tax</b>
<b>REVENUES</b>				
Investment earnings	\$ 1,043	\$ -	\$ 10,176	\$ -
Intergovernmental	170,860	-	67,626	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>171,903</u>	<u>-</u>	<u>77,802</u>	<u>-</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	-	111,272	-
Operations	415,525	-	-	-
Technical services	-	-	-	-
Capital projects	<u>-</u>	<u>-</u>	<u>498,023</u>	<u>-</u>
Total expenditures	<u>415,525</u>	<u>-</u>	<u>609,295</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(243,622)</u>	<u>-</u>	<u>(531,493)</u>	<u>-</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	200,000	-	48,120	-
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(48,120)</u>
Total other financing sources and (uses)	<u>200,000</u>	<u>-</u>	<u>48,120</u>	<u>(48,120)</u>
Net change in fund balances	(43,622)	-	(483,373)	(48,120)
Fund balances, beginning	415,872	32,342	495,143	48,120
Fund balances, end of year	<u><u>\$ 372,250</u></u>	<u><u>\$ 32,342</u></u>	<u><u>\$ 11,770</u></u>	<u><u>\$ -</u></u>

<b>Bexar County</b>	<b>Downstream Counties</b>	<b>Bexar County CIP</b>	<b>Medina Dam Improvements</b>	<b>Other Capital Projects</b>
\$ -	\$ -	\$ -	\$ -	\$ 9
2,254,868	15,343	63,274	38,898	1,371,811
<u>21,875</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,276,743</u>	<u>15,343</u>	<u>63,274</u>	<u>38,898</u>	<u>1,371,820</u>
-	-	-	-	-
237,139	15,250	-	38,898	762,187
-	-	63,274	-	-
<u>2,051,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>2,288,653</u>	<u>15,250</u>	<u>63,274</u>	<u>38,898</u>	<u>762,187</u>
<u>(11,910)</u>	<u>93</u>	<u>-</u>	<u>-</u>	<u>609,633</u>
-	-	-	-	-
<u>(31,708)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(31,708)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(43,618)</u>	<u>93</u>	<u>-</u>	<u>-</u>	<u>609,633</u>
<u>64,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 21,126</u>	<u>\$ 93</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 609,633</u>



San Antonio River Authority  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances –  
Nonmajor Capital Project Funds  
For the Year Ended June 30, 2017, With Comparative Totals for 2016

	<b>Total Nonmajor Capital Project Funds</b>	
	<b>2017</b>	<b>2016</b>
<b>REVENUES</b>		
Investment earnings	\$ 11,228	\$ 1,069
Intergovernmental	3,982,680	4,916,827
Miscellaneous	<u>21,875</u>	<u>-</u>
Total revenues	<u>4,015,783</u>	<u>4,917,896</u>
<b>EXPENDITURES</b>		
Current:		
General government	111,272	-
Operations	1,468,999	2,939,318
Technical services	63,274	73,870
Capital projects	<u>2,549,537</u>	<u>1,838,806</u>
Total expenditures	<u>4,193,082</u>	<u>4,851,994</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(177,299)</u>	<u>65,902</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	248,120	-
Transfers Out	<u>(79,828)</u>	<u>-</u>
Total other financing sources and (uses)	<u>168,292</u>	<u>-</u>
Net change in fund balances	(9,007)	65,902
Fund balances, beginning	<u>1,056,221</u>	<u>447,056</u>
Fund balances, end of year	<u><u>\$ 1,047,214</u></u>	<u><u>\$ 512,958</u></u>

# Statistical Section



SAN ANTONIO  

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RIVER AUTHORITY

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RIVER AUTHORITY

Leaders in Watershed Solutions

San Antonio River Authority  
June 30, 2017

**Statistical Section**

This part of the San Antonio River Authority's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the River Authority's overall financial health.

**Contents**

**Financial Trends** – These schedules contain trend information to help readers understand how the River Authority's financial performance and well-being have changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

**Revenue Capacity** – These schedules contain information to help readers assess the River Authority's most significant local revenue sources.

- Appraised Value and Estimated Actual Value of Taxable Property
- Principal Taxpayers
- Property Tax Levies and Collections
- Intergovernmental Revenues

**Debt Capacity** – These schedules present information to help readers assess the affordability of the River Authority's current levels of outstanding debt and the River Authority's ability to issue additional debt in the future.

- Ratios of Outstanding Debt by Type
- Revenue Bond Coverage

**Demographic and Economic Information** – These schedules offer demographic and economic indicators to help readers understand the environment within which the River Authority's financial activities take place.

- Full-Time Equivalent Employees by Function/Program
- Miscellaneous Statistics

Except where noted, the information in these schedules is derived from the River Authority's comprehensive annual financial reports for the relevant year. The River Authority also implemented GASB 54 in 2011; schedules presenting fund balances for the governmental funds details begin that year; and GASB 63 and 65 in 2013 schedules renaming net assets as net position and items previously reported as assets and liabilities to deferred outflows of resources or deferred inflows of resources.

San Antonio River Authority  
Net Position by Component  
Last Ten Years

	Fiscal Year			
	2008	2009	2010	2011
Governmental activities				
Net investment in capital assets	\$ 224,986,472	\$ 272,930,179	\$ 282,738,577	\$ 353,820,629
Restricted	2,560,183	4,148,081	2,740,309	7,292,287
Unrestricted	17,096,466	22,154,930	24,323,085	19,001,393
Total governmental activities net position	<u>\$ 244,643,121</u>	<u>\$ 299,233,190</u>	<u>\$ 309,801,971</u>	<u>\$ 380,114,309</u>
Business-type activities				
Net investment in capital assets	\$ 24,383,832	\$ 25,356,024	\$ 25,486,015	\$ 24,610,241
Restricted	8,375,232	7,613,037	6,497,154	8,485,058
Unrestricted	5,578,635	6,984,412	5,395,985	4,096,133
Total business-type activities net position	<u>\$ 38,337,699</u>	<u>\$ 39,953,473</u>	<u>\$ 37,379,154</u>	<u>\$ 37,191,432</u>
Primary government				
Net investment in capital assets	\$ 249,370,304	\$ 298,286,203	\$ 308,224,592	\$ 378,430,870
Restricted	10,935,415	11,761,118	9,237,463	15,777,345
Unrestricted	22,675,101	29,139,342	29,719,070	23,097,526
Total primary government net position	<u>\$ 282,980,820</u>	<u>\$ 339,186,663</u>	<u>\$ 347,181,125</u>	<u>\$ 417,305,741</u>

Note: GASB 63 renames the statement of net assets as the statement of net position and provides guidance for reporting deferred outflows or resources and deferred inflows of resources within the financial statements or governmental entities. The River Authority made this change in fiscal year 2013.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 405,475,880	\$ 453,581,745	\$ 457,027,718	\$ 458,716,760	\$ 465,973,372	\$ 463,853,063
6,733,084	6,425,566	9,208,478	6,003,312	6,252,811	4,269,249
15,066,632	18,362,082	15,008,284	18,972,630	22,478,110	24,456,343
<u>\$ 427,275,596</u>	<u>\$ 478,369,393</u>	<u>\$ 481,244,480</u>	<u>\$ 483,692,702</u>	<u>\$ 494,704,293</u>	<u>\$ 492,578,655</u>
\$ 22,671,819	\$ 26,750,240	\$ 28,130,601	\$ 28,957,251	\$ 27,524,744	\$ 28,147,329
12,350,883	8,463,921	6,571,105	6,712,469	3,134,754	5,378,667
4,467,523	3,740,397	4,811,695	6,653,144	11,551,308	11,693,848
<u>\$ 39,490,225</u>	<u>\$ 38,954,558</u>	<u>\$ 39,513,401</u>	<u>\$ 42,322,864</u>	<u>\$ 42,210,806</u>	<u>\$ 45,219,844</u>
\$ 428,147,699	\$ 480,331,985	\$ 485,158,319	\$ 487,674,011	\$ 493,498,116	\$ 492,000,392
19,083,967	14,889,487	15,779,583	12,715,781	9,387,565	9,647,916
19,534,155	22,102,479	19,819,979	25,595,774	34,029,418	36,150,191
<u>\$ 466,765,821</u>	<u>\$ 517,323,951</u>	<u>\$ 520,757,881</u>	<u>\$ 525,985,566</u>	<u>\$ 536,915,099</u>	<u>\$ 537,798,499</u>

San Antonio River Authority  
Changes in Net Position  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
<b>Expenses</b>				
Governmental activities:				
General government	\$ 7,059,785	\$ 6,717,172	\$ 6,804,463	\$ 7,943,352
Program support	-	-	-	-
Operations	747,431	11,395,792	12,671,396	17,143,213
Watershed management	12,866,564	-	-	-
Technical Services	-	5,744,225	8,111,778	9,545,786
Planning and development	1,907,091	-	-	-
Interest and other fees	2,354,161	2,438,057	2,075,150	1,888,199
Total governmental activities	<u>24,935,032</u>	<u>26,295,246</u>	<u>29,662,787</u>	<u>36,520,550</u>
Business-type activities:				
Operations:				
Utilities	9,514,092	10,368,609	10,602,829	11,262,709
Parks	1,671,369	1,835,350	811,854	-
Total business-type activities expenses	<u>11,185,461</u>	<u>12,203,959</u>	<u>11,414,683</u>	<u>11,262,709</u>
Total primary government expenses	<u>36,120,493</u>	<u>38,499,205</u>	<u>41,077,470</u>	<u>47,783,259</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	2,720,165	3,143,092	2,901,756	2,573,444
Operations	21,586	118,241	527,856	665,971
Watershed management	251,453	-	-	-
Technical services	-	356,629	536,090	451,664
Planning and development	217,210	-	-	-
Operating grants and contributions				
General government	-	262,099	148,596	33,358
Program support	-	-	-	-
Operations	-	601,955	978,680	206,620
Watershed management	433,989	-	-	-
Technical services	-	511,792	617,260	590,633
Planning and development	364,149	-	-	-
Capital grants and contributions				
General government	-	-	-	-
Operations	-	33,945,121	17,755,203	79,686,681
Watershed management	7,861,984	-	-	-
Technical services	-	-	-	3,991,095
Interest and other fees	-	-	-	-
Total governmental activities program revenues	<u>11,870,536</u>	<u>38,938,929</u>	<u>23,465,441</u>	<u>88,199,466</u>

