



# SAN ANTONIO RIVER AUTHORITY

Leaders in Watershed Solutions



## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year June 30, 2018



# **San Antonio River Authority**

## **San Antonio, Texas**

### **Comprehensive Annual Financial Report For the Fiscal Year Ended June 30, 2018**



SAN ANTONIO  
RIVER AUTHORITY

**Prepared by  
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General Manager**

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Assistant General Manager**



SAN ANTONIO  

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RIVER AUTHORITY

**SAN ANTONIO RIVER AUTHORITY**  
**San Antonio, Texas**

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San Pedro Creek Culture Park  
San Antonio, Bexar County



SAN ANTONIO  

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RIVER AUTHORITY





October 17, 2018

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

The San Antonio River Authority (River Authority) is pleased to submit the Comprehensive Annual Financial Report and other reports for the fiscal year ending June 30, 2018. 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.

U.S. Generally Accepted Accounting Principles (GAAP) require that the River Authority provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This Transmittal Letter 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.

These financial statements were audited by ABIP, PC an independent accounting firm. 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 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.

EXECUTIVE  
COMMITTEE



CHAIRMAN  
Darrell T. Brownlow, Ph.D.

VICE CHAIRMAN  
Michael W. Lackey, P.E.

SECRETARY  
Lourdes Galvan

TREASURER  
Jim Campbell

MEMBERS-AT-LARGE  
Gaylon J. Oehlke  
James Fuller, M.D.



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  
Deb Bolner Prost

WILSON COUNTY  
Darrell T. Brownlow, Ph.D.  
John J. Flieller

KARNES COUNTY  
H.B. Ruckman, III  
Gaylon J. Oehlke

GOLIAD COUNTY  
James Fuller, M.D.  
Alicia Lott Cowley



GENERAL MANAGER  
Suzanne Scott

The fiscal year 2017/18 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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## BACKGROUND

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The San Antonio River Authority is a political subdivision of the State of Texas (Chapter 276, pg. 556, 45th legislature, as amended) and was created in 1937. The district covers 3,677 square miles in Bexar County, Goliad County, Wilson County and Karnes County. The population served totals 2,030,631 (in 2017) with 96 percent of the population residing in Bexar County (1,958,578) and the remaining counties as follows: Wilson at 49,304, Karnes at 15,187 and Goliad at 7,562. The San Antonio River is 250 miles long with 86 miles in Bexar and Wilson counties and 154 miles in Karnes and Goliad counties.

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 “Committed to Safe, Clean, Enjoyable Creeks and Rivers.” These services fall into several major categories – flood risk management, water resource development, environmental and water quality, wastewater utilities and parks. The River Authority works with local (e.g. City of San Antonio, the Edwards Aquifer Authority, and Bexar County), State (e.g. Texas Parks and Wildlife, Texas Commission on Environmental Quality, and Texas Water Development Board) and federal (e.g. Federal Emergency Management Agency (FEMA), and U.S. Army Corp of Engineers) entities and coalitions (such as the Bexar Regional Watershed Management program) to further the mission. The River Authority has a full service, National Environmental Laboratory Accreditation Conference (NELAC) 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, including several endangered species, in the watershed all the way to the San Antonio Bay.

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 provides wastewater collection and treatment services concentrated in northeastern Bexar County. In addition, utilities staff assist other smaller cities and public entities throughout the district with their wastewater systems' operations and maintenance needs. The River Authority owns and maintains multiple parks and paddling trails throughout the district that offer citizens recreational and educational opportunities. There are four parks in Bexar County (Confluence Park, River Crossing on the San Antonio River, Mann's Crossing on the Medina River, and Truehart Ranch), three in Wilson County (Jackson Nature Park, Helton San Antonio River Nature Park, and Graytown Park on the San Antonio River) and one in Goliad County (Branch Nature Park). The parks and educational programs help increase environmental awareness of the river and its environs. Staff also provides maintenance and operations of forty-one dams throughout the district as well as improved areas of the river walk north and south of downtown (the Museum Reach/Mission Reach and San Pedro Creek), 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 until 1980. The River Authority then 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 property 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 used to construct flood control structures. The adopted tax rate through FY 2017/18 was 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 at that rate was \$31.30 per year. The FY 2018/19 Adopted Budget is based on a new tax rate of 1.858 per \$100 of appraised value, which results in an average tax bill of \$35.59.

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 15 cents per \$100 in valuation of taxable property for flood control. Bexar County has historically had serious risk of flood 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 design and construction of the projects. The County is required to set a tax rate which, at 90 percent current collections, provides revenues at least sufficient to pay each year's requirements for principal and interest of River Authority bonds which were issued to fund flood control improvement projects as part of the agreement with the County. The last bond issuance (other than bond refundings) by the River Authority for flood control projects funded by this tax was in 2004. The flood control tax continues to support the debt service for this debt. 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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### Economic Condition

The River Authority has continued to experience a favorable economic environment and local indicators point to continued stability across the district. 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 now includes such industries that range 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 – 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 – San Antonio 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 River Walk 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 Tri-centennial 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, the property values in this 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 still remains very strong through 2018. 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. 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.

## **Outlook**

The San Antonio area continues to have a robust economy. Unemployment in May 2018 was 3.2 percent, down from 2017, in comparison to 3.6 percent nationwide. Job growth was 2.2 percent in May 2018, down slightly from 2.5 percent in May 2017 but still ahead of the national average of 1.5 percent in May 2018. Ten employment sectors saw growth with mining (17.6 percent) and construction (8.4 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 year, technology employment has declined about 3.8 percent. San Antonio saw the number of jobs increase at an annualized rate of 0.5 percent based on the last three months ending June 2018.

### Major Regional Employers

Employer	Sector	Number of Employees
Lackland Air Force Base	Military	37,000
Fort Sam Houston – U.S. Army	Military	32,000
H-E-B	Super Market Chain	20,000
USAA	Financial Services and Insurance	18,305
Randolph Air Force Base	Military	11,000
Methodist Healthcare System	Health Care Services	9,620
City of San Antonio	San Antonio	9,145
Baptist Health System	Health Care Services	6,383
Wells Fargo	Financial Services	5,073
Harland Clarke	Managed Services	5,000

*The 2017 Book of Lists, The San Antonio Business Journal and by contact with company representatives.*

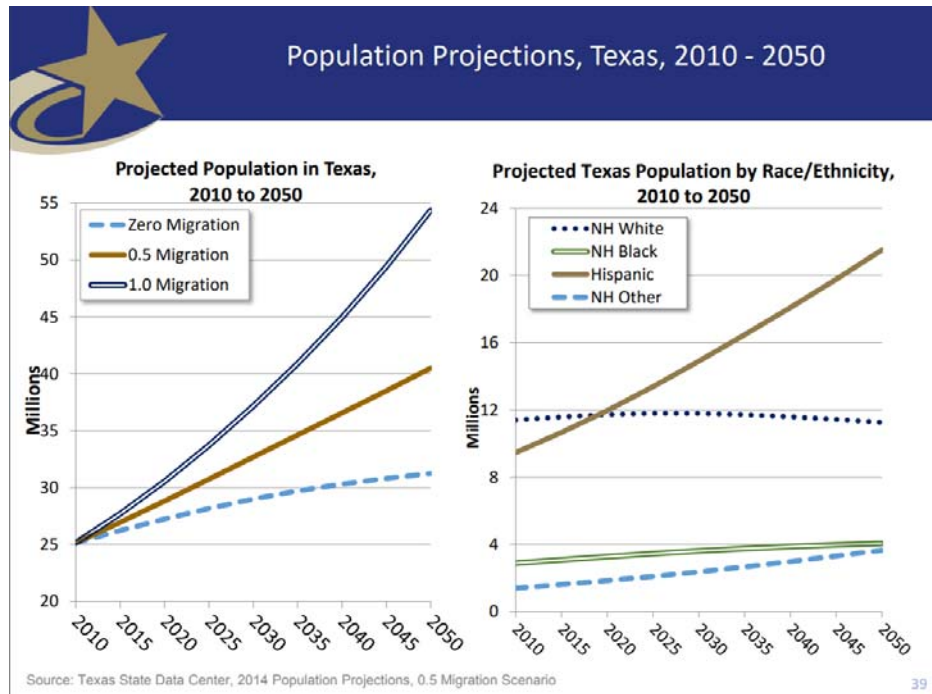
<http://www.sanantonioedf.com/why-san-antonio/data/>

San Antonio still faces some economic challenges with education level of the workforce among them. San Antonio has placed focus on continuing to develop higher education opportunities as well as supporting small businesses and entrepreneurs. Declining oil prices do not impact the San Antonio area as much as the downstream counties. The employment and property valuations in Karnes and to a lesser extent Wilson County are more negatively affected by reduction in oil production and other oil related services.

The housing market in San Antonio remains strong. The inventory of homes available for purchase in December 2017 was 3.1 months (with six months representing the balanced market between buyers and sellers) and 3.6 months by June 2018. It is currently still a seller's market. The median home price increased five percent in 2018 to \$233,600. In 2017, a record high of 30,715 homes were sold in Bexar County. Housing remains more affordable in Bexar County than in many of the other large cities in Texas. The average home price in San Antonio is \$273,124 and \$303,358 in other cities in Texas. (San Antonio Board of Realtors, January 16, 2018 and July 16, 2018). The average homestead value for 2018 increased in all four counties serviced by the San Antonio River Authority.

It is well documented that Texas and San Antonio are expected to experience significant growth in the future. From 2000 to 2010 the growth in population is 9.2 percent, outpacing all other states. Providing for services and infrastructure to accommodate this growth will certainly be a challenge faced across the state. This is of critical importance to San Antonio and the River Authority as it applies to how we accommodate the growth and the development that will accompany it. The River Authority is involved in conversations to help influence the community as it relates to the utilization of low impact development. Applying certain best management practices could help mitigate water quality and flood risks concerns.

Below are two graphs depicting the projected growth for the State of Texas:



Graph Source:

[http://demographics.texas.gov/Resources/Presentations/OSD/2017/2017\\_04\\_24\\_TexasFarmBureauAgLeadandFarmLeadLeadershipClasses.pdf](http://demographics.texas.gov/Resources/Presentations/OSD/2017/2017_04_24_TexasFarmBureauAgLeadandFarmLeadLeadershipClasses.pdf). Lila Valencia, PhD.

Other Sources:

Bureau of Labor Statistics June 27, 2018 San Antonio Area Economic Summary.  
[https://www.bls.gov/regions/southwest/summary/blssummary\\_sanantonio.pdf](https://www.bls.gov/regions/southwest/summary/blssummary_sanantonio.pdf)

Dallas Federal Reserve, July 26, 2018, San Antonio Economic Indicators.  
<https://www.dallasfed.org/-/media/Documents/research/indicators/sa/2018/sa1807.pdf>

[http://demographics.texas.gov/Resources/Presentations/OSD/2017/2017\\_04\\_24\\_TexasFarmBureauAgLeadandFarmLeadLeadershipClasses.pdf](http://demographics.texas.gov/Resources/Presentations/OSD/2017/2017_04_24_TexasFarmBureauAgLeadandFarmLeadLeadershipClasses.pdf).



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## FY 2018/19 ANNUAL PLAN AND OVERVIEW

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The River Authority continues to see an increased demand for our services and expertise through ongoing coordination and collaboration with many public partners throughout the district. In Fiscal Year (FY) 2018/19, the River Authority will be serving in a project manager role for several major capital improvement projects, to include San Pedro Creek, Escondido Creek Parkway, and others. Operations and maintenance of parks and existing and newly developed amenities and natural areas along the San Antonio River and its tributaries is a second key activity for us. Other important activities include: increasing community involvement and commitment to River Authority parks; laboratory services; watershed modeling, master planning, and prediction of watershed behavior; operation and maintenance of forty-one flood control dams; wastewater collection and treatment; scientific data collection and analysis; making our information and data accessible and useful to our partners and citizens; and utility system management and capital planning. These contributions to the communities and watersheds drive the annual work plan and budgeted resources.

Recent events such as Hurricane Harvey and other community initiatives have significantly informed the development of the FY 2018/19 Budget. Through analysis of lessons learned and information developed in coordination with public partners the River Authority staff has identified several areas that will be given special emphasis in the upcoming year. SARA is proposing to make significant investments in several key initiatives to execute a proper response. Projects such as Predictive Flood Modeling, Floodplain Remapping, Watershed Master Plans Integration, and Impervious Cover and Growth Center Analysis are intended to accelerate the refresh of existing or provide for critical new tools used in planning, evaluating, and mitigating flood risk. Additionally, continued funding for Low Impact Development (LID) initiatives such as the Watershed Wise Rebate Program, which provides incentives to incorporate LID into community projects, and a collaboration with the City of San Antonio to match funds that support the inclusion of LID within the 2017-2022 Bond Projects, such as the Broadway Street Corridor Project. Targeting these projects and efforts with additional resources through the budget process is expected to position staff to deliver results much sooner than if status quo funding was provided.

The challenge becomes maintaining and growing services within our own and our partners' budgetary constraints. In order to execute these emphasized projects within proposed timeline additional revenue resources will be required. The River Authority has built the Budget based on a tax rate of 1.858 cents per \$100 in property valuation. This an increase from the existing rate of 1.729, which has been unchanged since FY 2015/16. The River Authority's property tax rate is capped at two cents per \$100 valuation. The River Authority is closely monitoring legislative initiatives to reduce the property tax rollback rate from eight percent to two or four percent that could impact service delivery and/or other opportunities.

### **Budget Overview**

The FY 2018/19 Budget for the River Authority totals \$222,460,074 across all funds. This includes expenditure appropriations as well as all reserve funds. This represents a decrease from the FY 2017/18 Adopted Budget mainly due to expenditures made related to partner funding for capital improvement projects in FY 2017/18 which reduces the amount carried on the general ledger in next fiscal year. Although, revenues for the General Fund and utility enterprises are increasing as a result of modifications made to the tax rate and charges for services.

The FY 2018/19 appropriations total \$222,460,074 which include reserves of \$36,972,094. Expenditures across all funds total \$185,487,980. This includes \$36,783,947 in the General Fund, \$115,401,630 for Capital Improvement Funds, \$3,573,923 for the Debt Service Fund, and \$29,728,480 for all other expenditures. Revenues for FY 2018/19 are \$167,397,256 when all funds are included. Of this amount, \$34,429,752 are total General Fund revenues with \$30,967,532 or 90 percent from property tax. Other major revenue sources include utility charges for services of \$14,157,052, grant funds of \$7,071,200 and other intergovernmental revenue within Capital Improvement Funds of \$88,764,830 which incorporates funds from River Authority partners for capital improvement projects.

### General Fund

Budgeted revenues for the General Fund for FY 2018/19 total \$34,429,752, an increase of \$3,199,389 or 10 percent from the FY 2017/18 estimate of \$31,230,363. Of the total revenues amount, \$30,967,532 comes from property taxes, \$1,996,561 from support fees paid by the utilities for services provided by General Fund staff (human resources, finance, facilities, Intergovernmental and Community Relations, etc.), and \$561,969 from various charges for services such as laboratory fees and water sales.

As stated, the FY 2018/19 Budget includes property tax revenue of \$30,967,532, an increase as compared to the FY 2017/18 Amended Budget. The change in tax rate from 1.729 cents to 1.858 cents per \$100 of valuation and property value increases in Bexar County account for nearly all of the change in anticipated revenue.

Property value changes are projected to vary by county with three of four counties within the district showing an increase in value: Bexar County values have been estimated by the Bexar Appraisal District to increase between 5 and 9 percent. The Budget includes increase values of 5 percent for Bexar County as protests can affect the final certified values. Goliad County includes an estimated 2.7 percent increase in values, Karnes County represents an estimated 4.4 percent increase in values, while Wilson County is reporting a slight decrease in values. All of the preceding information is based on preliminary information provided by the appraisal district for that county as of April 30, 2018.

The General Fund appropriations include personnel expenses of \$19,277,912, operations expenses, such as supplies and contractual services, of \$12,847,168 and capital outlay of \$1,003,605 for equipment purchases and other major improvements. Of the total expenditure budget, \$4,175,705 of General Fund revenue is appropriated through a transfer to support the 51 authorized projects, 39 of which began prior to FY 2018/19 and are carried forward, another 7 projects that are commencing in FY 2018/19 and 5 of which are authorized without identified funding within the budget document.

Departments' operating costs make up most of the \$12,847,168 in operations expenses in the General Fund. Nine new positions and two Limited Term Employees are included in the budget. These positions are provided and described within the New Resources document located in the Budget Overview section. The net cost of all new position changes is \$794,618.

Personnel related costs are a major component of the River Authority's General Fund operating budget. In the General Fund, staff related expenditures (salary and benefits) represent 58 percent of the total operating budget.

### *Fiscal Year 2018/19 Projects*

The River Authority has 74 active projects across the General Fund, Park Resources Development Fund, Grants Fund, utilities enterprise funds and other capital project funds, in the FY 2018/19 budget. The projects are coordinated across four of the five Strategic Plan Goals managed by assigned Goal Leaders. Goal Leaders develop annual objectives, report progress and are accountable to the executive staff for achieving programmatic results.

For FY 2018/19, 51 projects are to be funded with General Fund funds. The total additional funding for these projects in FY 2018/19 is \$4,175,705. Each of these projects helps further the River Authority's mission and supports the Strategic Plan included within the index section of the budget document. The projects' activities are focused regionally, expand the River Authority's expertise, promote appreciation of the river, and advance sustainability and environmental stewardship. There are 7 new projects funded by the General Fund in FY 2018/19. These projects are available for review on the Project List provided in the Budget Overview section and through a project summary sheet in Projects section of the Budget.

### *Utility Operating Funds*

The River Authority wastewater utility systems work to provide high quality services – protecting the water quality of the San Antonio River and its tributaries – while managing rates. This challenge grows as the infrastructure in the system ages. During the FY 2018/19 budget process staff spent time further developing the ten year capital improvement plan for the utilities and implementing strategies aimed at ensuring that funding is available to support the renewal and replacement of our wastewater treatment plants while being very conscious of the change in rates charged to customers for services.

The San Antonio River Authority (SARA) Wastewater System Operating Fund's expenditures for FY 2018/19 total \$11,221,647, an increase as compared to the FY 2017/18 Amended Budget. The revenues for the fund are \$10,273,194 for FY 2018/19, an increase of \$590,306 or 6 percent in comparison to the FY 2017/18 Amended Budget.

The rates will provide sufficient funds to pay increased debt expense and fairly flat operating expenses. In addition, a transfer into the SARA Wastewater System Construction and Improvements Fund of \$3,250,000 is budgeted to help fund current and future capital improvement projects identified in the ten year capital improvement plan. No new staffing is proposed for the utility systems. New and replacement equipment and other new resources are funded in the SARA Wastewater System at a total cost of \$488,491.

Rates for the SARA Wastewater System are increasing, with a net impact to the residential customer of 3.8 percent, based on the change in rates and applying the new system winter average to FY 2018/19 rates. The revenue is sufficient to cover all operating costs of the system.

For FY 2018/19, the Salitrillo Operating Fund's expenditures total \$5,284,781 which is an increase in comparison to the FY 2017/18 Amended Budget. Increased expenditures are solely a result of budgeting a transfer of \$1,700,000 to the Salitrillo Wastewater System Construction and Improvements Fund for current and future capital projects. This will help the cash position of the construction and improvements fund which has several planned projects to address current needs and the needs associated with increased residential and commercial development of the service area.



Revenues for FY 2018/19 in the Salitrillo Operating Fund are \$5,099,295, reflecting a \$493,414 or 11 percent increase from the FY 2017/18 Amended Budget. This is primarily driven by the rate increases necessary to improve the cash position and ability to fund the ten year capital improvement plan for the Salitrillo System. Most notable, is the decision to address plant capacity needs for the Salitrillo System. Given current flows to the Salitrillo plant and other factors, it has been determined that it is necessary to begin the process towards the expansion of this plant. All other revenue sources remain relatively flat in FY 2018/19 in comparison to the FY 2017/18 estimate.

Rates for the Salitrillo Wastewater System are also increasing, with a net impact to the residential customer of 15.5 percent, based on the change in rates and applying the new system winter average to FY 2018/19 rates. The current rates for the Salitrillo system are among the lowest in the Bexar County and surrounding areas. Even with the rate increase, the Salitrillo system rates will continue to be among the lowest in the surrounding communities.

The River Authority will continue to work with the partner cities in this system – Live Oak, Converse and Universal City – to implement agreed upon strategies to invest in and reduce inflow and infiltration into the system caused by aging collection system infrastructure.

All the utility operating funds meet the target fund balance requirement of three months operating expenditures net of transfers and project costs.

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## FINANCIAL POLICIES

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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 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. A modified accrual basis is 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 annually but individual projects are managed project period rather than by fiscal year. Budget control is further outlined in the Budget Order document adopted with the annual detail budget book. 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.

### 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 related OMB 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 general purpose 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, 2017. 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-seven consecutive fiscal years (fiscal years ended June 30, 1991 through 2017). 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, both of which we continue to maintain. In order to meet the requirements for these awards, entities must provide clear and meaningful financial information not only by posting financial documents also through summaries, visualization, downloadable data and other relevant information. To date, the River Authority remains 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. The Leadership Circle set standards for posting financial documents such as Comprehensive Annual Financial Reports (CAFRs) audits online in a central location. At that time, relatively few public entities had dedicated websites devoted to publishing financial data to inform and

provide accountability to taxpayers. 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 2017/2018 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, P.E.  
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**

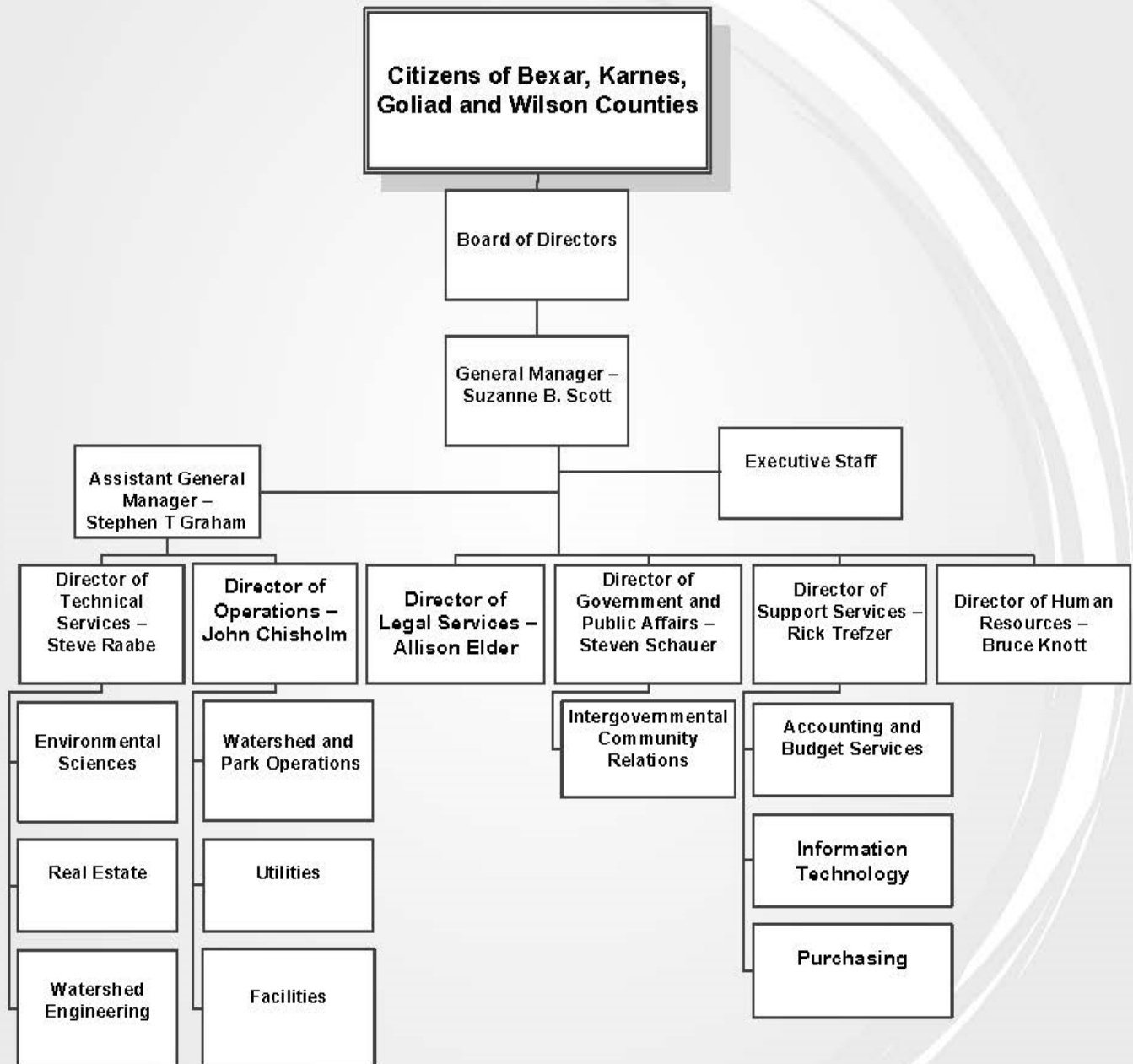
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2017**