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 10,236,092	\$ 10,572,749	\$ 25,187,998	\$ 23,734,542	\$ 10,202,949	\$ 35,055,308
6,046,699	7,361,155	7,291,215	8,061,334	-	-
17,371,274	12,805,687	6,339,186	7,224,872	37,224,546	28,066,284
-	-	-	-	-	-
3,697,743	5,326,820	6,008,841	5,241,171	9,072,456	7,966,559
-	-	-	-	-	-
1,669,231	1,482,026	1,553,757	1,193,290	961,639	879,661
<u>39,021,039</u>	<u>37,548,437</u>	<u>46,380,997</u>	<u>45,455,209</u>	<u>57,461,590</u>	<u>71,967,812</u>
11,480,965	12,092,625	12,883,470	13,410,525	13,637,691	12,877,311
-	-	-	-	-	-
<u>11,480,965</u>	<u>12,092,625</u>	<u>12,883,470</u>	<u>13,410,525</u>	<u>13,637,691</u>	<u>12,877,311</u>
<u>50,502,004</u>	<u>49,641,062</u>	<u>59,264,467</u>	<u>58,865,734</u>	<u>71,099,281</u>	<u>84,845,123</u>
2,498,383	2,589,453	2,116,619	2,317,148	2,655,565	29,427,485
1,132,605	1,484,928	5,239,975	10,934,241	21,985,728	2,141,822
-	-	-	-	-	-
572,935	550,205	469,359	416,935	403,922	912,020
-	-	-	-	-	-
217,260	450,158	112,984	281,768	171,174	155,709
-	15,824	-	-	-	-
66,189	261,980	477,709	518,041	340,453	1,634,312
-	-	-	-	-	-
336,653	677,474	1,035,303	3,621,045	40,716	37,762
-	-	-	-	-	-
-	-	-	-	-	490,000
61,300,773	62,693,966	18,427,713	5,323,165	13,193,294	6,417,209
-	-	-	-	-	-
1,267,053	329,995	243,073	1,289,815	2,508,348	2,692,521
-	-	-	-	-	-
<u>67,391,851</u>	<u>69,053,983</u>	<u>28,122,735</u>	<u>24,702,158</u>	<u>41,299,200</u>	<u>43,908,840</u>

(continued)



San Antonio River Authority  
Changes in Net Position (continued)  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
Business-type activities:				
Charges for services				
Operations:				
Utilities	\$ 7,846,394	\$ 8,647,461	\$ 8,691,636	\$ 9,697,771
Park services	1,281,799	1,257,454	453,535	-
Operating grants and contributions				
Operations:				
Utilities	-	-	-	-
Park services	-	-	-	-
Capital grants and contributions				
Operations:				
Utilities	1,072,523	1,930,693	918,033	1,039,363
Park services	1,018,170	716,105	-	-
Total business-type activities program revenues	<u>11,218,886</u>	<u>12,551,713</u>	<u>10,063,204</u>	<u>10,737,134</u>
Total primary government program revenues	<u>23,089,422</u>	<u>51,490,642</u>	<u>33,528,645</u>	<u>98,936,600</u>
Net (expense)/revenue				
Governmental activities	(13,064,496)	12,643,683	(6,197,346)	51,678,916
Business-type activities	<u>33,425</u>	<u>347,754</u>	<u>(1,351,479)</u>	<u>(525,575)</u>
Total primary government net expense	<u>(13,031,071)</u>	<u>12,991,437</u>	<u>(7,548,825)</u>	<u>51,153,341</u>
<b>General Revenues and Other Changes In Net Position</b>				
Governmental activities				
Property taxes	14,903,927	16,408,411	16,835,358	17,428,109
Investment earnings	957,517	889,224	(67,262)	261,136
Intergovernmental	47,870	-	-	137,500
Miscellaneous	289,333	120,620	181,655	268,992
Net gain (loss) on disposal of capital assets	-	-	-	-
Contributed capital	1,477,752	-	-	-
Special item/restatement of net position	-	-	-	-
Transfers	<u>(218,027)</u>	<u>(341,567)</u>	<u>(183,624)</u>	<u>-</u>
Total governmental activities	<u>17,458,372</u>	<u>17,076,688</u>	<u>16,766,127</u>	<u>18,095,737</u>

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 10,790,193	\$ 10,833,126	\$ 11,219,264	\$ 11,891,387	\$ 12,081,771	\$ 13,362,850
-	-	-	-	-	-
55,383	-	9,140	9,143	-	-
-	-	-	-	-	-
2,595,799	1,742,703	1,555,436	1,592,548	1,201,136	2,181,264
-	-	-	-	-	-
<u>13,441,375</u>	<u>12,575,829</u>	<u>12,783,840</u>	<u>13,493,078</u>	<u>13,282,907</u>	<u>15,544,114</u>
<u>80,833,226</u>	<u>81,629,812</u>	<u>40,906,575</u>	<u>38,195,236</u>	<u>54,582,107</u>	<u>59,452,954</u>
28,370,812	31,505,546	(18,258,262)	(20,753,051)	(16,162,390)	(28,058,972)
<u>1,960,410</u>	<u>483,204</u>	<u>(99,630)</u>	<u>82,553</u>	<u>(354,784)</u>	<u>2,666,803</u>
<u>30,331,222</u>	<u>31,988,750</u>	<u>(18,357,892)</u>	<u>(20,670,498)</u>	<u>(16,517,174)</u>	<u>(25,392,169)</u>
18,255,301	18,958,404	21,196,901	22,955,094	24,741,457	25,698,484
231,236	39,132	157,122	2,484	188,558	143,210
-	-	700	-	-	-
303,938	212,837	226,845	213,695	810,824	172,643
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	(448,219)	-	-	(81,003)
<u>18,790,475</u>	<u>19,210,373</u>	<u>21,133,349</u>	<u>23,171,273</u>	<u>25,740,839</u>	<u>25,933,334</u>

(continued)

San Antonio River Authority  
Changes in Net Position (continued)  
Last Ten Fiscal Years  
(accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
Business-type activities				
Investment earnings	\$ 832,987	\$ 584,116	\$ 115,354	\$ 315,418
Intergovernmental	52,832	323,916	183,866	67,322
Miscellaneous	149,509	18,421	60,994	13,546
Net gain (loss) on disposal of capital assets	-	-	(2,282,780)	-
Transfers	218,027	341,567	183,624	-
Total business-type activities	1,253,355	1,268,020	(1,738,942)	396,286
Total primary government	18,711,727	18,344,708	15,027,185	18,492,023
<b>Change in Net Position</b>				
Governmental activities	4,393,876	29,720,371	10,568,781	69,774,653
Business-type activities	1,286,780	1,615,774	(3,090,421)	(129,289)
Total primary government	<u>\$ 5,680,656</u>	<u>\$ 31,336,145</u>	<u>\$ 7,478,360</u>	<u>\$ 69,645,364</u>

Note: GASB 63 renames the statement of net assets as the statement of net position and provides guidance for reporting deferred outflows or resources and deferred inflows of resources within the financial statements of governmental entities. The River Authority made this change in fiscal year 2013.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 250,712	\$ 79,669	\$ 79,669	\$ 29,367	\$ 22,731	\$ 67,296
10,064	400	400	-	-	-
77,607	82,007	82,007	176,418	219,995	193,936
-	-	-	-	-	-
-	-	-	-	-	81,003
<u>338,383</u>	<u>162,076</u>	<u>162,076</u>	<u>205,785</u>	<u>242,726</u>	<u>342,235</u>
<u>19,128,858</u>	<u>19,372,449</u>	<u>19,372,449</u>	<u>23,377,058</u>	<u>25,983,565</u>	<u>26,275,569</u>
47,161,287	50,715,919	2,875,087	2,418,222	9,578,449	(2,125,638)
<u>2,298,793</u>	<u>645,280</u>	<u>62,446</u>	<u>288,338</u>	<u>(112,058)</u>	<u>3,009,038</u>
<u>\$ 49,460,080</u>	<u>\$ 51,361,199</u>	<u>\$ 2,937,533</u>	<u>\$ 2,706,560</u>	<u>\$ 9,466,391</u>	<u>\$ 883,400</u>

San Antonio River Authority  
Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
General Fund				
Reserved	\$ 1,739,607	\$ 1,820,574	\$ 4,039,126	\$ -
Unreserved	11,886,474	15,054,947	12,770,843	-
Nonspendable:				
Prepaid items	-	-	-	166,354
Notes receivable, long term portion	-	-	-	847,800
Inventory	-	-	-	8,531
Restricted:				
TWDB projects	-	-	-	-
Committed:				
Operating reserve	-	-	-	-
Reserve	-	-	-	-
Water rights	-	-	-	-
Assigned:				
General government	-	-	-	708,298
Program Support	-	-	-	-
Parks	-	-	-	218,744
Water quality	-	-	-	201,917
Watershed management	-	-	-	1,451,230
Water management	-	-	-	267,478
Contract commitments	-	-	-	-
TWDB projects	-	-	-	-
Unassigned	-	-	-	13,101,223
Total general fund	<u>\$ 13,626,081</u>	<u>\$ 16,875,521</u>	<u>\$ 16,809,969</u>	<u>\$ 16,971,575</u>
All other governmental funds				
Reserved	\$ 9,962,148	\$ 9,723,741	\$ 8,968,556	\$ -
Unreserved, reported in				
Special revenue funds	2,348,674	534,289	1,783,887	-
Capital projects funds	(2,465,135)	(1,308,883)	(1,676,026)	-
Nonspendable:				
Prepaid items	-	-	-	-
Restricted:				
Debt service	-	-	-	6,023,710
Construction	-	-	-	1,056,540
Watershed management	-	-	-	191,217
Water management	-	-	-	20,820
Committed:				
Unrestricted Reserve	-	-	-	-
Parks	-	-	-	116,856
Economic development	-	-	-	61,574
Assigned - projects	-	-	-	-
Unassigned	-	-	-	(14,316)
Total all other governmental funds	<u>\$ 9,845,687</u>	<u>\$ 8,949,147</u>	<u>\$ 9,076,417</u>	<u>\$ 7,456,401</u>

Note:

With the implementation of GASB 54, fund balance will be reported differently beginning in 2011.