*Christopher P. Morill*

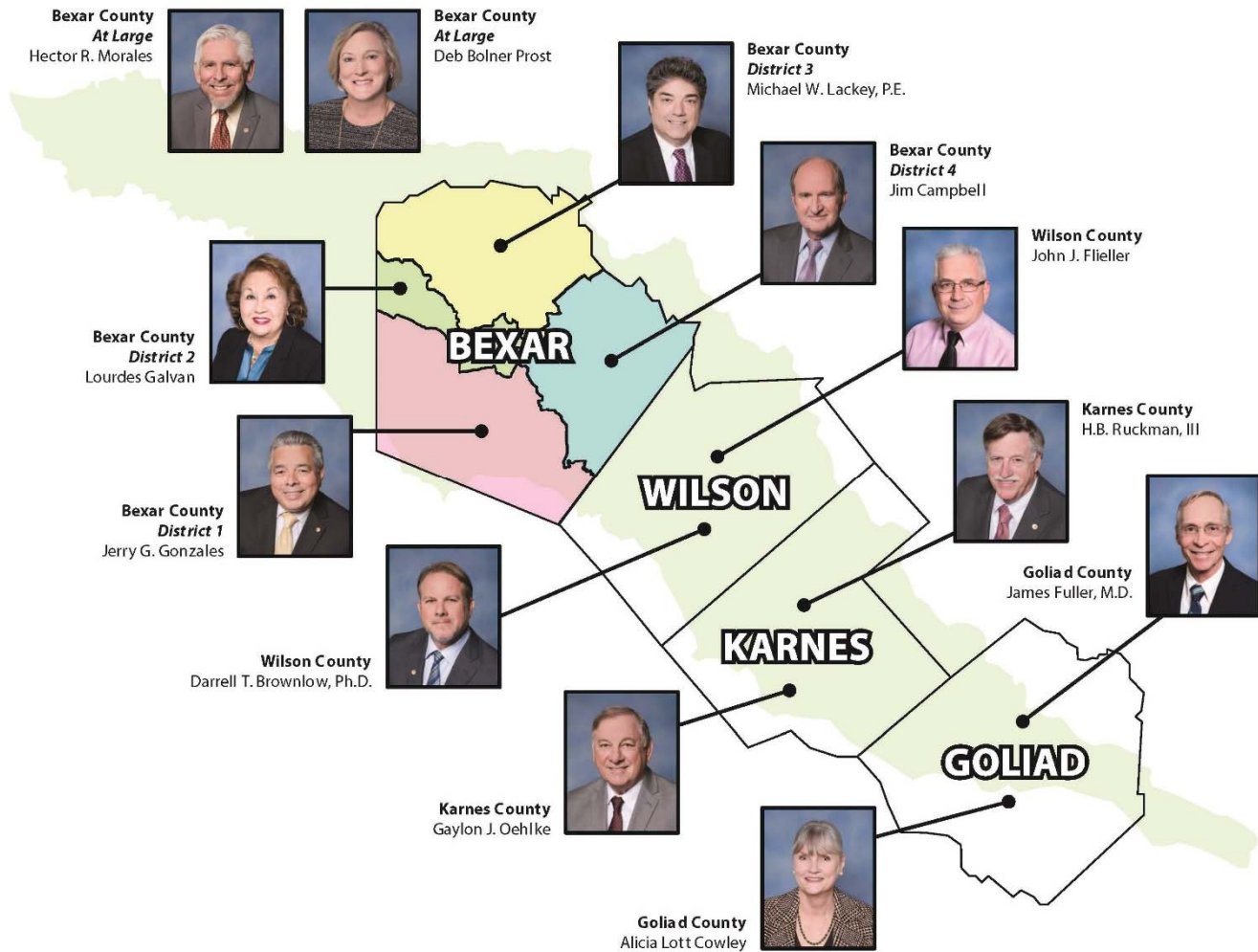
Executive Director/CEO





# San Antonio River Authority

## List of Elected Officials and Management



### Management

<u>Name</u>	<u>Title</u>
Suzanne B. Scott	General Manager
Stephen T. Graham	Assistant General Manager
Rick Trefzer	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
Steven Schauer	Director of Government and Public Affairs
Alexander Rodriguez	Information Technology Manager
Kristen Hansen	Watershed & Park Operations Manager
Connie Real	Real Estate Manager
Melissa Bryant	Environmental Sciences Manager
Patrice Melancon	Watershed Engineering Manager
John Gomez	Utilities Manager
Jennifer Skiver	Accounting and Budget Services Manager
Brian Mast	Intergovernmental Manager



SAN ANTONIO  
RIVER AUTHORITY



San Antonio River  
Falls City, Karnes County





SAN ANTONIO  

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RIVER AUTHORITY

## 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, 2018, 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, 2018, 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, and other post-employment benefits – changes in the total OPEB liability and related ratios, 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 17, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the River Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the River Authority's internal control over financial reporting and compliance.

ABIP, PC

San Antonio, Texas

October 17, 2018





SAN ANTONIO  

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RIVER AUTHORITY

**SAN ANTONIO RIVER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

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, 2018. 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 and deferred inflows at June 30, 2018 by \$584,879,000. Of this amount, \$43,056,095 may be used to meet the River Authority's ongoing obligations to citizens and creditors.
- The River Authority's total net position increased by \$47,080,501.
- As of June 30, 2018 the River Authority's governmental funds reported combined ending fund balances of \$26,479,272, a decrease of \$955,423 from the prior year. Approximately nine percent (9%), or \$2,388,561, is available for spending at the River Authority's discretion.
- The River Authority's capital assets increased \$42,635,243.

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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, 2018**

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 17–21 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 21 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 22-29 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 Salitrillo 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, 2018**

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 30–34 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 35-62 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 65-69 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 73-98 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 and deferred inflows of resources by \$584,879,000 at the close of the 2018 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, 2018**

**San Antonio River Authority  
Net Position**

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 45,771,810	\$ 38,413,327	\$ 30,173,266	\$ 18,067,768	\$ 75,945,076	\$ 56,481,095
Capital assets	529,168,184	491,321,889	48,761,135	43,972,187	577,929,319	535,294,076
Total assets	574,939,994	529,735,216	78,934,401	62,039,955	653,874,395	591,775,171
Deferred outflows	801,485	857,645	104,835	-	906,320	857,645
Long-term liabilities	23,238,854	26,194,503	23,139,122	15,001,930	46,377,976	41,196,433
Other liabilities	20,090,679	11,819,703	3,403,998	1,818,181	23,494,677	13,637,884
Total liabilities	43,329,533	38,014,206	26,543,120	16,820,111	69,872,653	54,834,317
Deferred inflows	21,506	-	7,556	-	29,062	-
Net investment in capital assets	504,604,452	463,853,063	29,029,396	28,147,329	533,633,848	492,000,392
Restricted	2,278,970	4,269,249	5,910,087	5,378,667	8,189,057	9,647,916
Unrestricted	25,507,018	24,456,343	17,549,077	11,693,848	43,056,095	36,150,191
Total net position	\$ 532,390,440	\$ 492,578,655	\$ 52,488,560	\$ 45,219,844	\$ 584,879,000	\$ 537,798,499

An additional portion of the River Authority's net position (1%) represents resources that are subject to restrictions for debt service and construction. The remaining balance of *unrestricted net position* in the amount of \$43,056,095 may be used to meet the River Authority's ongoing liabilities.

At June 30, 2018, the River Authority reported a positive balance in the change in net position for both the governmental activities and the business-type activities.

As of June 30, 2018, the River Authority's net position increased by \$47,080,501.

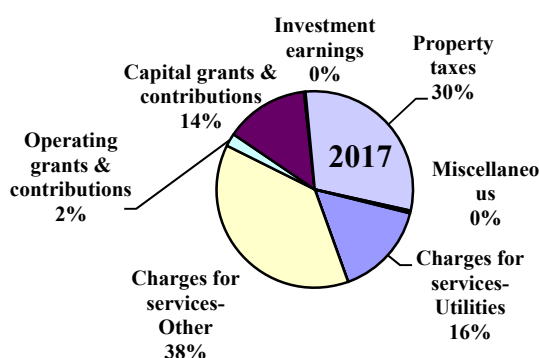
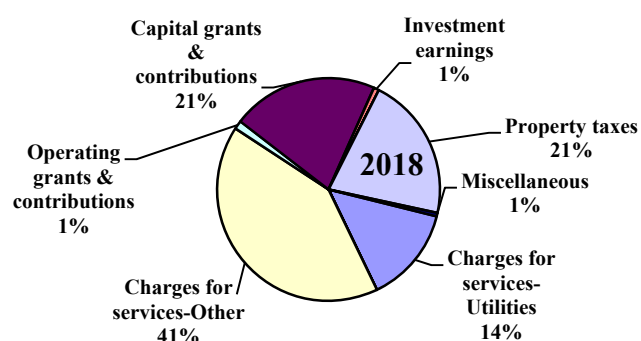
**SAN ANTONIO RIVER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

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>	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program Revenues:						
Charges for services	\$ 54,028,786	\$ 32,481,327	\$ 18,233,487	\$ 13,362,850	\$ 72,262,273	\$ 45,844,177
Operating grants & contributions	1,602,998	1,827,783	-	-	1,602,998	1,827,783
Capital grants & contributions	25,768,009	9,599,730	1,949,799	2,181,264	27,717,808	11,780,994
General Revenues:						
Property Taxes	27,330,959	25,698,484	-	-	27,330,959	25,698,484
Investment earnings	651,857	143,210	255,742	67,296	907,599	210,506
Miscellaneous	206,563	172,643	452,670	193,936	659,233	366,579
<b>Total Revenues</b>	<b>109,589,172</b>	<b>69,923,177</b>	<b>20,891,698</b>	<b>15,805,346</b>	<b>130,480,870</b>	<b>85,728,523</b>
Expenses:						
General government	26,734,430	35,055,308	-	-	26,734,430	35,055,308
Operations	33,830,509	28,066,284	13,622,982	12,877,311	47,453,491	40,943,595
Technical services	8,393,583	7,966,559	-	-	8,393,583	7,966,559
Interest and other fees	818,865	879,661	-	-	818,865	879,661
<b>Total expenses</b>	<b>69,777,387</b>	<b>71,967,812</b>	<b>13,622,982</b>	<b>12,877,311</b>	<b>83,400,369</b>	<b>84,845,123</b>
Change in net position before transfers	39,811,785	(2,044,635)	7,268,716	2,928,035	47,080,501	883,400
Transfers	-	(81,003)	-	81,003	-	-
Change in net position	39,811,785	(2,125,638)	7,268,716	3,009,038	47,080,501	883,400
Net position, beginning, as previously reported	492,578,655	494,704,293	45,219,844	42,210,806	537,798,499	536,915,099
<b>Net position - ending</b>	<b>\$ 532,390,440</b>	<b>\$ 492,578,655</b>	<b>\$ 52,488,560</b>	<b>\$ 45,219,844</b>	<b>\$ 584,879,000</b>	<b>\$ 537,798,499</b>

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

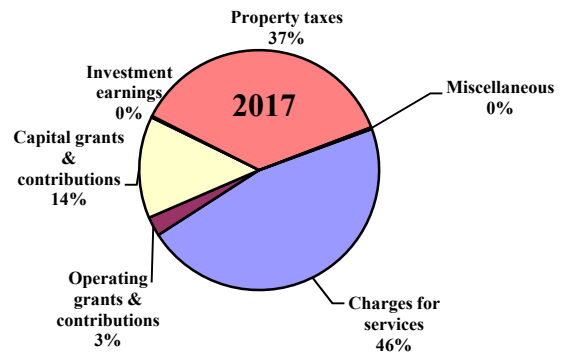
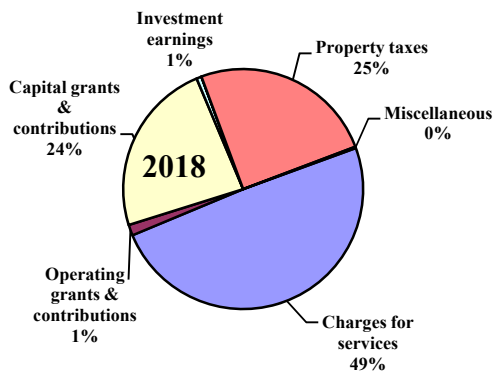
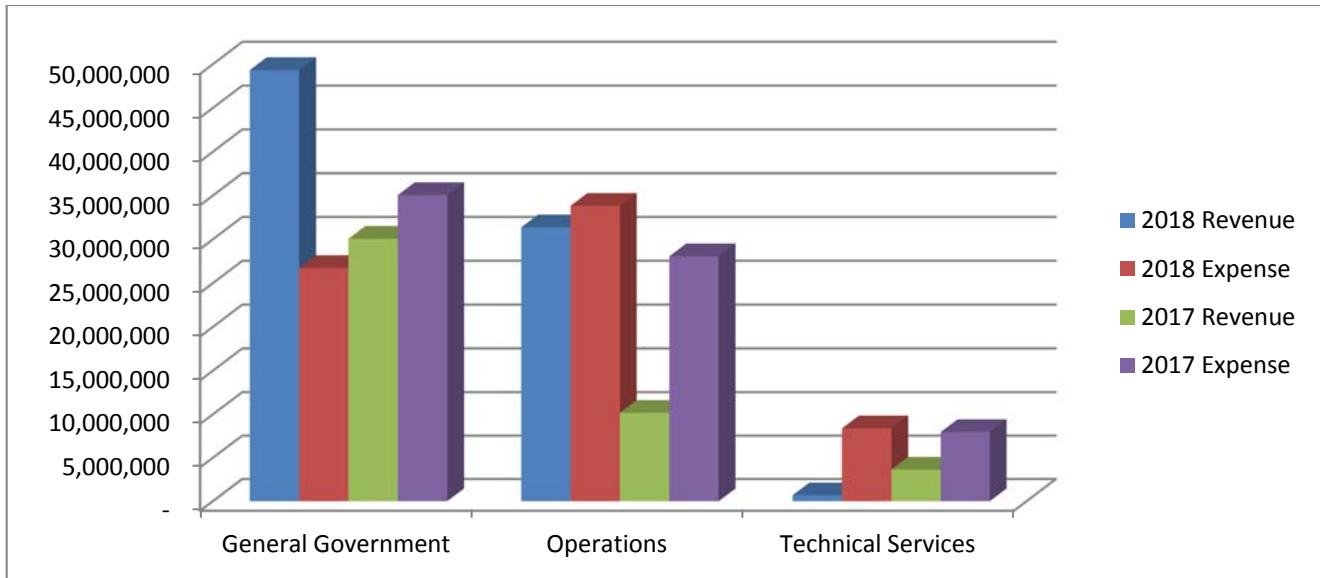


**Governmental Activities.** Governmental activities increased the River Authority's net position by \$39,811,785. This increase is attributable to various capital improvements. These projects are mainly funded by our partners, Bexar County, US Army Corps of Engineers and the City of San Antonio.

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, 2018**

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

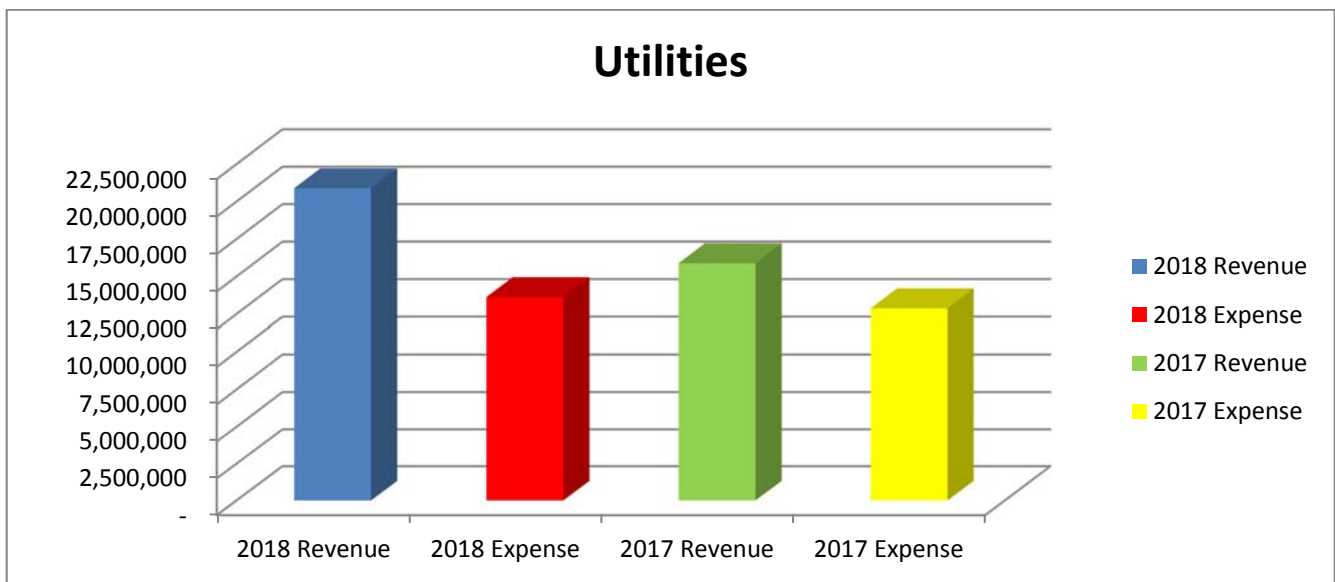


**SAN ANTONIO RIVER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

**Business-type Activities.** The River Authority's major business-type activities are the SARA Wastewater Utilities System and the Salitrillo 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 \$7,268,716. 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 \$5,086,352 compared to the 2017 fiscal year. Expenses increased \$745,671 for the same period. Effective July 1, 2017 the Board of Directors increased the River Authority Wastewater Systems sewage rates by 10.5% and 21% in the Salitrillo Operating Fund.

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



**SAN ANTONIO RIVER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

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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 2018 fiscal year, the River Authority's governmental funds reported combined ending fund balances of \$26,479,272, a decrease of \$955,423 in comparison with the prior year. Of this total amount, \$24,090,711 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 \$2,388,561 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 \$2,578,543 compared to \$1,238,413 in 2017, an increase of \$1,340,130. This increase was primarily due to a decrease in the committed portion of fund balance – operating reserve and the assigned portion of fund balance – contract commitments.

**Debt Service Fund:** The River Authority entered into a contract 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 decreased \$2,259,763 in 2018.

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.



**SAN ANTONIO RIVER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

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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 2018 fiscal year, the River Authority's governmental funds reported combined ending fund balances of \$26,479,272, a decrease of \$955,423 in comparison with the prior year. Of this total amount, \$24,090,711 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 \$2,388,561 is *unassigned fund balance*, which is available for spending at the River Authority's discretion.

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**SAN ANTONIO RIVER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

*Proprietary funds.* The unrestricted net position of the proprietary funds at the end of the fiscal year was \$17,549,077. 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.* There were no significant differences between the original adopted budget and the final amended budget. Only transfers across functional programs were made within the General Fund but these had no impact to the authorized budget.

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 two percent variance. Both property tax revenue and investment earnings performed better than budgeted resulting in \$476,801 of additional revenue for the General Fund after taking into account actuals performing under budget for intergovernmental revenue and revenues from charges for service.
- Across all departments expenditures were under budget by \$2,757,119. Encumbrances carried forward into FY 2018-19 equal \$876,805, down from \$1.1 million in the prior year.

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**CAPITAL ASSETS & DEBT ADMINISTRATION**

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**Long-term Debt.** At year-end, the River Authority had \$48.3 million and \$42.7 million in bonds at the end of 2018 and 2017, respectively, as shown below:

	<u><b>2018</b></u>	<u><b>2017</b></u>
SACIP Improvement Revenue Bonds	\$ 20,075,000	\$ 22,490,000
Public Facilities Corporation	2,591,000	2,714,000
SARA Wastewater Utilities System Revenue Bonds	18,615,000	9,860,000
Texas Water Development Bonds	2,620,000	3,040,000
Contract Revenue Bonds	4,370,000	4,615,000

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, 2018, was \$577,929,319 (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  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2018**

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

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2018	2017	2018	2017	2018	2017
Capital assets, not being depreciated:						
Land	\$ 29,997,239	\$ 24,732,693	\$ 2,476,944	\$ 2,476,944	\$ 32,474,183	\$ 27,209,637
Water Rights	227,447	227,447	-	-	227,447	227,447
Construction in progress	81,987,259	42,692,521	8,026,089	4,871,834	90,013,348	47,564,355
Total capital assets, not being depreciated	112,211,945	67,652,661	10,503,033	7,348,778	122,714,978	75,001,439
Capital assets, being depreciated:						
Office furniture, fixtures and equipment	2,578,124	4,223,143	38,317	80,713	2,616,441	4,303,856
Other machinery and equipment	6,282,969	5,728,823	4,503,537	3,902,580	10,786,506	9,631,403
Automobiles and trucks	2,162,164	1,749,958	2,214,898	2,074,826	4,377,062	3,824,784
Buildings	19,602,770	17,443,788	2,305,735	2,359,345	21,908,505	19,803,133
Improvements other than buildings	10,677,901	3,564,507	14,805,677	11,537,611	25,483,578	15,102,118
Studies	2,581,964	2,581,964	422,205	422,205	3,004,169	3,004,169
Sewage treatment facilities	-	-	60,721,408	60,851,745	60,721,408	60,851,745
Flood control projects	339,133,138	339,133,397	-	-	339,133,138	339,133,397
Restoration projects	236,996,307	236,996,307	-	-	236,996,307	236,996,307
Total capital assets, being depreciated	620,015,337	611,421,887	85,011,777	81,229,025	705,027,114	692,650,912
Accumulated depreciation	(203,059,098)	(187,752,659)	(46,753,675)	(44,605,616)	(249,812,773)	(232,358,275)
Capital assets, net	\$ 529,168,184	\$ 491,321,889	\$ 48,761,135	\$ 43,972,187	\$ 577,929,319	\$ 535,294,076

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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 Director of Support Services, 100 East Guenther, San Antonio, Texas 78204.

# Basic Financial Statements



SAN ANTONIO  
RIVER AUTHORITY



SAN ANTONIO  

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RIVER AUTHORITY



**SAN ANTONIO RIVER AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Current assets:			
Cash	\$ 7,237,927	\$ 1,569,001	\$ 8,806,928
Investments	28,963,205	11,507,913	40,471,118
Accounts receivable (net)	-	1,562,045	1,562,045
Intergovernmental receivables	3,320,022	-	3,320,022
Notes receivable	34,882	29,707	64,589
Interest receivable	48,867	2,077	50,944
Taxes receivable (net of \$397,821 for allowance for uncollectible)	1,396,587	-	1,396,587
Internal balances	(256,624)	256,624	-
Prepaid expenses and other assets	2,369,989	360,000	2,729,989
Restricted assets:			
Cash	-	4,579,715	4,579,715
Accounts receivable	-	142,395	142,395
Investments	2,399,800	1,912,815	4,312,615
Total restricted assets	2,399,800	6,634,925	9,034,725
Total current assets	45,514,655	21,922,292	67,436,947
Noncurrent assets:			
Capital assets:			
Land	29,997,239	2,476,944	32,474,183
Water rights	227,447	-	227,447
Office furniture, fixtures and equipment	2,578,124	38,317	2,616,441
Other machinery and equipment	6,282,969	4,503,537	10,786,506
Automobiles and trucks	2,162,164	2,214,898	4,377,062
Buildings	19,602,770	2,305,735	21,908,505
Improvements other than buildings	10,677,901	14,805,677	25,483,578
Sewage treatment facilities	-	60,721,408	60,721,408
Studies	2,581,964	422,205	3,004,169
Flood control projects	339,133,138	-	339,133,138
Restoration projects	236,996,307	-	236,996,307
Construction in progress	81,987,259	8,026,089	90,013,348
Less accumulated depreciation	(203,059,098)	(46,753,675)	(249,812,773)
Total capital assets (net of accumulated depreciation)	529,168,184	48,761,135	577,929,319
Investments - restricted	-	7,915,975	7,915,975
Notes receivable	257,155	334,999	592,154
Total noncurrent assets	529,425,339	57,012,109	586,437,448
Total assets	574,939,994	78,934,401	653,874,395
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred loss of bond refunding	801,485	104,835	906,320