The information will be presented on a prospective basis.

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
246,803	234,088	214,419	136,695	17,879	33,981
847,525	959,382	903,225	735,863	463,860	303,832
9,739	10,506	7,372	7,794	6,958	5,127
-	-	1,579,162	429,850	249,027	206,781
-	-	3,231,198	6,879,043	7,287,329	8,006,932
-	-	6,154,848	5,585,700	-	-
-	-	50,000	-	-	-
1,152,712	523,337	-	-	-	-
268,869	147,512	-	-	-	-
210,826	398,315	-	-	-	-
117,751	171,033	-	-	-	-
1,081,653	1,279,396	-	-	-	-
251,777	-	-	-	-	-
-	-	4,377,258	1,815,639	1,251,003	1,098,418
-	-	441,436	441,436	-	-
12,678,158	13,218,181	1,559,505	2,184,422	2,459,197	1,238,413
<u>\$ 16,865,813</u>	<u>\$ 16,941,750</u>	<u>\$ 18,518,423</u>	<u>\$ 18,216,442</u>	<u>\$ 11,735,253</u>	<u>\$ 10,893,484</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	2,305,000
5,268,015	4,738,857	4,527,405	4,265,023	4,287,026	2,142,351
1,080,041	1,141,442	2,661,775	871,847	1,287,890	1,064,651
283,884	525,273	364,756	357,948	243,841	644,625
101,144	19,994	75,380	78,644	185,027	210,841
-	-	-	-	6,373,994	6,002,082
219,977	294,716	307,871	339,358	374,071	385,066
53,383	45,932	39,909	33,934	28,006	22,125
-	-	-	-	2,729,225	3,764,470
-	(67,161)	(116,035)	(182,928)	-	-
<u>\$ 7,006,444</u>	<u>\$ 6,699,053</u>	<u>\$ 7,861,061</u>	<u>\$ 5,763,826</u>	<u>\$ 15,509,080</u>	<u>\$ 16,541,211</u>

San Antonio River Authority  
Changes in Fund Balances of Governmental Funds  
Last Ten Fiscal Years  
(modified accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
<b>Revenues</b>				
Taxes	\$ 14,875,699	\$ 16,357,830	\$ 16,799,655	\$ 17,339,015
Intergovernmental	8,333,276	13,077,952	18,398,004	46,107,762
Charges for services	1,316,509	4,017,869	1,681,409	1,297,589
Investment earnings	956,475	884,064	(71,767)	259,277
Support fees	2,095,178	2,223,994	2,287,469	2,133,855
Contribution revenue	-	-	335,185	-
Miscellaneous	462,776	287,376	183,078	268,992
Total Revenues	<u>28,039,913</u>	<u>36,849,085</u>	<u>39,613,033</u>	<u>67,406,490</u>
<b>Expenditures</b>				
General government	5,698,126	5,932,176	6,451,418	7,336,957
Program support	-	-	-	-
Operations	765,765	4,432,826	5,331,852	5,604,826
Watershed management	6,454,437	-	-	-
Technical services	-	6,071,862	8,088,043	7,065,840
Planning and development	1,907,808	-	-	-
Capital outlay	6,935,758	15,868,661	13,570,030	43,669,036
Debt service				
Principal	4,300,000	3,680,000	3,825,000	3,975,000
Interest	2,254,395	2,168,291	1,975,384	1,776,556
Capital lease principal	-	-	443,352	483,206
Bond issuance cost	-	-	-	35,631
Total Expenditures	<u>28,316,289</u>	<u>38,153,816</u>	<u>39,685,079</u>	<u>69,947,052</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(276,376)</u>	<u>(1,304,731)</u>	<u>(72,046)</u>	<u>(2,540,562)</u>
<b>Other financing sources (uses)</b>				
Transfers in	5,842,275	6,024,607	5,853,073	5,711,026
Transfers out	(6,591,302)	(6,366,174)	(6,036,697)	(5,711,026)
Refunding bonds issued	-	-	-	2,475,000
Bonds issued	-	-	-	-
Premium on bonds issued	-	-	-	-
Discount on bonds issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	(2,465,000)
Contributed capital	-	-	-	-
Capital leases	781,741	972,490	317,390	534,467
Total other financing sources (uses)	<u>32,714</u>	<u>630,923</u>	<u>133,766</u>	<u>544,467</u>
Cumulative effect of change in accounting principle	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (243,662)</u>	<u>\$ (673,808)</u>	<u>\$ 61,720</u>	<u>\$ (1,996,095)</u>
Debt service as a percentage of noncapital expenditures	31%	26%	22%	22%

Fiscal Year						
2012	2013	2014	2015	2016	2017	
\$ 18,091,785	\$ 18,984,993	\$ 21,184,225	\$ 22,947,890	\$ 24,276,704	\$ 25,682,722	
63,678,134	65,173,161	25,024,813	21,323,488	38,067,735	40,038,344	
1,733,544	1,436,995	4,906,481	1,125,223	958,317	913,038	
230,252	43,105	157,959	2,484	183,948	165,262	
2,113,251	2,051,806	2,222,808	2,253,647	2,301,631	2,384,595	
-	-	-	-	-	-	
190,089	212,837	226,845	213,495	859,704	722,756	
<u>86,037,055</u>	<u>87,902,897</u>	<u>53,723,131</u>	<u>47,866,227</u>	<u>66,648,039</u>	<u>69,906,717</u>	
8,806,284	8,574,664	11,849,152	9,657,176	8,956,409	33,186,385	
6,081,054	7,113,412	7,291,215	8,061,334	-	-	
7,754,144	3,130,028	6,296,759	4,781,083	21,846,883	12,789,244	
-	-	-	-	-	-	
3,558,335	5,188,173	5,967,387	5,236,610	8,704,558	7,537,102	
-	-	-	-	-	-	
54,181,374	59,820,241	18,445,340	18,829,393	20,811,396	11,693,866	
4,165,000	3,785,000	6,605,000	2,583,000	2,756,000	2,912,000	
1,557,588	1,410,137	1,313,103	1,140,386	868,728	826,755	
488,995	362,139	247,274	97,288	40,000	-	
-	-	-	-	-	-	
<u>86,592,774</u>	<u>89,383,794</u>	<u>58,015,230</u>	<u>50,386,270</u>	<u>63,983,974</u>	<u>68,945,352</u>	
<u>(555,719)</u>	<u>(1,480,897)</u>	<u>(4,292,099)</u>	<u>(2,520,043)</u>	<u>2,664,065</u>	<u>961,365</u>	
4,925,439	4,816,804	4,064,096	3,140,928	11,456,361	5,168,156	
(4,925,439)	(4,816,804)	(4,512,315)	(3,140,928)	(12,056,361)	(5,939,159)	
-	-	-	-	-	-	
-	-	12,565,000	8,265,000	1,200,000	-	
-	-	-	-	-	-	
-	-	-	-	-	-	
-	-	(5,086,001)	(8,144,173)	-	-	
-	391,943	-	-	-	-	
-	274,259	-	-	-	-	
<u>-</u>	<u>666,202</u>	<u>7,030,780</u>	<u>120,827</u>	<u>600,000</u>	<u>(771,003)</u>	
-	-	-	-	-	-	
<u>\$ (555,719)</u>	<u>\$ (814,695)</u>	<u>\$ 2,738,681</u>	<u>\$ (2,399,216)</u>	<u>\$ 3,264,065</u>	<u>\$ 190,362</u>	
18%	18%	20%	12%	8%	7%	



San Antonio River Authority  
Appraised Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years  
June 30, 2017

**Bexar County**

<b>Tax Year</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Taxable Value as a percentage of Appraised Value</b>	<b>Tax Rate</b>
	<b>Appraised Value</b>	<b>Taxable Value (less exemptions)</b>	<b>Appraised &amp; Taxable Value</b>		
2007	\$ 83,971,345,031	\$ 68,647,158,176	\$ 8,826,468,164	83.49%	0.015951
2008	88,957,781,593	82,182,294,673	10,289,009,261	93.17%	0.015951
2009	108,635,006,148	100,160,967,345	10,802,104,259	92.91%	0.015951
2010	108,496,664,484	99,271,473,117	10,290,115,911	92.23%	0.016652
2011	100,096,378,503	86,891,406,112	10,509,046,368	88.06%	0.017370
2012	101,285,402,209	87,840,941,364	11,078,331,512	88.03%	0.017370
2013	106,280,292,305	83,446,802,521	12,095,102,326	80.71%	0.017798
2014	111,755,514,356	101,338,301,511	10,782,378,511	91.50%	0.017500
2015	122,537,892,867	112,120,680,022	11,972,853,978	92.26%	0.017290
2016	144,582,355,351	132,536,379,259	13,948,471,899	92.40%	0.017290

**Goliad County**

<b>Tax Year</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Taxable Value as a percentage of Appraised Value</b>	<b>Tax Rate</b>
	<b>Appraised Value</b>	<b>Taxable Value (less exemptions)</b>	<b>Appraised &amp; Taxable Value</b>		
2007	\$ 1,457,108,393	\$ 986,138,687	\$ 10,435,933	67.91%	0.015951
2008	1,668,596,753	1,128,294,183	8,153,305	67.78%	0.015951
2009	2,197,148,360	1,270,834,800	8,211,430	58.00%	0.015951
2010	1,978,086,470	1,054,439,233	8,020,580	53.49%	0.016652
2011	1,962,834,150	921,887,540	9,280,680	47.22%	0.017370
2012	2,037,226,720	933,263,190	9,607,470	46.06%	0.017370
2013	1,976,546,530	831,439,820	9,835,390	42.35%	0.017798
2014	1,131,210,960	1,113,517,640	9,534,680	98.45%	0.017500
2015	2,607,062,270	1,123,052,320	9,534,680	43.28%	0.017290
2016	1,117,170,519	1,015,858,924	95,970,278	91.65%	0.017290

**Karnes County**

<b>Tax Year</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Taxable Value as a percentage of Appraised Value</b>	<b>Tax Rate</b>
	<b>Appraised Value</b>	<b>Taxable Value (less exemptions)</b>	<b>Appraised &amp; Taxable Value</b>		
2007	\$ 828,906,253	\$ 387,647,544	\$ 17,587,514	47.87%	0.015951
2008	985,253,727	398,518,153	20,829,099	41.68%	0.015951
2009	1,178,499,511	484,904,191	25,448,664	42.39%	0.015951
2010	561,536,087	536,727,090	21,645,213	95.75%	0.016652
2011	1,571,525,941	859,372,197	25,634,823	55.41%	0.017370
2012	3,525,874,616	2,715,758,318	32,767,473	77.24%	0.017370
2013	6,847,045,367	5,949,390,999	13,693,107	86.92%	0.017798
2014	9,298,201,200	9,800,745,169	956,229,573	104.90%	0.017500
2015	10,259,566,270	10,237,235,963	959,229,573	99.80%	0.017290
2016	5,391,685,871	5,367,361,438	63,170,522	99.55%	0.017290

San Antonio River Authority  
Appraised Value and Estimated Actual Value of Taxable Property (continued)  
Last Ten Fiscal Years  
June 30, 2017

**Wilson County**

<b>Tax Year</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Taxable Value as a percentage of Appraised Value</b>	<b>Tax Rate</b>
	<b>Appraised Value</b>	<b>Taxable Value (less exemptions)</b>	<b>Appraised &amp; Taxable Value</b>		
2007	\$ 1,741,304,267	\$ 1,730,772,763	\$ 123,442,372	99.44%	0.015951
2008	1,834,823,906	1,657,058,053	137,077,257	90.99%	0.015951
2009	1,899,925,395	1,739,704,567	140,408,948	92.15%	0.015951
2010	2,184,923,400	1,990,680,359	131,637,136	91.62%	0.016652
2011	2,381,570,225	2,131,638,207	139,654,239	90.09%	0.017370
2012	2,482,261,987	2,301,600,478	176,668,872	93.21%	0.017370
2013	2,742,956,405	2,142,163,081	248,471,932	79.92%	0.017370
2014	2,898,623,934	2,615,814,259	245,189,970	91.00%	0.017500
2015	3,143,788,181	2,867,545,945	281,336,360	91.93%	0.017290
2016	3,093,590,980	2,769,469,017	195,713,642	90.15%	0.017290

Source of data: Bexar, Karnes, Goliad and Wilson Counties Appraisal Districts

San Antonio River Authority  
Principal Taxpayers  
Current Year and Nine Years Ago  
June 30, 2017

2016						
		<u>Total Taxable Value</u>		<u>County Taxable Value</u>		
	<u>Taxable Value</u>	<u>Rank</u>	<u>Percent</u>	<u>Rank</u>	<u>Percent</u>	
<b>Bexar County</b>						
H.E. Butt Grocery Stores	\$ 1,354,712,848	-	1.07%	1	1.21%	
Wal-Mart Stores, Inc.	679,929,355	-	0.54%	2	0.61%	
Methodist Healthcare System	666,134,256	-	0.53%	4	0.59%	
VHS San Antonio Partners LP	520,865,623	-	0.41%	3	0.46%	
USAA	409,527,220	-	0.32%	5	0.37%	
Microsoft Corporation	374,883,001	-	0.30%	6	0.33%	
La Cantera Specialty Retail LP	354,889,660	-	0.28%	7	0.32%	
Southwestern Bell Telephone	352,861,197	-	0.28%	8	0.31%	
Halliburton Energy Services, Inc.	317,325,720	-	0.25%	9	0.28%	
SA Real Estate LLP	271,155,040	-	0.21%	10	0.24%	
Toyota Motor MFG Teas Inc.	-	-	-	-	-	
New Rivercenter Mall, LP	-	-	-	-	-	
Time Warner Cable	-	-	-	-	-	
Frost National Bank	-	-	-	-	-	
<b>Goliad County</b>						
Coletto Creek Power LP	\$ 255,311,670	-	0.20%	1	22.76%	
DCP South Central Texas LLC	156,646,610	-	0.12%	2	13.95%	
DCP San Hills Pipeline	33,668,560	-	0.03%	3	3.00%	
AEP Texas Central Co	27,639,330	-	0.02%	4	2.46%	
Eagle Ford Gathering LLC	20,070,140	-	0.02%	5	1.79%	
Flint Hills Resources LP	17,455,660	-	0.01%	6	1.55%	
Kinder Morgan Tejas Pipeline	14,476,270	-	0.01%	7	1.29%	
DCP South Central Texas LLC	9,090,040	-	0.01%	8	0.81%	
LCRA Transmission Services	8,111,590	-	0.01%	9	0.72%	
Strike USA LLC	5,820,000	-	0.00%	10	0.52%	
Charro Operating LLC	-	-	-	-	-	
Chesapeake Operating, Inc.	-	-	-	-	-	
Petrohawk Operating Company	-	-	-	-	-	
Erskine Operating LLC	-	-	-	-	-	
T-C Oil Company LLC	-	-	-	-	-	
Swift Energy Operating LLC	-	-	-	-	-	
Cody Energy LLC	-	-	-	-	-	
KCS Resources, Inc.	-	-	-	-	-	

**2007**

<u>Taxable Value</u>	<u>Total Taxable Value</u>		<u>County Taxable Value</u>	
	<u>Rank</u>	<u>Percent</u>	<u>Rank</u>	<u>Percent</u>
\$ 735,259,415	1	0.91%	1	0.95%
348,566,983	3	0.43%	3	0.45%
220,974,508	7	0.27%	6	0.29%
251,810,826	6	0.31%	5	0.33%
334,521,097	4	0.41%	4	0
-	-	-	-	-
-	-	-	-	-
568,799,265	2	-	2	0.73%
-	-	-	-	-
-	-	-	-	-
182,767,060	8	0.23%	7	0.24%
178,976,592	9	0.22%	8	0.23%
178,018,680	10	0.22%	9	0.23%
175,702,162	-	-	10	-
\$ 318,955,400	5	0.40%	1	32.01%
-	-	-	-	-
-	-	-	-	-
27,481,140	-	0.03%	5	2.76%
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
45,782,460	-	0.06%	3	4.59%
68,206,980	-	0.08%	2	6.84%
31,845,250	-	0.04%	4	3.20%
27,207,270	-	0.03%	6	2.73%
23,628,810	-	0.03%	7	2.37%
10,964,850	-	0.01%	10	1.10%
11,768,890	-	0.01%	9	1.18%
20,410,830	-	0.03%	8	2.05%

San Antonio River Authority  
Principal Taxpayers (continued)  
Current Year and Nine Years Ago  
June 30, 2017

		2016				
		<u>Total Taxable Value</u>		<u>County Taxable Value</u>		
	<u>Taxable Value</u>	<u>Rank</u>	<u>Percent</u>	<u>Rank</u>	<u>Percent</u>	
<b>Karnes County</b>						
Marathon Oil Company	\$ 597,217,499	-	0.47%	1	5.55%	
EOG Resources Inc/Min Accts	522,113,130	-	0.41%	2	4.85%	
Burlington Resources Oil & Gas	301,301,130	-	0.24%	3	2.80%	
Encana Oil and Gas	249,850,420	-	0.20%	4	2.32%	
ETC Texas Processing LTD	164,407,000	-	0.13%	5	1.53%	
Murphy Exploration and Production	157,175,130	-	0.12%	6	1.46%	
EOG Resources Inc	102,033,995	-	0.08%	7	0.95%	
Pioneer Natural Resources USA	91,621,760	-	0.07%	8	0.85%	
ELG Oil, Inc.	85,846,050	-	0.07%	9	0.80%	
Enterprise Texas Pipeline LP	75,072,666	-	0.06%	10	0.70%	
Legend Natural Gas II, LP	-	-	-	-	-	
AEP Texas Central Company	-	-	-	-	-	
Aqualon Company	-	-	-	-	-	
Southwestern Bell Telephone Company	-	-	-	-	-	
Whiting Oil & Gas Company	-	-	-	-	-	
LCRA Transmission Services Corp.	-	-	-	-	-	
XTO Energy, Inc.	-	-	-	-	-	
CSM Operating, LLC	-	-	-	-	-	
Onshore Drilling, LLC	-	-	-	-	-	
Flint Hill Resources	-	-	-	-	-	
<b>Wilson County</b>						
Brazos Electric Power Coop	\$ 15,254,080	1	0.01%	1	0.53%	
Step Energy Services	14,211,690	2	0.01%	2	0.50%	
EOG Resources Inc	14,088,065	3	0.01%	3	0.49%	
Fluid Delievery Solutions, LLC	12,818,570	4	0.01%	4	0.45%	
H.E.B. Grocery Company LP	11,805,183	5	0.01%	5	0.41%	
Enterprise Crude Pipeline, LLC	11,555,830	6	0.01%	6	0.40%	
EOG Resources Inc	11,454,770	7	0.01%	7	0.40%	
Twin Eagle Sands Logistics	10,973,890	8	0.01%	8	0.38%	
Hunt Oil Company	10,479,796	9	0.01%	9	0.37%	
SA Oakland Hills, LLS	9,002,000	10	0.01%	10	0.31%	
Verizon Southwest	-	-	-	-	-	
River Bend Community LLP	-	-	-	-	-	
River Place Realty Company	-	-	-	-	-	
Lyssy & Eckel Inc	-	-	-	-	-	
Texas Tall Tower Corporation	-	-	-	-	-	
Houston Pipeline Co., LP	-	-	-	-	-	
Flint Hills Resources LP	-	-	-	-	-	
Pinel LP	-	-	-	-	-	