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

**SAN ANTONIO RIVER AUTHORITY**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

	Governmental Activities	Business-type Activities	Total
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 4,325,462	\$ 223,584	\$ 4,549,046
Notes payable	-	28,188	28,188
Capital leases	-	-	-
Compensated absences	186,716	46,039	232,755
Other accrued liabilities	367,182	94,988	462,170
Current liabilities payable from restricted assets:			
Accounts payable	-	1,156,918	1,156,918
Retainage payable	1,218,054	347,115	1,565,169
Unearned revenues - services	10,965,010	-	10,965,010
Bonds payable within one year	<u>3,028,255</u>	<u>1,507,166</u>	<u>4,535,421</u>
Total current liabilities payable			
from restricted assets	<u>15,211,319</u>	<u>3,011,199</u>	<u>18,222,518</u>
Total current liabilities	<u>20,090,679</u>	<u>3,403,998</u>	<u>23,494,677</u>
Noncurrent liabilities:			
Notes payable	-	965,563	965,563
OPEB liability	341,744	120,072	461,816
Compensated absences	560,148	138,115	698,263
Bonds payable after one year	<u>22,336,962</u>	<u>21,915,372</u>	<u>44,252,334</u>
Total noncurrent liabilities	<u>23,238,854</u>	<u>23,139,122</u>	<u>46,377,976</u>
Total liabilities	<u>43,329,533</u>	<u>26,543,120</u>	<u>69,872,653</u>
Deferred inflows of resources:			
Deferred inflows - OPEB	<u>21,506</u>	<u>7,556</u>	<u>29,062</u>
<b>NET POSITION</b>			
Net investment in capital assets	504,604,452	29,029,396	533,633,848
Restricted for:			
Debt service	17,570	1,912,815	1,930,385
Watershed management	345,367	-	345,367
Construction	1,582,126	3,997,272	5,579,398
Water management	127,116	-	127,116
TWDB projects	206,791	-	206,791
Unrestricted	<u>25,507,018</u>	<u>17,549,077</u>	<u>43,056,095</u>
Total net position	<u>\$ 532,390,440</u>	<u>\$ 52,488,560</u>	<u>\$ 584,879,000</u>

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



SAN ANTONIO  

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RIVER AUTHORITY

**SAN ANTONIO RIVER AUTHORITY  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 26,734,430	\$ 49,161,136	\$ 160,703	\$ 10,000
Operations	33,830,509	4,502,063	1,397,200	25,479,637
Technical Services	8,393,583	365,587	45,095	278,372
Interest and other fees	818,865	-	-	-
Total governmental activities	69,777,387	54,028,786	1,602,998	25,768,009
Business-type activities:				
Operations:				
Utilities	13,622,982	18,233,487	-	1,949,799
Total primary government	\$ 83,400,369	\$ 72,262,273	\$ 1,602,998	\$ 27,717,808

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>
\$ 22,597,409		\$ 22,597,409
(2,451,609)		(2,451,609)
(7,704,529)		(7,704,529)
(818,865)		(818,865)
<u>11,622,406</u>		<u>11,622,406</u>
	\$ 6,560,304	<u>6,560,304</u>
<u>11,622,406</u>	<u>-</u>	<u>18,182,710</u>
27,330,959	-	27,330,959
651,857	255,742	907,599
206,563	452,670	659,233
-	-	-
<u>28,189,379</u>	<u>708,412</u>	<u>28,897,791</u>
39,811,785	7,268,716	47,080,501
492,578,655	45,219,844	537,798,499
<u>\$ 532,390,440</u>	<u>\$ 52,488,560</u>	<u>\$ 584,879,000</u>



**SAN ANTONIO RIVER AUTHORITY  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	<u>Capital Projects Funds</u>				
	<u>Westside Creek Restoration</u>				
	<u>General Fund</u>	<u>Bexar County</u>	<u>City of San Antonio</u>	<u>SARA Project Fund</u>	<u>Debt Service</u>
<b>ASSETS</b>					
Cash	\$ 891,555	\$ 1,873,430	\$ 7,823	\$ 87,869	\$ 2,900,000
Investments	11,408,792	5,790,080	-	10,542,505	-
Prepays and other assets	9,989	-	-	-	2,360,000
Intergovernmental receivables	492,627	37	841,204	-	142,349
Notes receivable	292,037	-	-	-	-
Interest receivable	47,245	-	-	-	-
Taxes receivable (net of allowance for uncollectible)	1,396,587	-	-	-	-
Due from other funds of the Authority	-	5,574,862	-	-	-
Investments - restricted	-	-	-	-	1,894,273
Total assets	<u>\$ 14,538,832</u>	<u>\$ 13,238,409</u>	<u>\$ 849,027</u>	<u>\$ 10,630,374</u>	<u>\$ 7,296,622</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 1,435,855	\$ 1,706,727	\$ 338,153	\$ 355,935	\$ -
Retainage payable	-	1,097,195	-	-	-
Due to other funds of the Authority	18,878	-	500,000	-	5,126,604
Other accrued liabilities	367,182	-	-	-	-
Unearned revenue - services	87,659	10,391,672	-	-	-
Total liabilities	<u>1,909,574</u>	<u>13,195,594</u>	<u>838,153</u>	<u>355,935</u>	<u>5,126,604</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	<u>878,287</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable:					
Prepaid items and other assets	9,989	-	-	-	2,360,000
Notes receivable, long term portion	257,155	-	-	-	-
Restricted:					
Debt service	-	-	-	-	-
Construction	-	42,815	10,874	-	-
Watershed management	-	-	-	-	-
Water management	-	-	-	-	-
TWDB Projects	206,791	-	-	-	-
Committed:					
Operating Reserve	7,821,688	-	-	-	-
Unrestricted Reserve	-	-	-	5,027,451	-
Economic Development	-	-	-	-	-
Parks	-	-	-	-	-
Assigned:					
Contract Commitments	876,805	-	-	-	-
Projects	-	-	-	5,246,988	-
Unassigned	<u>2,578,543</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(189,982)</u>
Total fund balances	<u>11,750,971</u>	<u>42,815</u>	<u>10,874</u>	<u>10,274,439</u>	<u>2,170,018</u>
Total liabilities deferred inflows of resources and fund balances	<u>\$ 14,538,832</u>	<u>\$ 13,238,409</u>	<u>\$ 849,027</u>	<u>\$ 10,630,374</u>	<u>\$ 7,296,622</u>

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

Other Governmental Funds	Total Governmental Funds
\$ 1,334,490	\$ 7,095,167
293,004	28,034,381
-	2,369,989
1,840,477	3,316,694
-	292,037
	47,245
-	1,396,587
-	5,574,862
505,527	2,399,800
<u>\$ 3,973,498</u>	<u>\$ 50,526,762</u>
\$ 450,801	\$ 4,287,471
120,859	1,218,054
686,004	6,331,486
-	367,182
485,679	10,965,010
<u>1,743,343</u>	<u>23,169,203</u>
<u>-</u>	<u>878,287</u>
-	2,369,989
-	257,155
17,570	17,570
1,528,437	1,582,126
345,367	345,367
127,116	127,116
-	206,791
-	7,821,688
-	5,027,451
16,333	16,333
195,332	195,332
-	876,805
-	5,246,988
-	2,388,561
<u>2,230,155</u>	<u>26,479,272</u>
<u>\$ 3,973,498</u>	<u>\$ 50,526,762</u>



SAN ANTONIO  

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RIVER AUTHORITY

**SAN ANTONIO RIVER AUTHORITY  
RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION  
JUNE 30, 2018**

Total fund balances - governmental funds	\$ 26,479,272
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	529,168,184
Other long-term assets (taxes receivable, net of \$397,291 allowance) are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	878,287
Other postemployment benefit liabilities and deferred inflows of resources.	(363,250)
Compensated absences are only recognized upon maturing, therefore are not reported in the funds.	(746,864)
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.	1,538,543
Long-term liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Bonds payable	\$ (25,286,000)
Issuance premium (to be amortized as interest expense)	(283,625)
Issuance discount (to be amortized as interest expense)	204,408
Deferred loss on bond refunding (to be amortized as interest expense)	801,485
	<u>(24,563,732)</u>
Net position of governmental activities	<u>\$ 532,390,440</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, 2018**

	Capital Projects Funds				
	Westside Creek Restoration				
	General	Bexar County	City of San Antonio	SARA Project Fund	Debt Service
<b>REVENUES</b>					
Taxes	\$ 27,323,379	\$ -	\$ -	\$ -	\$ -
Investment earnings	544,983	30,382	1,457	-	31,459
Intergovernmental	279,587	46,242,625	3,945,918	-	3,205,758
Charges for Services	605,101	-	-	-	-
Support Fees	2,301,288	-	-	-	-
Miscellaneous	203,652	-	-	-	-
Total Revenues	<u>31,257,990</u>	<u>46,273,007</u>	<u>3,947,375</u>	<u>-</u>	<u>3,237,217</u>
<b>EXPENDITURES</b>					
Current:					
General government	11,612,775	48,371	-	-	2,551,488
Operations	6,889,326	-	3,945,146	2,204,118	-
Technical services	7,098,744	-	-	-	-
Debt Service:					
Bond principal	-	-	-	-	2,835,000
Interest and fees on bonds	-	-	-	-	706,676
Capital outlay:					
Capital projects	-	46,190,613	-	639,223	-
General government	476,808	-	-	-	-
Operations	416,971	-	-	-	-
Technical services	157,224	-	-	-	-
Total expenditures	<u>26,651,848</u>	<u>46,238,984</u>	<u>3,945,146</u>	<u>2,843,341</u>	<u>6,093,164</u>
Excess (deficiency) of revenues over (under)					
expenditures	<u>4,606,142</u>	<u>34,023</u>	<u>2,229</u>	<u>(2,843,341)</u>	<u>(2,855,947)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	3,351,228	596,184
Transfers out	(3,748,655)	-	-	-	-
Total other financing sources and (uses)	<u>(3,748,655)</u>	<u>-</u>	<u>-</u>	<u>3,351,228</u>	<u>596,184</u>
Net change in fund balances	<u>857,487</u>	<u>34,023</u>	<u>2,229</u>	<u>507,887</u>	<u>(2,259,763)</u>
Fund balances - beginning	<u>10,893,484</u>	<u>8,792</u>	<u>8,645</u>	<u>9,766,552</u>	<u>4,429,781</u>
Fund balances - ending	<u>\$ 11,750,971</u>	<u>\$ 42,815</u>	<u>\$ 10,874</u>	<u>\$ 10,274,439</u>	<u>\$ 2,170,018</u>

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



Other Governmental Funds	Total Governmental Funds
\$ -	\$ 27,323,379
14,173	622,454
17,325,319	70,999,207
291,126	896,227
-	2,301,288
<u>357,680</u>	<u>561,332</u>
<u>17,988,298</u>	<u>102,703,887</u>
10,560,182	24,772,816
5,367,053	18,405,643
1,116,022	8,214,766
123,000	2,958,000
59,283	765,959
-	46,829,836
413,482	890,290
247,397	664,368
<u>408</u>	<u>157,632</u>
<u>17,886,827</u>	<u>103,659,310</u>
<u>101,471</u>	<u>(955,423)</u>
1,243	3,948,655
<u>(200,000)</u>	<u>(3,948,655)</u>
<u>(198,757)</u>	<u>-</u>
<u>(97,286)</u>	<u>(955,423)</u>
<u>2,327,441</u>	<u>27,434,695</u>
<u>\$ 2,230,155</u>	<u>\$ 26,479,272</u>



SAN ANTONIO  

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RIVER AUTHORITY

**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, 2018**

Net change in fund balances - total governmental funds	\$	(955,423)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures (\$48,542,126). However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense (\$17,195,258). This is the amount by which capital outlay exceeded depreciation expense in the current period.		31,346,868
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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.		(348,875)
--	--	-----------

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		6,855,882
--	--	-----------

Other postemployment benefit liabilities and deferred inflows of resources.		(78,964)
---	--	----------

Compensated absences are only recognized upon maturing, therefore are not reported in the funds.		(20,197)
--	--	----------

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	\$ 57,890	
Bond principal payments	2,958,000	
Amortization of bond premium	17,946	
Amortization of bond discount	(14,692)	
Amortization of loss on refunding	(56,160)	2,962,984

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.		49,510
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Change in net position of governmental activities	\$	39,811,785
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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, 2018**