Source of data: Bexar, Karnes, Goliad and Wilson Counties Appraisal Districts

2007

Taxable Value	Total Taxable Value		County Taxable Value	
	Rank	Percent	Rank	Percent
\$ -	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
13,954,723	-	0.02%	1	3.44%
8,568,990	-	0.01%	2	2.11%
8,546,000	-	0.01%	3	2.11%
7,357,580	-	0.01%	4	1.82%
6,226,316	-	0.01%	5	1.54%
5,290,300	-	0.01%	6	1.31%
5,237,111	-	0.01%	7	1.29%
4,580,340	-	0.01%	8	1.13%
3,904,190	-	0.00%	9	0.96%
3,619,570	-	0.00%	10	0.89%
\$ 6,138,070	-	0.01%	4	0.33%
-	-	-	-	0.00%
-	-	-	-	0.00%
-	-	-	-	0.00%
3,978,070	-	0.00%	6	0.21%
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
4,891,640	-	0.01%	1	0.26%
9,894,930	-	0.01%	2	0.53%
9,399,760	-	0.01%	3	0.51%
8,055,200	-	0.01%	5	0.43%
3,621,060	-	0.00%	7	0.20%
3,494,740	-	0.00%	8	0.19%
3,349,580	-	0.00%	9	0.18%
3,173,750	-	0.00%	10	0.17%

San Antonio River Authority  
Property Tax Levies and Collections  
Last Ten Fiscal Years

	Fiscal Year			
	2008	2009	2010	2011
Total tax levy	\$ 14,920,166	\$ 16,526,978	\$ 16,806,248	\$ 17,358,564
Collections, 2007 levy year	\$ 14,201,744	\$ 585,614	\$ 30,905	\$ 12,592
Collections, 2008 levy year	-	15,686,281	712,340	22,254
Collections, 2009 levy year	-	-	15,873,709	594,980
Collections, 2010 levy year	-	-	-	16,528,389
Collections, 2011 levy year	-	-	-	142
Collections, 2012 levy year	-	-	-	-
Collections, 2013 levy year	-	-	-	-
Collections, 2014 levy year	-	-	-	-
Collections, 2015 levy year	-	-	-	-
Collections, 2016 levy year	-	-	-	-
Total collections, fiscal year	<u>\$ 14,201,744</u>	<u>\$ 16,271,894</u>	<u>\$ 16,616,954</u>	<u>\$ 17,158,357</u>
Percentage of levy collected in fiscal year	95.18%	94.91%	94.45%	95.22%
Percentage of levy collected in subsequent fiscal years	4.44%	4.84%	4.10%	3.53%
Percentage of total levy collected	99.63%	99.75%	98.55%	98.75%
Percent of levy outstanding	0.37%	0.25%	1.45%	1.25%

Fiscal Year						Total
2012	2013	2014	2015	2016	2017	by Levy Year
<u>\$ 18,196,453</u>	<u>\$ 18,925,662</u>	<u>\$ 21,028,877</u>	<u>\$ 22,469,811</u>	<u>\$ 24,872,736</u>	<u>\$ 26,332,580</u>	
\$ 16,044	\$ 13,109	\$ 4,775	\$ 583	\$ 2,014	\$ 1,994	\$ 14,869,375
22,732	22,040	19,821	833	3,272	2,538	16,492,111
47,249	22,631	23,686	1,317	5,958	3,203	16,572,733
540,186	43,827	28,315	1,751	19,930	5,957	17,168,355
17,298,817	668,579	43,901	2,490	23,473	12,154	18,049,556
161	18,123,625	94,052	4,561	24,807	13,736	18,260,942
-	487	20,298,182	12,501	29,086	19,234	20,359,490
-	-	-	21,473,700	78,577	31,700	21,583,977
-	-	-	-	23,870,313	105,919	23,976,232
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>25,527,921</u>	25,527,921
<u>\$ 17,925,190</u>	<u>\$ 18,894,298</u>	<u>\$ 20,512,732</u>	<u>\$ 21,497,736</u>	<u>\$ 24,057,430</u>	<u>\$ 25,724,356</u>	<u>\$ 192,860,692</u>
95.07%	95.76%	96.53%	95.57%	96.72%	97.69%	
3.92%	0.52%	0.02%	0.02%	0.11%	0.06%	
98.98%	96.28%	96.53%	95.59%	96.83%	97.75%	
1.02%	3.72%	3.45%	4.41%	3.17%	2.25%	



San Antonio River Authority  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Percentage of Personal Income	Per Capita
	Improvement Revenue Bonds	Lease Revenue Bond	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases			
2008	\$ 47,708,472	\$ 4,480,000	\$ 712,202	\$ 5,521,364	\$ 1,275,631	\$ 441,548	\$ 60,139,217	88.16%	\$ 35.67
2009	44,270,361	4,310,000	1,348,926	5,173,307	1,247,443	402,010	56,752,047	79.99%	34.23
2010	40,689,957	4,135,000	1,017,939	4,815,246	1,219,255	455,996	52,333,393	73.20%	30.76
2011	36,981,846	3,950,000	1,069,200	20,337,816	1,191,067	225,548	63,755,477	81.30%	36.86
2012	33,083,735	3,755,000	601,472	19,419,896	1,162,879	121,653	58,144,635	73.05%	32.99
2013	30,904,445	3,555,000	513,592	18,456,976	1,134,691	40,449	54,605,153	63.33%	29.47
2014	32,147,230	3,100,000	266,318	17,629,375	1,106,503	-	54,249,426	60.04%	28.97
2015	29,843,974	2,957,000	169,030	16,727,223	1,078,315	-	50,775,542	56.19%	27.11
2016	28,405,725	2,836,000	114,219	15,780,071	1,050,127	-	48,186,142	50.52%	24.39
2017	25,612,471	2,714,000	57,890	14,802,919	1,021,939	-	44,209,219	46.35%	22.37

Notes: Details regarding the Authority's outstanding debt can be found in the notes of the financial statements.

San Antonio River Authority  
Revenue Bond Coverage  
Wastewater Funds  
Last Ten Fiscal Years

<b>Fiscal Year</b>	<b>Gross Revenues (1)</b>	<b>Operating Expenses (2)</b>	<b>Net Revenue Available for Debt Service</b>	<b>Debt Service Requirements (3)</b>			<b>Coverage</b>
				<b>Principal</b>	<b>Interest</b>	<b>Total</b>	
2008	\$ 8,579,501	\$ 5,708,317	\$ 2,871,184	\$ 335,000	\$ 236,326	\$ 571,326	5.03
2009	9,828,375	6,431,980	3,396,395	350,000	224,289	574,289	5.91
2010	7,910,469	6,884,526	1,025,943	360,000	211,763	571,763	1.79
2011	9,144,699	7,599,176	1,545,523	385,000	197,975	582,975	2.65
2012	10,708,964	6,843,473	3,865,491	710,000	683,879	1,393,879	2.77
2013	10,128,821	7,264,112	2,864,709	750,000	588,971	1,338,971	2.14
2014	7,196,194	5,450,840	1,745,354	605,000	495,775	1,100,775	1.59
2015	7,752,963	6,019,688	1,733,275	655,000	485,675	1,140,675	1.52
2016	9,937,802	7,026,561	2,911,241	690,000	475,375	1,165,375	2.50
2017	10,871,964	6,851,643	4,020,321	710,000	454,125	1,164,125	3.45

(1) Total revenues include income and receipts of that portion of the system which guarantees debt service coverage.

(2) Total operating expenses exclusive of depreciation and River Authority allocations.

(3) Includes actual principal and interest payments of revenue bonds (not average P & I for debt service coverage).

San Antonio River Authority  
Full-Time Equivalent Employees by Function/Program  
Last Ten Fiscal Years

<u>Function/Program</u>	<u>As of June 30</u>				
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
<b>Governmental-type activities:</b>					
<b>General Government:</b>					
Board of Directors	0	1.5	1.5	1.6	0
Executive Offices	6	3	3	3.4	12
Intergovernmental & Community Relations	8	9	10	10	11
Human Resources	4	4.5	4.5	5	7
Director of Support Services	0	1	1	1	0
Finance	9	13	13	16	16
Information Technology	7	8	7	7	12
General Manager	0	0	0	0	0
Assistant General Manager	0	0	0	0	0
Director of Internal Resources	0	1	1	1	0
Internal Resources	0	6.2	6.2	4.3	0
Organizational Support	0	2	2	1	3
Administrative Services	8	0	0	0	0
<b>Technical Services:</b>					
Director of Technical Services	0	2	3	3	0
Environmental Sciences	0	24	23	24	25
Real Estate	0	5	5	4	4
Engineering	0	19	20	19	0
Watershed Engineering	0	0	0	0	29
Watershed Management	0	12.75	11.75	10	0
<b>Watershed Management:</b>					
Watershed Management	7	0	0	0	0
Environmental Sciences	23	0	0	0	0
Watershed Operations	15	0	0	0	0
<b>Operations:</b>					
Director of Operations	0	1	1	1	0
Facilities	0	0	0	0	3.5
Parks	3	3	3	9.1	10
Watershed Operations	0	25.65	27.65	41.4	55
Engineering	17	0	0	0	0
Water Resources & Community Development	0	5	5	5	0
<b>Planning &amp; Development:</b>					
Planning and Development	6	0	0	0	0
Real Estate	4	0	0	0	0
Community Relations	0	0	0	0	0
Water Resources	3	0	0	0	0
<b>Business-type activities:</b>					
<b>Operations:</b>					
Park Services	24	26.1	26.2	0	0
Utilities	63	64.3	64.2	64.2	52.5
<b>Total</b>	<u>207</u>	<u>237</u>	<u>239</u>	<u>231</u>	<u>240</u>

Source: The San Antonio River Authority annual budget report.

Notes: A full-time employee is scheduled to work 2,080 hours per year (including paid leave).

2013	2014	2015	2016	2017
0	0	0	0	0
9	5	5	6	11
14	15	15	15	15
6	7	7	7	6
0	0	0	0	0
16	13	13	13	14
13	11	11	12	14
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
2	1	1	2	0
0	0	0	0	0
0	0	0	1	0
26	27	30	36	38
5	4	4	4.5	5
0	0	0	0	0
32	28.5	31	28.5	27
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	1	0
3.5	3.5	4.5	6.5	6
9	0	0	0	0
52	63	65	64	71
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
52.5	52.5	52.5	52.5	53
240	230.5	239	249	260

San Antonio River Authority  
Miscellaneous Statistics  
June 30, 2017

San Antonio River Authority

Creation by act of legislature

May 5, 1937

Form of government

Elected Board of Directors

Number of Board of Directors

12

Area of jurisdiction (in square miles)

3,677

Government facilities and County location:

Main office – administration

Bexar County, Texas

Environmental Center – technical services

Bexar County, Texas

Parks operated and maintained by the River Authority

Jackson Nature Park

Wilson County, Texas

Helton San Antonio River Nature Park

Wilson County, Texas

Graytown Park on the San Antonio River

Wilson County, Texas

Branch River Walk

Goliad County, Texas

River Crossing on the San Antonio River

Bexar County, Texas

Mann's Crossing on the Medina River

Bexar County, Texas

Truehart Ranch

Bexar County, Texas

<b>Fiscal Year</b>	<b>Braunig Park</b>	<b>Calaveras Park</b>
2003	125,278	128,454
2004	134,918	146,630
2005	119,591	139,053
2006	119,679	151,898
2007	107,879	126,276
2008	131,953	155,878
2009	433,489	224,332
*2010	65,900	80,471

\*Braunig and Calaveras Lake Parks were only operated for 5 months during Fiscal Year 2010 and then were closed.

San Antonio River Authority  
Miscellaneous Statistics  
June 30, 2017

SARA Wastewater System

Upper Martinez Sewage Treatment Plant & Collection System	Bexar County, Texas
Martinez II Sewage Treatment Plant & Collection System	Bexar County, Texas
Martinez III Sewage Treatment Plant & Collection System	Bexar County, Texas
Hwy 181 Sewage Treatment Plant & Collection System	Bexar County, Texas

Salatrillo Wastewater System

Salatrillo Sewage Treatment Plant	Bexar County, Texas
Salatrillo Retail Collection System	Bexar County, Texas

Randolph Air Force Base Collection System

Bexar County, Texas

**Combined Wastewater Treatment Facilities**

Fiscal Year	Number of Sewage Treatment Facilities	Number of Single-Family Residence Connection Customers	Daily Average Treatment (in gallons)	Daily Design Capacity of Plants (in gallons)
2008	5	32,595	6,657,000	10,040,000
2009	5	32,595	6,657,000	10,040,000
2010	5	31,806	8,830,300	10,280,000
2011	5	32,352	7,141,000	10,280,000
2012	5	29,232	7,539,000	10,280,000
2013	6	29,559	7,550,746	11,715,000
2014	6	29,796	7,364,446	11,805,000
2015	6	32,082	8,296,966	11,805,000
2016	6	31,029	9,138,247	11,805,000
2017	6	32,070	8,882,045	11,805,000

Utility Contracts:

Goliad Water Supply Corporation	Goliad County, Texas
City of Goliad Operations and Maintenance	Goliad County, Texas
La Vernia Wastewater Treatment	Wilson County, Texas
Somerset Wastewater Treatment	Bexar County, Texas
Somerset Junior High School Operations and Maintenance	Bexar County, Texas
Alamo Colleges First Responders Academy Wastewater Treatment Plant	Bexar County, Texas

San Antonio River Authority  
Miscellaneous Statistics  
June 30, 2017

San Antonio River (250 miles)

Segment 1911- 86 miles

Segment 1901- 154 miles

Bexar County & Wilson County, Texas

Karnes County & Goliad County, Texas

Watershed and Park Operations:

Unit 1, Bexar County Operations Center

Unit 2, Karnes County Operations Center

Unit 3, Bergs Mill Operations Center

Unit 4, Urban Reach Operations Center

Unit 5, Mission Reach Operations Center

Unit 6, San Juan Pump Station

Bexar County, Texas

Karnes County, Texas

Bexar County, Texas

Bexar County, Texas

Bexar County, Texas

Bexar County, Texas

Retention Dams

Calaveras Creek Watershed - 7

Salado Creek Watershed - 14

Martinez Creek Watershed - 6

Medina River Watershed - 1

Escondido Watershed – 13

Bexar County, Texas

Bexar County, Texas

Bexar County, Texas

Bexar County, Texas

Karnes County, Texas

Channel Maintenance

Nichols Creek Channel – 2.07 miles

Escondido Creek - 1.5 miles

San Antonio River Urban Segment Operations – 1.5 miles

San Antonio River Eagleland Segment Operations – 1 mile

San Antonio River Mission Segment Operations – 8 miles

Asylum Creek – .8 miles

Karnes County, Texas

Karnes County, Texas

Bexar County, Texas

Bexar County, Texas

Bexar County, Texas

San Antonio River Authority  
Miscellaneous Statistics  
June 30, 2017

**Education.** The Bexar County area offers 15 public independent school districts (ISDs), as well as over 90 private, parochial, magnet and charter schools.

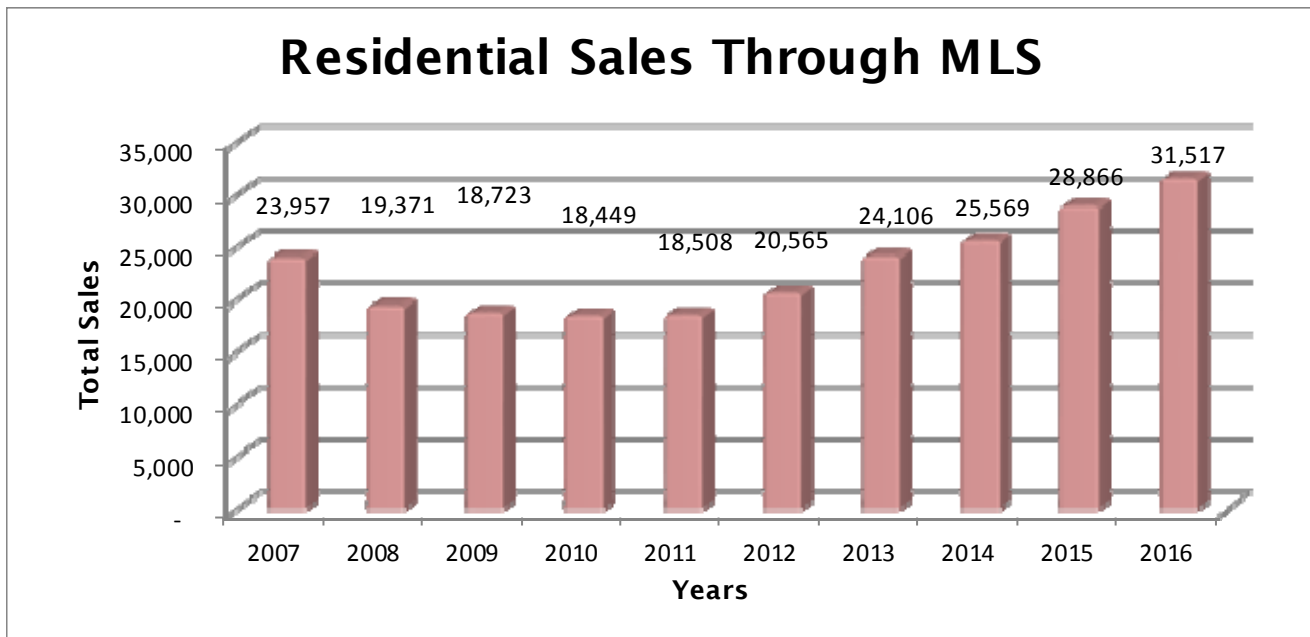
<b>Independent School District</b>	<b>Total # of campuses</b>
<i>Alamo Heights</i>	6
<i>East Central</i>	17
<i>Edgewood</i>	21
<i>Fort Sam Houston</i>	2
<i>Harlandale</i>	31
<i>Judson</i>	32
<i>Lackland</i>	2
<i>North East</i>	75
<i>Northside</i>	124
<i>Randolph Field</i>	3
<i>San Antonio</i>	100
<i>Somerset</i>	8
<i>South San Antonio</i>	21
<i>Southside</i>	9
<i>Southwest</i>	19
<b>TOTAL</b>	<b>470</b>

Source of data: Texas Education Agency

**Residential/Construction.** San Antonio's cost of living continues to rank among the lowest of U.S. cities, particularly among large metropolitan areas. The housing indicator of 83.3 allows many families to experience the American Dream of home ownership with a wide range of housing choices to suit every lifestyle and budget.