	Business-Type Activities - Enterprise Funds			Business-Type Activities	Governmental Activities
	SARA Wastewater Utilities System	Salitrillo Wastewater Treatment Plant	Nonmajor Fund Randolph AFB Collection System	Enterprise Fund Total	Internal Service Fund
<b>ASSETS</b>					
Current assets:					
Cash	\$ 503,925	\$ 329,403	\$ 735,673	\$ 1,569,001	\$ 142,760
Investments	9,892,075	1,048,937	566,901	11,507,913	928,824
Accounts receivable (net)	1,108,401	424,933	28,711	1,562,045	3,328
Interest receivable	959	1,118	-	2,077	1,622
Notes receivable	29,707	-	-	29,707	-
Due from other funds of the Authority	-	-	-	-	500,000
Prepaid expenses and other assets	360,000	-	-	360,000	-
Restricted assets:					
Cash	4,579,715	-	-	4,579,715	-
Accounts receivable (net)	112,056	-	30,339	142,395	-
Due from other funds of the Authority	-	256,624	-	256,624	-
Investments	1,912,815	-	-	1,912,815	-
Total restricted assets	6,604,586	256,624	30,339	6,891,549	-
Total current assets	18,499,653	2,061,015	1,361,624	21,922,292	1,576,534
Noncurrent assets:					
Capital assets:					
Land	1,925,253	551,691	-	2,476,944	-
Office furniture, fixtures, and equipment	31,492	6,825	-	38,317	-
Other machinery and equipment	2,567,987	1,815,776	119,774	4,503,537	-
Automobiles and trucks	1,723,636	491,262	-	2,214,898	-
Studies	27,917	57,369	336,919	422,205	-
Buildings	2,278,390	27,345	-	2,305,735	-
Improvements other than buildings	7,633,054	3,980,755	3,191,868	14,805,677	-
Sewage treatment facilities	34,184,551	25,127,333	1,409,524	60,721,408	-
Construction in progress	7,744,605	281,484	-	8,026,089	-
Less accumulated depreciation	(27,220,072)	(18,229,527)	(1,304,076)	(46,753,675)	-
Total capital assets (net of accumulated depreciation)	30,896,813	14,110,313	3,754,009	48,761,135	-
Notes receivable (net)	334,999	-	-	334,999	-
Investments	3,228,658	4,687,317	-	7,915,975	-
Total noncurrent assets	34,460,470	18,797,630	3,754,009	57,012,109	-
Total assets	52,960,123	20,858,645	5,115,633	78,934,401	1,576,534
Deferred outflows of resources:					
Deferred loss of bond refunding	104,835	-	-	104,835	-
Total assets and deferred outflows	\$ 53,064,958	\$ 20,858,645	\$ 5,115,633	\$ 79,039,236	\$ 1,576,534

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, 2018**

	Business-Type Activities - Enterprise Funds			Business-Type Activities	Governmental Activities
	SARA Wastewater Utilities System	Salitrillo Wastewater Treatment Plant	Nonmajor Fund Randolph AFB Collection System	Enterprise Fund Total	Internal Service Fund
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	\$ 138,217	\$ 85,168	\$ 199	\$ 223,584	\$ 37,991
Notes payable	-	-	28,188	28,188	-
Compensated absences	30,563	13,098	2,378	46,039	-
Other accrued liabilities	79,316	15,672	-	94,988	-
Current liabilities payable from restricted assets:					
Accounts payable	1,153,248	3,670	-	1,156,918	-
Retainage payable	347,115	-	-	347,115	-
Bonds payable within one year	1,252,166	255,000	-	1,507,166	-
Total current liabilities payable from restricted assets	2,752,529	258,670	-	3,011,199	-
Total current liabilities	3,000,625	372,608	30,765	3,403,998	37,991
Noncurrent liabilities:					
Notes payable	-	-	965,563	965,563	-
OPEB liability	84,050	36,022	-	120,072	-
Compensated absences	91,688	39,295	7,132	138,115	-
Revenue bonds payable after one year	17,800,372	4,115,000	-	21,915,372	-
Total noncurrent liabilities	17,976,110	4,190,317	972,695	23,139,122	-
Total liabilities	20,976,735	4,562,925	1,003,460	26,543,120	37,991
Deferred inflows of resources:					
Deferred inflows - OPEB	5,289	2,267	-	7,556	-
<b>NET POSITION</b>					
Net investment in capital assets	16,528,825	9,740,313	2,760,258	29,029,396	-
Restricted for debt service	1,912,815	-	-	1,912,815	-
Restricted for construction	-	3,997,272	-	3,997,272	-
Unrestricted	13,641,294	2,555,868	1,351,915	17,549,077	1,538,543
Total net position	\$ 32,082,934	\$ 16,293,453	\$ 4,112,173	\$ 52,488,560	\$ 1,538,543

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, 2018**

	Business-Type Activities - Enterprise Funds			Business-Type Activities	Governmental Activities
	SARA	Salitrillo	Nonmajor Fund	Enterprise	Internal
	Wastewater	Wastewater	Randolph AFB	Fund	Service
	Utilities System	Treatment Plant	Collection System	Total	Fund
Operating revenues:					
Intergovernmental	\$ 1,234,274	\$ 556,762	\$ -	\$ 1,791,036	\$ -
Utility service charges	8,912,291	4,187,098	371,114	13,470,503	-
Charges for services	69,801	-	-	69,801	-
Premiums	-	-	-	-	3,320,439
Miscellaneous	452,670	-	-	452,670	-
Total operating revenues	<u>10,669,036</u>	<u>4,743,860</u>	<u>371,114</u>	<u>15,784,010</u>	<u>3,320,439</u>
Operating expenses:					
Personnel services	2,130,951	1,236,684	2,135	3,369,770	-
Supplies	504,215	310,717	138	815,070	-
Other services & charges	4,399,616	1,837,497	626,083	6,863,196	3,300,332
Depreciation	1,347,147	939,882	112,411	2,399,440	-
Cost allocations	(478,630)	(3,139)	-	(481,769)	-
Total operating expenses	<u>7,903,299</u>	<u>4,321,641</u>	<u>740,767</u>	<u>12,965,707</u>	<u>3,300,332</u>
Operating income (loss)	<u>2,765,737</u>	<u>422,219</u>	<u>(369,653)</u>	<u>2,818,303</u>	<u>20,107</u>
Nonoperating revenues (expenses):					
Investment earnings	159,864	82,893	12,985	255,742	29,403
Net gain (loss) on sale/disposal of capital assets	2,922,102	(19,652)	(303)	2,902,147	-
Interest expense	(258,968)	(204,858)	-	(463,826)	-
Fiscal agent fees	(192,699)	(750)	-	(193,449)	-
Total nonoperating revenues (expenses)	<u>2,630,299</u>	<u>(142,367)</u>	<u>12,682</u>	<u>2,500,614</u>	<u>29,403</u>
before contributions and transfers	<u>2,630,299</u>	<u>(142,367)</u>	<u>12,682</u>	<u>2,500,614</u>	<u>29,403</u>
Contributed capital	<u>1,587,420</u>	<u>-</u>	<u>362,379</u>	<u>1,949,799</u>	<u>-</u>
Change in net position	<u>6,983,456</u>	<u>279,852</u>	<u>5,408</u>	<u>7,268,716</u>	<u>49,510</u>
Net position, beginning	<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>
Net position, ending	<u>\$ 32,082,934</u>	<u>\$ 16,293,453</u>	<u>\$ 4,112,173</u>	<u>\$ 52,488,560</u>	<u>\$ 1,538,543</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, 2018**

	Business-Type Activities - Enterprise Funds			Business-Type Activities	Governmental Activities
	SARA Wastewater Utilities System	Salitrillo Wastewater Treatment Plant	Nonmajor Fund Randolph AFB Collection System	Enterprise Fund Total	Internal Service Fund
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 10,520,080	\$ 4,677,089	\$ 370,016	\$ 15,567,185	\$ 3,320,439
Payments to suppliers	(3,329,268)	(2,171,146)	(629,421)	(6,129,835)	(3,270,782)
Payments to employees	(2,091,019)	(1,231,279)	-	(3,322,298)	-
Net cash provided (used) by operating activities	5,099,793	1,274,664	(259,405)	6,115,052	49,657
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfer to other funds	1,437	-	-	1,437	-
Transfer from other funds	-	(256,624)	-	(256,624)	(500,000)
Net cash provided (used) by noncapital financing activities	1,437	(256,624)	-	(255,187)	(500,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	-	-	362,379	362,379	-
Principal paid on capital debt	(7,908,628)	(245,000)	(28,188)	(8,181,816)	-
Proceeds from debt	16,668,412	-	-	16,668,412	-
Interest and fees paid on capital debt	(451,667)	(205,608)	-	(657,275)	-
Proceeds from sale of asset	3,073,940	9,417	-	3,083,357	-
Purchases of capital assets	(5,071,634)	(706,396)	(4,148)	(5,782,178)	-
Net cash provided (used) by capital and related financing activities	6,310,423	(1,147,587)	330,043	5,492,879	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales and maturities of investments	-	6,787	-	6,787	-
Purchase of investments	(7,052,001)	-	(12,985)	(7,064,986)	477,597
Interest on investments	162,033	85,027	12,985	260,045	30,841
Net cash provided (used) by investing activities	(6,889,968)	91,814	-	(6,798,154)	508,438
Net increase (decrease) in cash	4,521,685	(37,733)	70,638	4,554,590	58,095
Cash - July 1	561,955	367,136	665,035	1,594,126	84,665
Cash - June 30	\$ 5,083,640	\$ 329,403	\$ 735,673	\$ 6,148,716	\$ 142,760

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, 2018**

	Business-Type Activities - Enterprise Funds			Business-Type Activities	Governmental Activities
	SARA Wastewater Utilities System	Salitrillo 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)	\$ 2,765,737	\$ 422,219	\$ (369,653)	\$ 2,818,303	\$ 20,107
Adjustments to reconcile operating loss to net cash provided by operating activities:					
Depreciation	1,347,147	939,882	112,411	2,399,440	-
Changes in operating assets and liabilities:					
Receivables	(148,956)	(66,771)	(1,098)	(216,825)	-
Prepaid and other assets	(25,000)	-	-	(25,000)	-
Due from other funds	-	-	-	-	-
Accounts payable	37,678	4,022	(328)	41,372	29,550
Other accrued liabilities	1,123,187	(24,688)	(737)	1,097,762	-
Net cash provided (used) by operating activities	\$ 5,099,793	\$ 1,274,664	\$ (259,405)	\$ 6,115,052	\$ 49,657

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

**SAN ANTONIO RIVER AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2018**

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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, 2018**

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, 2018**

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**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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

**SAN ANTONIO RIVER AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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. Exceptions to this general rule are charges between the River Authority's utility functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

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:

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.

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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.

### **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.



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**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 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 has one item that qualifies for reporting in this category. It is the deferred charge on refunding. 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This 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 an item, which arises under the modified accrual basis of accounting that qualifies for reporting in this category. 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. The River Authority has an item which arises under the accrual basis of accounting that qualifies for reporting in this category. It is the deferred inflow of resources from other post-employment benefits related to the difference between actual and expected experience. This amount is deferred and amortized over a closed five-year period.

**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.

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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, 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 2018 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

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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 (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.

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- *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. The general fund is the only fund that reports a positive unassigned fund balance.

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 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, 2018, the carrying amount of the River Authority's cash on the government-wide financial statements is \$13,386,643 and the bank balance was \$13,480,998. 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, 2018 are as follows:

	Carrying Amount	Weighted Average Maturities (Years)
Local Government Investment Pools		
TexPool	\$ 7,982,634	0.03
TexPool Prime	12,224,394	0.06
Commercial Paper	9,983,495	0.08
Certificates of deposit	987,048	0.19
U.S. Agencies	17,333,595	0.84
U.S. government securities	4,188,542	1.07
	<u>\$ 52,699,708</u>	
Portfolio weighted average maturity		0.40

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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.

*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.

*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 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 is 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 invests in a high quality portfolio of debt securities investments that are legally permissible for local governments in the state.

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**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, 2018:

	June 30, 2018	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Certificates of Deposit	\$ 987,048	\$ -	\$ 987,048	\$ -
Debt Securities				
Commercial Paper	9,983,495	-	9,983,495	
Federal Home Loan Mortgage Corporation	495,390	-	3,994,973	-
U.S. Treasury Notes	4,188,542	-	997,636	-
Federal Farm Credit Bank	8,226,792	-	2,496,608	-
Federal Home Loan Bank	2,493,762	-	2,246,707	-
Federal National Mortgage Association	3,969,595	-	747,643	-
Farmer MAC	2,148,056	-	2,394,535	-
Total Debt Securities	<u>31,505,632</u>	<u>-</u>	<u>22,861,597</u>	<u>-</u>
Total Investments Measured by Fair Value Level	<u>32,492,680</u>	<u>\$ -</u>	<u>\$ 23,848,645</u>	<u>\$ -</u>
Investments Measured at Amortized Cost:				
External Investment Pools				
TexPool	7,982,634			
TexPool Prime	<u>12,224,394</u>			
Total External Investment Pools	<u>20,207,028</u>			
Total	<u>\$ 52,699,708</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, 2018.



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**4. Notes Receivable**

*Governmental Activities.* As of June 30, 2018, the River Authority has a notes receivable balance in its governmental funds in the amount of \$292,037.

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 \$248,380. 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 \$43,657.

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 interest free funds to provide Wildlake Dam operations and maintenance in the amount of \$100,000; the balance as of June 30, 2018 is \$-0-.

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 Salitrillo reuse pump station project in the amount of \$448,219; the balance as of June 30, 2018 is \$-0-.