San Antonio River Authority  
Miscellaneous Statistics  
June 30, 2017



\*All sales transactions are based on MLS only. Source for test and charts: Real Estate Center at Texas A&M University

The Multi-Family Housing market continues to show strong growth, with builders adding 5,128 new units in the twelve months ending the third quarter of 2013. Developers are planning to deliver an additional 6,950 units the following twelve months. Rental rates increased by \$0.02 to \$0.97 per square feet, and effective rates increased across San Antonio by \$16 per month during 2013.

Multi-Family Housing		
Year	Occupancy	Average Rent
2007	93.40%	\$652.53
2008	93.90%	\$668.00
2009	92.90%	\$673.00
2010	90.80%	\$701.00
2011	91.10%	\$732.00
2012	93.60%	\$741.00
2013	92.70%	\$757.00
2014	92.30%	\$834.00
2015	92.90%	\$913.00
2016	92.00%	\$1,010.00

San Antonio River Authority  
Miscellaneous Statistics  
June 30, 2017

Strong job and population growth across the San Antonio metro area has accelerated demand for apartments, tightened vacancy, and pushed rents higher. The Eagle Ford Shale remains the primary driver of a booming oil industry in South Texas, creating jobs and bringing billions of dollars to Bexar County. The region is attracting a number of young new residents seeking jobs in the growing energy sector. The U.S. military has also long been one of the region's largest employers, and San Antonio has been a beneficiary of Base Realignment and Closure (BRAC) activity, which consolidated bases and brought jobs from other military installations to San Antonio, which has attracted new residents.

**Population/Demographics.** San Antonio continued to rank as the 7th largest city in the nation and the 2nd largest city in Texas. It is one of six Texas cities ranking in the top 20 largest with Houston ranking 4th, Dallas at 9th, Austin ranking 11<sup>th</sup>, Fort Worth at 16<sup>th</sup>, and El Paso ranking as the 19<sup>th</sup> largest.

<b>Population / Demographics</b>			
<b>Year</b>	<b>San Antonio</b>	<b>Bexar County</b>	<b>MSA</b>
2007	1,344,800	1,626,800	1,878,500
2008	1,336,040	1,593,859	2,002,944
2009	1,363,612	1,637,696	2,052,542
2010	1,386,202	1,665,892	2,090,692
2011	1,337,897	1,696,677	2,133,553
2012	1,382,951	1,785,704	2,156,984
2013	1,387,267	1,804,964	2,256,780
2014	1,416,291	1,861,562	2,336,330
2015	1,440,900	1,904,785	2,394,156
2016	1,500,000	1,928,680	2,429,609

\*These figures are an estimate. (The source of these figures is the

San Antonio River Authority  
Miscellaneous Statistics  
June 30, 2017

**Jurisdictional Population**

<b>Year</b>	<b>Bexar County</b>	<b>Goliad County</b>	<b>Karnes County</b>	<b>Wilson County</b>	<b>Total</b>
2007	1,626,800	7,154	15,446	36,726	1,686,126
2008	1,593,859	7,286	15,461	41,350	1,657,956
2009	1,637,696	7,274	15,303	41,168	1,701,441
2010	1,665,892	7,389	15,332	41,036	1,729,649
2011	1,696,677	7,243	14,946	43,789	1,762,655
2012	1,785,704	7,351	15,233	44,370	1,852,658
2013	1,804,964	7,448	14,782	45,438	1,872,632
2014	1,861,562	7,549	14,906	46,402	1,930,419
2015	1,904,785	8,023	15,826	47,268	1,975,902
2016	1,928,680	7,517	15,254	48,480	1,999,931

**Employment.** San Antonio's workforce grew 2.2% to 1,049,019 in 2013, and the annual unemployment rate of 6.0% continues to remain less than figures for both the state of Texas and the rest of the nation and is a .5% decrease in unemployment from the previous year. With the increase in job growth, personal income for the San Antonio MSA also registered an increase to 90.4 billion dollars annually.

**Personal Income and Unemployment Statistics**

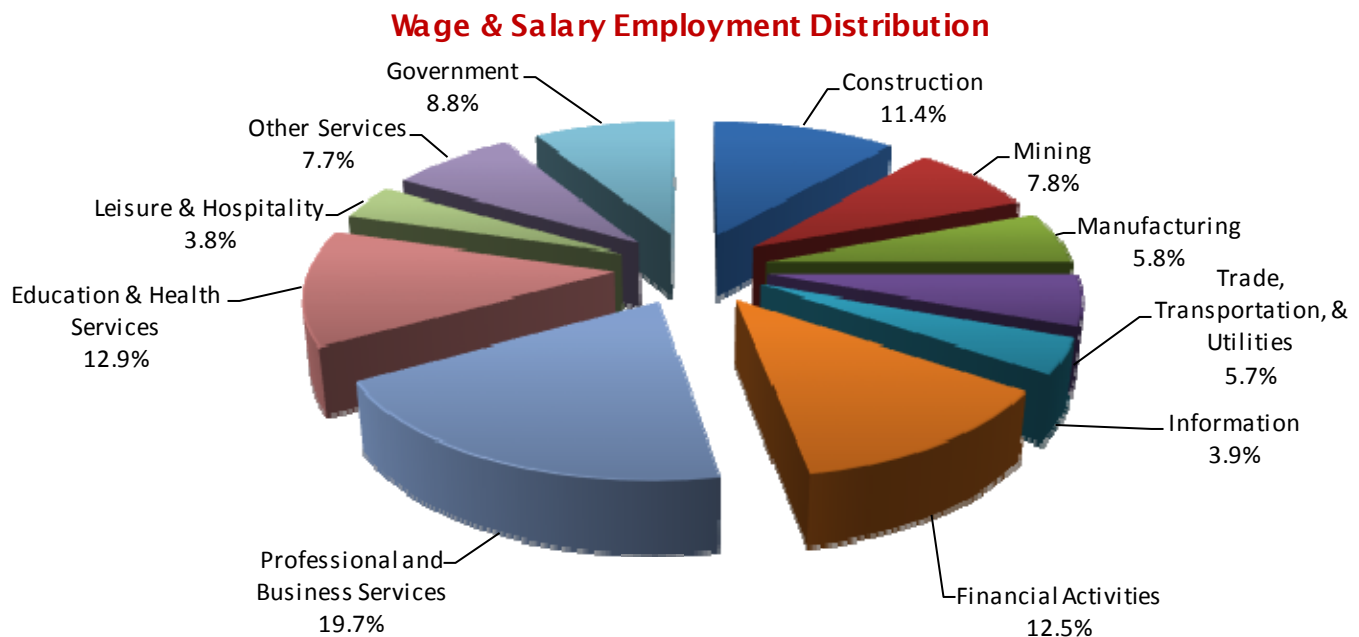
<b>Year</b>	<b>Personal Income (amounts expressed in thousands)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate (Annualized)</b>
2007	68,212,578	32,553	4.10%
2008	70,946,997	34,256	4.70%
2009	71,489,367	35,222	6.70%
2010	78,416,347	33,857	7.30%
2011	79,596,000	34,969	7.40%
2012	86,218,000	36,781	6.50%
2013	90,361,000	39,597	6.00%
*2014	90,361,000	25,546	4.30%
2015	95,382,108	25,546	3.80%
2016	110,094,570	26,209	4.00%

Data Sources

- Bureau of Economic Analysis, Regional Economic Information System
- US Department of Labor, Bureau of Labor Statistics

San Antonio River Authority  
Miscellaneous Statistics  
June 30, 2017

The largest companies based in San Antonio include HEB Grocery Company, USAA, Bill Miller Bar-B-Q, Frost Bank, Valero Energy, Rackspace, Southwest Research Institute, Toyota Motor Manufacturing, Clear Channel Communications, KCI, and Harland Clarke. During the past 10 years, job growth in San Antonio has concentrated in traditionally 'high skill, high wage' industry sectors. Employment in the Financial Activities, Professional & Business Services, and Education & Health Services sectors continue to be an economic strength for the region. The following graph indicates the distribution of wage and salary employment for San Antonio and the surrounding area.



Source data: San Antonio Economic Development Foundation

**Military Installations.** The military is a strong part of our history and San Antonio has been labeled "Military City, USA" with more than 70,000 soldiers. Lackland Air Force is responsible for the basic training of all enlisted recruits for the Air Force with more than 16,000 civilian and military personnel. Randolph is labeled as "The Showplace of the Air Force" and is one of the most active flying training centers. Randolph conducts the only graduate level courses in instrument flying and supports more than 9,000 military and civilian personnel. Fort Sam Houston is located on 3,300 acres and is known as the "Home of Army Medicine" with more than 17,000 military and civilian personnel. San Antonio Army Medical Center is also located there and is recognized as the Defense Department Center of Medical Excellence due their extensive research and treatment for burn, blunt trauma and amputee injuries. In 2011, Department of Defense activities in San Antonio generated an economic impact of \$27.7 billion. More than half of this impact comes from military, civilian, and retiree spending.