	Balance 7/1/2017	Additions	Reductions	Balance 6/30/2018	Current Portion
Governmental activities:					
GCWSC	\$ 260,175	\$ -	\$ 11,795	\$ 248,380	\$ -
SAAHC	78,539	-	34,882	43,657	34,882
SAMUD #1	20,000	-	20,000	-	-
City of Universal City	78,259	-	78,259	-	-
Total notes receivable	<u>\$ 436,973</u>	<u>\$ -</u>	<u>\$ 144,936</u>	<u>\$ 292,037</u>	<u>\$ 34,882</u>

*Business-type Activities.* As of June 30, 2018, the River Authority has a notes receivable balance in its business-type funds in the amount of \$364,706.

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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, 2018, the River Authority has a notes receivable balance for the City of La Vernia in the amount of \$364,706.

	Balance 7/1/2017	Additions	Reductions	Balance 6/30/2018	Current Portion
Business-type activities:					
City of La Vernia	\$ 393,139	\$ -	\$ 28,433	\$ 364,706	\$ 29,707
Total notes receivable	<u>\$ 393,139</u>	<u>\$ -</u>	<u>\$ 28,433</u>	<u>\$ 364,706</u>	<u>\$ 29,707</u>

## **5. Interfund Balances and Transfers**

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	\$ -	\$ 18,878
Debt Service	-	5,126,604
Westside Creek Restoration-Bexar Co.	5,574,862	-
Westside Creek Restoration-City of San Antonio	-	500,000
SARA Project Fund	-	-
Non-major Governmental	-	686,004
Total governmental funds	<u>5,574,862</u>	<u>6,331,486</u>
Salitrillo Wastewater Treatment Plant System Fund	256,624	-
Internal Service Fund	500,000	-
Total proprietary funds	<u>756,624</u>	<u>-</u>
Total all funds	<u>\$ 6,331,486</u>	<u>\$ 6,331,486</u>

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

	Transfers In	Transfers Out
General Fund	\$ -	\$ 3,748,655
Debt Service	596,184	-
SARA Project Fund	3,351,228	-
Non-major Governmental	1,243	200,000
Total governmental funds	<u>\$ 3,948,655</u>	<u>\$ 3,948,655</u>

**SAN ANTONIO RIVER AUTHORITY**  
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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	\$ 1,547,573
Operations	15,475,732
Technical Services	<u>171,953</u>
Total depreciation expense – governmental activities	<u>\$ 17,195,258</u>
<u>Business-type activities</u>	
Utilities	<u>\$ 2,399,440</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:

<i>Governmental Activities</i>	
SARA Project Fund	\$ 602,372
Bexar County Capital Projects	655,564
City of San Antonio	3,146,929
Park Resource Development Fund	23,355
Grants Fund	4,784,541
SARIP-Bexar County Flood Tax	893,404
Westside Creek-Bexar County	30,298,900
Other Capital Projects Fund	3,826,608
Down Stream Capital Projects Fund	1,165,480
Bexar County CIP	1,190,630
Westside Creek-City of San Antonio	<u>34,046,252</u>
	<u>\$ 80,634,035</u>
<i>Business-type Activities</i>	
SARA Wastewater Utilities System	\$ 5,139,633
Salitrillo Wastewater Treatment Plant	858,297
Randolph Air Force Base	<u>244,626</u>
	<u>\$ 6,242,556</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, 2018 that will be re-appropriated in the subsequent year are as follows:

General Fund:

General Government	\$ 423,183
Watershed Park Operations	162,209
Watershed Engineering	291,413
Total Encumbrances	<u>\$ 876,805</u>

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**9. Net Position**

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The following table summarizes net position by purpose at June 30, 2018:

	Governmental Activities	Business-type Activities	Total
<b>Net investment in capital assets:</b>			
Capital assets – net of accumulated depreciation	\$ 529,168,184	\$ 48,761,135	\$ 577,929,319
Deferred loss on bond refunding	801,485	104,835	906,320
Debt	(25,365,217)	(24,416,289)	(49,781,506)
Unspent bond proceeds	-	4,579,715	4,579,715
Net investment in capital assets	<u>\$ 504,604,452</u>	<u>\$ 29,029,396</u>	<u>\$ 533,633,848</u>
<b>Restricted net position:</b>			
Debt service	\$ 17,570	\$ 1,912,815	\$ 1,930,385
Watershed management	345,367	-	345,367
Water management	127,116	-	127,116
Construction	1,582,126	3,997,272	5,579,398
TWDB Projects	206,791	-	206,791
Total restricted net position	<u>\$ 2,278,970</u>	<u>\$ 5,910,087</u>	<u>\$ 8,189,057</u>
<b>Unrestricted net position:</b>			
Total net position	\$ 532,390,440	\$ 52,488,560	\$ 584,879,000
Less: invested in capital assets	(504,604,452)	(29,029,396)	(533,633,848)
Less: restricted net position	(2,278,970)	(5,910,087)	(8,189,057)
Total unrestricted net position	<u>\$ 25,507,018</u>	<u>\$ 17,549,077</u>	<u>\$ 43,056,095</u>

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**10. Capital Assets**

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

	Balance July 1, 2017	Additions	Deletions	Transfers	Balance June 30, 2018
<i>Governmental Activities:</i>					
Capital assets, not being depreciated:					
Land	\$ 24,732,693	\$ 5,164,546	\$ -	\$ 100,000	\$ 29,997,239
Water rights	227,447	-	-	-	227,447
Construction in progress	42,692,521	46,775,098	(2,744)	(7,477,616)	81,987,259
Total capital assets, not being depreciated	67,652,661	51,939,644	(2,744)	(7,377,616)	112,211,945
Capital assets, being depreciated:					
Office furniture, fixtures and equipment	4,223,143	39,207	(1,684,226)	-	2,578,124
Other machinery and equipment	5,728,823	537,909	(452,323)	468,560	6,282,969
Automobiles and trucks	1,749,958	434,633	(22,427)	-	2,162,164
Buildings	17,443,788	2,186,201	(27,219)	-	19,602,770
Improvements other than buildings	3,564,507	252,834	(48,496)	6,909,056	10,677,901
Studies	2,581,964	-	-	-	2,581,964
Flood control projects	339,133,397	-	(259)	-	339,133,138
Restoration projects	236,996,307	-	-	-	236,996,307
Total capital assets, being depreciated	611,421,887	3,450,784	(2,234,950)	7,377,616	620,015,337
Accumulated depreciation					
Office furniture, fixtures and equipment	(3,672,686)	(300,472)	1,504,105	-	(2,469,053)
Other machinery and equipment	(3,795,472)	(485,485)	302,080	-	(3,978,877)
Automobiles and trucks	(1,289,556)	(188,280)	22,427	-	(1,455,409)
Buildings	(7,990,969)	(501,128)	23,334	-	(8,468,763)
Improvements other than buildings	(539,142)	(258,013)	36,614	-	(760,541)
Studies	(2,581,965)	-	-	-	(2,581,965)
Flood control projects	(130,939,034)	(7,528,580)	259	-	(138,467,355)
Restoration projects	(36,943,835)	(7,933,300)	-	-	(44,877,135)
Total accumulated depreciation	(187,752,659)	(17,195,258)	1,888,819	-	(203,059,098)
Governmental activities capital assets, net	\$ 491,321,889	\$ 38,195,170	\$ (348,875)	\$ -	\$ 529,168,184

**SAN ANTONIO RIVER AUTHORITY**  
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	Balance July 1, 2017	Additions	Deletions	Trans fers	Balance June 30, 2018
<i>Business-type Activities:</i>					
Capital assets, not being depreciated:					
Land	\$ 2,476,944	\$ -	\$ -	\$ -	\$ 2,476,944
Construction in progress	4,871,834	6,568,755	(136,873)	(3,277,627)	8,026,089
Total capital assets, not being depreciated	7,348,778	6,568,755	(136,873)	(3,277,627)	10,503,033
Capital assets, being depreciated:					
Office furniture, fixtures and equipment	80,713	-	(42,396)	-	38,317
Other machinery and equipment	3,902,580	652,743	(51,786)	-	4,503,537
Automobiles and trucks	2,074,826	148,099	(8,027)	-	2,214,898
Buildings	2,359,345	-	(53,610)	-	2,305,735
Improvements other than buildings	11,537,611	-	(9,561)	3,277,627	14,805,677
Studies	422,205	-	-	-	422,205
Sewage treatment facilities	60,851,745	-	(130,337)	-	60,721,408
Total capital assets, being depreciated	81,229,025	800,842	(295,717)	3,277,627	85,011,777
Accumulated depreciation					
Office furniture, fixtures and equipment	(75,662)	-	41,617	-	(34,045)
Other machinery and equipment	(2,459,220)	(160,088)	26,286	-	(2,593,022)
Automobiles and trucks	(1,833,909)	(61,909)	8,027	-	(1,887,791)
Buildings	(831,683)	(114,996)	52,100	-	(894,579)
Improvements other than buildings	(2,522,676)	(560,413)	3,907	-	(3,079,182)
Studies	(451,396)	-	-	-	(451,396)
Sewage treatment facilities	(36,431,070)	(1,502,034)	119,444	-	(37,813,660)
Total accumulated depreciation	(44,605,616)	(2,399,440)	251,381	-	(46,753,675)
Business-type activities capital assets, net	\$ 43,972,187	\$ 4,970,157	\$ (181,209)	\$ -	\$ 48,761,135

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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.

**SAN ANTONIO RIVER AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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The River Authority's total current-year payroll for all employees (full-time and part-time) was \$15,498,453 for the year ended June 30, 2018. Employer contributions to the Plan were \$1,538,388. 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)



**SAN ANTONIO RIVER AUTHORITY  
NOTES TO FINANCIAL STATEMENTS  
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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.

Retirees are eligible to continue medical, dental, and vision insurance coverage after retirement 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;
- Under the age of 65 and not eligible for Medicare; and,
- At least 20 years of combined credible coverage.

Upon attaining age 65 or becoming Medicare eligible, all retirees are automatically de-enrolled from the plan.

Hired on or after May 1, 2007

- There are no health care benefits available for these retirees

At June 30, 2017, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	2
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>42</u>
Total	<u>44</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. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

**OPEB Liability**

The River Authority's total OPEB liability of \$461,816 was measured as of June 30, 2017 and was determined by an actuarial valuation as of that date.

The following table summarizes the actuarial assumptions used in the most recent actuarial valuation for the River Authority's defined health care benefit plan.

Measurement date:	June 30, 2017
Actuarial cost method:	Entry-Age Normal
Actuarial valuation date:	June 30, 2017

**SAN ANTONIO RIVER AUTHORITY**  
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Inflation:	2.20%
Salary increases:	0.50%
Discount rate:	3.56%
Prior year discount rate:	N/A

The discount rate was based on the 6/30/2017 Fidelity General Obligation AA 20-year yield.

Mortality rates for active employees were based in the RPH-2014 Employee Mortality Table, Generational with Projection Scale MP-2017 for males or females, as appropriate.

The following table shows the changes in the OPEB liability:

	Changes in Total OPEB Liability
Balance at June 30, 2016	\$ 467,827
Changes for the year:	
Service Cost	2,936
Interest	16,567
Difference Between Expected and Actual Experience	(30,663)
Changes of Assumptions/Inputs	-
Change in Benefits Terms	-
Contributions - Employee	-
Net Investment Income	-
Benefit Payments	5,149
Administrative Expense	-
Net Changes	<u>(6,011)</u>
Balance at June 30, 2017	<u>\$ 461,816</u>

The following presents the total OPEB liability of the River Authority, as well as what the net liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.56%) or 1 percentage-point higher (4.56%) than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Total OPEB Liability	\$ <u>488,771</u>	\$ <u>461,816</u>	\$ <u>436,552</u>

**SAN ANTONIO RIVER AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the River Authority recognized OPEB expense of \$13,370. At June 30, 2018, the River Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Economic Experience	\$ 24,532	\$ -
Contributions Subsequent to the Measurement Date	<u>4,530</u>	<u>-</u>
Total	<u><u>\$ 29,062</u></u>	<u><u>\$ -</u></u>

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

2019	\$ 10,663
2020	6,133
2021	6,133
2022	6,133
2023	-
Thereafter	<u>-</u>
Total	<u><u>\$ 29,062</u></u>

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.