San Antonio River Authority  
Miscellaneous Statistics  
June 30, 2017

**Medical and Research Facilities.** The economic impact of the Healthcare and Bioscience industry grew to an estimated \$29.2 billion in 2011. The industry employed more than 156,200 people, or more than one out of every six employees in San Antonio, and paid wages of \$7.5 billion to employees in 2011. The health services sector which is made up of hospitals, physicians, nursing homes, home healthcare services and other associated healthcare services has added more than 40,000 net new jobs over the past decade.

San Antonio Army Medical Center (SAAMC), a level 1 Trauma Center, is home to the U.S. Army Institute of Surgical Research, which operates the only Department of Defense Burn Center. The Center for the Intrepid is an expanded area of medical training and education, medical research and healthcare operations.

San Antonio health care systems are considered state-of-the-art including specialized hospitals. The South Texas Medical Center has 12 major hospitals and employs approximately 56,000 people and cares for over 104,000 inpatients and 5.4 million outpatients each year. Christus Santa Rosa Healthcare offers rehabilitation services and is recognized for cardiac, vascular, stroke, orthopedics, pulmonary, gastroenterology and obstetric services. The Children's Hospital of San Antonio is dedicated to the care of children and is the only academic pediatric teaching facility in San Antonio. The Methodist Healthcare System is the largest provider consisting of 9 major hospitals and offering neurosciences, oncology, obstetrics, orthopedics and transplant services. The Methodist Specialty and Transplant Hospital, part of the Methodist Healthcare System, is among the top kidney and liver transplant programs in the nation. The Methodist Hospital was recently recognized for its innovative cardio-hospitalist program. The Cancer Therapy and Research Center at the UT Health Science Center, is one of only a few designated National Cancer Institute Cancer Centers. The Baptist Health System offers five acute-care hospitals, all of which have earned the Accredited Chest Pain Center and Primary Stroke Center Classifications. (Source data: Greater San Antonio Chamber of Commerce 2013 Relocation Guide)

**Tourism/Conventions.** San Antonio welcomes over 28 million visitors a year to shop, play and enjoy the city's unique history and culture. In 2011, the city hosted 22 million leisure travelers, with 13 million of these being overnight visitors. San Antonio is also one of the top convention cities in the country, with 5.6 million business visitors coming to the area in 2011 for conventions and other business purposes. The Hospitality Industry consisting of Lodging, Restaurants, Transportation and Entertainment employs over 112,500 employees with an economic impact of over \$12 billion.

San Antonio River Authority  
Miscellaneous Statistics  
June 30, 2017

<b>Calendar Year</b>	<b>Bureau Booked Convention Delegates</b>	<b>Bureau Booked Convention Room Nights</b>	<b>Estimated Dollars Spent by Bureau Booked Convention Delegates (\$ Millions)</b>
2007	455,256	647,386	\$473.10
2008	563,164	691,525	\$607.50
2009	399,408	660,736	\$474.50
2010	535,400	736,325	\$636.10
2011	499,171	637,593	\$593.00
2012	449,202	635,829	\$533.70
2013	712,577	734,190	\$846.60
2014	652,443	725,333	\$775.10
2015	699,662	773,569	*N/A
2016	637,658	676,501	*N/A

Source of data: The San Antonio Convention and Visitors Bureau

\* No longer tracked

The City has approved the spending of \$325 million to increase the exhibit space in the Henry B. Gonzalez Convention Center to a total of over 500,000 square feet and to add a 55,000 square foot ballroom, which will be the largest ballroom in Texas. The center will remain in operation as this project is underway and thousands of square feet of existing convention center space are renovated. The project is estimated to be completed in fall of 2015.

Five of the top 10 attractions to visit in the San Antonio area are the Alamo, River Walk, Sea World, Fiesta Texas and the San Antonio Zoo. San Antonio also has a variety of choices for meetings such as the above-mentioned Henry B. Gonzalez Convention Center with 1.3 million square feet of space, the Alamodome which seats up to 72,000 and has 160,000 square feet of floor space, the AT&T Center has a seating capacity of 18,500 and the San Antonio Municipal Auditorium with over 23,000 square feet. The Alamodome made hosting major sporting events possible with the NCAA Men's Final Four in 2008, Woman's Final Four in 2010, NBA home games for the San Antonio Spurs, training camp for the NFL Dallas Cowboys, and has hosted home games for the University of Texas at San Antonio "Road Runners" football team. In March 2013 it also played host to exhibition games for Major League baseball's Texas Rangers.

Source of data: The San Antonio Convention and Visitors Bureau



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# **Single Audit**



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INDEPENDENT AUDITOR'S 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

Board of Directors  
San Antonio River Authority  
San Antonio, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of San Antonio River Authority (the "River Authority") as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the River Authority's basic financial statements, and have issued our report thereon dated October 18, 2017.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the River Authority's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the River Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the River Authority'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 timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the River Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ABIP, PC

Certified Public Accountants  
San Antonio, Texas

October 18, 2017

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL  
CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

Board of Directors  
San Antonio River Authority  
San Antonio, Texas

**Report on Compliance for Each Major Federal Program**

We have audited San Antonio River Authority's (the "River Authority") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the River Authority's major federal programs for the year ended June 30, 2017. The River Authority's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of the River Authority's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the River Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the River Authority's compliance.

## ***Opinion on Each Major Federal Program***

In our opinion, the River Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2017.

## **Report on Internal Control Over Compliance**

Management of the River Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the River Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the River Authority's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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.



Certified Public Accountants  
San Antonio, Texas

October 18, 2017

San Antonio River Authority  
Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA #	Pass-Through Entity Identifying Number	Total Federal Expenditures
United States Department of Agriculture/ Natural Resource Conservation Service/ Calaveras 10 Dam Rehabilitation	10.916	69-7442-14-984	\$ 485,520
United States Department of Agriculture/ Natural Resource Conservation Service/ Martinez 1 Dam Rehabilitation	10.916	69-7442-14-986	887,131
United States Department of Agriculture/ Natural Resource Conservation Service/ Martinez 2 Dam Rehabilitation	10.916	69-7442-14-987	311,742
United States Department of Agriculture/ Natural Resource Conservation Service/ Martinez 3 Dam Rehabilitation	10.916	69-7442-14-988	305,345
United States Department of the Interior/ National Park Services/San Antonio Missions Grant Program	15.916	P16PX0156	2,081
United States Department of the Interior/ National Park Services/San Antonio Missions Grant Program	15.916	P15PX04130	3,180
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (Risk Map)	97.045	EMT-2016-CA-000025	1,159
United States Environmental Protection Agency/ Upper San Antonio River Watershed Protection Plan Stormwater Retrofit Best Management Practices	66.460	99614620	490,000

San Antonio River Authority  
Schedule of Expenditures of Federal Awards (continued)  
Year Ended June 30, 2017

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA #	Pass-Through Entity Identifying Number	Total Federal Expenditures
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (LOMR)	97.045	EMW-2014-CA-00266	127,049
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (Risk Map)	97.045	EMT-2012-CA-0012	8,547
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (Risk Map)	97.045	EMT-2013-CA-0003	408,670
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (LOMR)	97.045	-2015-CA-APP-00032-S01K	174,937
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (Risk Map)	97.045	EMW-2014-CA-K00215	58,965
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (Risk Map)	97.045	EMW-2015-CA-00058	49,330
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (Risk Map)	97.045	EMT-2016-CA-000022-S01	10,876
United States Department of Defense/Defense Energy Support Center/Randolph Air Force Base, Texas	12.999	SP0600-03-8266	<u>553,477</u>
Total Federal Expenditures			<u>\$ 3,878,009</u>

San Antonio River Authority  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended June 30, 2017

**1. Basis of Presentation/Summary of Significant Accounting Policies**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the River Authority and is presented on the modified accrual basis of accounting for governmental-type funds and on the accrual basis of accounting for enterprise-type funds. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulation* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the River Authority, it is not intended to and does not present the financial position, changes in net assets, or cash flows of the River Authority.

**2. Relationship to Federal Financial Reports**

Amounts in the accompanying schedule agree in all material respects with the amounts in the federal financial reports.

**3. Reconciliation of the Schedule of Expenditures of Federal Awards to the Financial Statements**

The following is a reconciliation between federal expenditures, as recorded in the body of the financial statements, to the Schedule of Expenditures of Federal Awards for the year ended June 30, 2017:

Fund	Amount
Grant Funds	\$ 3,324,532
Randolph Air Force Base Collection System	553,477
	<u>\$ 3,878,009</u>

4. The River Authority has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.



San Antonio River Authority  
Schedule of Findings and Questioned Costs  
Year Ended June 30, 2017

**Section A—Summary of Auditors' Results**

1. Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material Weakness(es) Identified        Yes   X   No

Significant deficiency(ies) identified that are not considered material weaknesses        Yes   X   None Reported

Noncompliance material to financial statements noted?        Yes   X   No

2. Federal Awards

Type of auditors' report issued on compliance for major programs: Unmodified

Internal control over major programs:

Material weakness(es) identified?        Yes   X   No

Significant deficiency(ies) identified that are not considered to be material weaknesses        Yes   X   None Reported

Any audit findings disclosed that are required to be reported in accordance with 2 CFR Section 200.516(a)?        Yes   X   No

Identification of major programs:

CFDA Number(s)

97.045

Name of Federal Program or Cluster

U.S. Department of Homeland Security/  
Federal Emergency Management Agency/  
Cooperating Technical Partners

Dollar threshold used to distinguish between type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?   X   Yes        No

San Antonio River Authority  
Schedule of Findings and Questioned Costs (Continued)  
Year Ended June 30, 2017

**Section B – Financial Statement Findings**

No matters were reported.

**Section C – Federal Award Findings and Questioned Costs**

No matters were reported.

San Antonio River Authority  
Summary Schedule of Prior Year Audit Findings  
Year Ended June 30, 2017

None



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