**SAN ANTONIO RIVER AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**12. Summary of Long-Term Debt**

Long-term liability activity for the year ended June 30, 2018, was as follows:

	Balance July 01, 2017	Additions	Reductions	Balance June 30, 2018	Current Portion
Governmental activities:					
Bonds payable	\$ 28,244,000	\$ -	\$ 2,958,000	\$ 25,286,000	\$ 3,025,000
Premiums/(Discounts)	82,471	-	3,254	79,217	3,255
Capital leases	57,890	-	57,890	-	-
Compensated absences	726,667	201,864	181,667	746,864	186,716
Total long-term liabilities	<u>\$ 29,111,028</u>	<u>\$ 201,864</u>	<u>\$ 3,200,811</u>	<u>\$ 26,112,081</u>	<u>\$ 3,214,971</u>
Business-type activities:					
Bonds payable	\$ 14,475,000	\$ 16,355,000	\$ 7,845,000	\$ 22,985,000	\$ 1,465,000
Premiums/(Discounts)	327,919	418,247	308,628	437,538	42,166
Notes payable	1,021,939	-	28,188	993,751	28,188
Compensated absences	187,592	43,460	46,898	184,154	46,039
Total long-term liabilities	<u>\$ 16,012,450</u>	<u>\$ 16,816,707</u>	<u>\$ 8,228,714</u>	<u>\$ 24,600,443</u>	<u>\$ 1,581,393</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, 2018:

*Governmental Activities*

Series	Effective Interest Rate	Range of Maturity	Original Amount	Outstanding July 1, 2017	Additions	Deletions	Outstanding June 30, 2018	Amount Due within One Year
SACIP Improvement Revenue Bonds:								
2007	4.3921%	2017-2033	\$ 14,525,000	\$ 12,415,000	\$ -	\$ 565,000	\$ 11,850,000	\$ 600,000
2014	1.2400%	2017-2021	5,165,000	2,785,000	-	680,000	2,105,000	695,000
2015	1.9000%	2017-2028	8,265,000	6,205,000	-	1,060,000	5,145,000	1,065,000
2016	1.7700%	2017-2026	1,200,000	1,085,000	-	110,000	975,000	115,000
			<u>29,155,000</u>	<u>22,490,000</u>	<u>-</u>	<u>2,415,000</u>	<u>20,075,000</u>	<u>2,475,000</u>
Texas Water Development Bonds:								
2013A	1.4536%	2016-2024	4,300,000	3,040,000	-	420,000	2,620,000	425,000
Public Facilities Corp. Lease Revenue Bonds:								
2014	2.1020%	2016-2035	3,100,000	2,714,000	-	123,000	2,591,000	125,000
			<u>\$ 36,555,000</u>	<u>\$ 28,244,000</u>	<u>-</u>	<u>\$ 2,958,000</u>	<u>\$ 25,286,000</u>	<u>\$ 3,025,000</u>

**SAN ANTONIO RIVER AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

*Business-type Activities*

The River Authority has pledged future wastewater customer revenue net of specified operating expenses, to repay \$35,140,000 in Wastewater system revenue bonds issued in 2010, 2013, and 2017. Proceeds from these bonds have provided financing for the expansion to the Salitrillo 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 2038. 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 \$27,978,643. Principal and interest paid for the current year and total customer operating revenues were \$1,484,509 and \$15,412,896 respectively.

During the year, the River Authority issued Wastewater System Revenue Refunding Revenue Bonds, Series 2017A for \$6,855,000 to partially refund the Wastewater System Revenue Bonds, Series 2010 in the amount \$6,865,000, by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in the River Authority's financial statements. As a result of the refunding, the River Authority reduced its total debt service requirements by \$774,230 which resulted in an economic gain of \$788,322. Bonds outstanding that are considered defeased as a result of the current year refunding total \$6,865,000.

Series	Effective Interest Rate	Range of Maturity	Original Amount	Outstanding July 1, 2017	Additions	Deletions	Outstanding June 30, 2018	Amount Due within One Year
SARA Wastewater Utilities System Revenue Bonds:								
2010	4.7888%	2017-2031	\$ 9,785,000	\$ 7,685,000	\$ -	\$ 7,265,000	\$ 420,000	\$ 420,000
SARA Wastewater Utilities System Revenue Refunding Bonds:								
2013	2.3167%	2017-2022	3,120,000	2,175,000	-	335,000	1,840,000	345,000
SARA Wastewater Utilities System Revenue Refunding Bonds:								
2017A	2.0000%	2019-2031	6,855,000	-	6,855,000	-	6,855,000	25,000
SARA Wastewater Utilities System Revenue Bonds:								
2017	0.0700%	2019-2038	9,500,000	-	9,500,000	-	9,500,000	420,000
Contract Revenue Bonds:								
2010	4.5600%	2017-2031	5,880,000	4,615,000	-	245,000	4,370,000	255,000
			<u>\$ 35,140,000</u>	<u>\$ 14,475,000</u>	<u>\$ 16,355,000</u>	<u>\$ 7,845,000</u>	<u>\$ 22,985,000</u>	<u>\$ 1,465,000</u>

As of June 30, 2018, 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	\$ 25,286,000	\$ 22,985,000
Unamortized premium	283,625	437,538
Unamortized (discount)	(204,408)	-
Total bonds payable, net	25,365,217	23,422,538
Less bonds payable within one year	3,028,255	1,507,166
Bonds payable after one year, net	<u>\$ 22,336,962</u>	<u>\$ 21,915,372</u>

**SAN ANTONIO RIVER AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

Principal and interest requirements to maturity for all long-term debt of the River Authority as of June 30, 2018 are summarized as follows:

Fiscal Year	Governmental Activities			Business-type Activities			Total All Debt
	Principal	Interest	Total	Principal	Interest	Total	
2019	\$ 3,025,000	\$ 758,983	\$ 3,783,983	\$ 1,465,000	\$ 621,776	\$ 2,086,776	\$ 5,870,759
2020	3,082,000	635,385	3,717,385	1,525,000	578,503	2,103,503	5,820,888
2021	3,150,000	564,455	3,714,455	1,560,000	534,851	2,094,851	5,809,306
2022	1,888,000	512,161	2,400,161	1,615,000	488,682	2,103,682	4,503,843
2023	1,638,000	461,921	2,099,921	1,660,000	439,914	2,099,914	4,199,835
2024 – 2028	6,842,000	1,587,024	8,429,024	6,860,000	1,651,683	8,511,683	16,940,707
2029 – 2033	5,306,000	428,771	5,734,771	5,650,000	547,566	6,197,566	11,932,337
2034 – 2038	355,000	3,490	358,490	2,650,000	130,668	2,780,668	3,139,158
	<u>\$ 25,286,000</u>	<u>\$ 4,952,190</u>	<u>\$ 30,238,190</u>	<u>\$ 22,985,000</u>	<u>\$ 4,993,643</u>	<u>\$ 27,978,643</u>	<u>\$ 58,216,833</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, 2018, 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 7/1/2017	Additions 2018	Deletions 2018	Balance 6/30/2018	Due within One year
Governmental Activities	\$ 726,667	\$ 201,864	\$ 181,667	\$ 746,864	\$ 186,716
Business-Type Activities	187,592	43,460	46,898	184,154	46,039
Total Compensated Absences	<u>\$ 914,259</u>	<u>\$ 245,324</u>	<u>\$ 228,565</u>	<u>\$ 931,018</u>	<u>\$ 232,755</u>

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

**SAN ANTONIO RIVER AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

**Capital Leases**

*Governmental Activities.* As of June 30, 2018, the River Authority had the following capital leases for the purchase of equipment. The gross amount of the equipment purchased is \$258,547 with accumulated depreciation of \$232,964.

	Interest Rate	Original Amount	Balance 7/1/2017	Additions 2018	Payments 2018	Balance 6/30/2018	Current Portion
JPMorgan Chase	2.77%	\$ 274,260	\$ 57,890	\$ -	\$ 57,890	\$ -	\$ -
		<u>\$ 274,260</u>	<u>\$ 57,890</u>	<u>\$ -</u>	<u>\$ 57,890</u>	<u>\$ -</u>	<u>\$ -</u>

**Notes Payable**

*Business-type Activities.* As of June 30, 2018, 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 \$415,809.

	Interest Rate	Original Amount	Balance 7/1/2017	Additions 2018	Payments 2018	Balance 6/30/2018	Current Portion
Dept of Defense	0.00%	\$1,409,524	\$1,021,939	\$ -	\$ 28,188	\$ 993,751	\$ 28,188
		<u>\$1,409,524</u>	<u>\$1,021,939</u>	<u>\$ -</u>	<u>\$ 28,188</u>	<u>\$ 993,751</u>	<u>\$ 28,188</u>

Principal and interest requirements to maturity for all notes payable of the River Authority as of June 30, 2018 are as follows:

	<i>Business-type Activities</i>		
Fiscal Year	Principal	Interest	Total
2019	\$ 28,188	\$ -	\$ 28,188
2020	28,188	-	28,188
2021	28,188	-	28,188
2022	28,188	-	28,188
2023	28,188	-	28,188
2024-2054	852,811	-	852,811
	<u>\$ 993,751</u>	<u>\$ -</u>	<u>\$ 993,751</u>

**SAN ANTONIO RIVER AUTHORITY**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2018**

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**13. Risk Management**

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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 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
2017	\$ 866	\$ 3,412,766	\$ 3,405,191	\$ 8,441	\$ 8,441
2018	8,441	3,329,882	3,300,332	37,991	37,991



# **Required Supplementary Information**





SAN ANTONIO  

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RIVER AUTHORITY

**SAN ANTONIO RIVER AUTHORITY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	2018 Budgeted Amounts		2018	Variance with Final Budget - Positive (Negative)	2017
	Original	Final	Actual		Actual
<b>REVENUES</b>					
Taxes	\$ 27,062,143	\$ 27,062,143	\$ 27,323,379	\$ 261,236	\$ 25,682,722
Investment earnings	168,600	168,600	544,983	376,383	103,141
Intergovernmental	360,000	360,000	279,587	(80,413)	299,403
Charges for services	705,969	705,969	605,101	(100,868)	646,817
Support Fees	2,302,631	2,302,631	2,301,288	(1,343)	2,384,595
Miscellaneous	181,846	181,846	203,652	21,806	131,254
Total revenues	<u>30,781,189</u>	<u>30,781,189</u>	<u>31,257,990</u>	<u>476,801</u>	<u>29,247,932</u>
<b>EXPENDITURES</b>					
Current:					
General Government:					
Organizational Support:					
Personnel services	2,478,555	2,478,555	2,423,714	54,841	2,034,741
Materials and supplies	1,576,567	90,500	70,294	20,206	65,428
Other services and charges	450,000	1,929,758	1,379,218	550,540	1,061,030
Capital outlay	-	-	-	-	-
	<u>4,505,122</u>	<u>4,498,813</u>	<u>3,873,226</u>	<u>625,587</u>	<u>3,161,199</u>
Board of Directors:					
Personnel services	51,742	51,742	58,679	(6,937)	45,104
Other services and charges	414,200	414,200	410,779	3,421	45,097
	<u>465,942</u>	<u>465,942</u>	<u>469,458</u>	<u>(3,516)</u>	<u>90,201</u>
Executive Offices:					
Human Resources:					
Personnel services	381,222	381,222	387,764	(6,542)	345,139
Materials and supplies	77,984	5,100	9,712	(4,612)	4,912
Other services and charges	-	72,884	67,321	5,563	75,098
Capital outlay	-	-	-	-	-
	<u>459,206</u>	<u>459,206</u>	<u>464,797</u>	<u>(5,591)</u>	<u>425,149</u>
Facilities:					
Personnel services	362,536	362,536	302,360	60,176	265,624
Materials and supplies	809,625	244,601	274,070	(29,469)	224,209
Other services and charges	-	570,025	499,459	70,566	594,373
Capital outlay	491,000	422,814	422,814	-	297,841
	<u>1,663,161</u>	<u>1,599,976</u>	<u>1,498,703</u>	<u>101,273</u>	<u>1,382,047</u>
Finance:					
Personnel services	1,184,030	1,184,030	1,111,319	72,711	1,057,535
Materials and supplies	375,055	2,450	3,802	(1,352)	11,698
Other services and charges	-	372,605	214,442	158,163	222,190
Capital outlay	-	-	-	-	-
	<u>1,559,085</u>	<u>1,559,085</u>	<u>1,329,563</u>	<u>229,522</u>	<u>1,291,423</u>
Information Technology:					
Personnel services	1,332,569	1,332,569	1,273,734	58,835	1,142,367
Materials and supplies	1,663,346	191,882	186,595	5,287	375,645
Other services and charges	-	1,465,101	1,287,743	177,358	1,011,057
Capital outlay	17,000	41,163	41,163	-	53,438
	<u>3,012,915</u>	<u>3,030,715</u>	<u>2,789,235</u>	<u>241,480</u>	<u>2,582,507</u>

(continued)

**SAN ANTONIO RIVER AUTHORITY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<b>2018 Budgeted Amounts</b>		<b>2018</b>	<b>Variance with</b>	
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget -</b>	<b>2017</b>
				<b>Positive</b>	<b>Actual</b>
				<b>(Negative)</b>	
General Government (Continued):					
Intergovernmental & Community Relations:					
Personnel services	\$ 1,006,441	\$ 1,006,441	\$ 990,987	\$ 15,454	\$ 1,045,065
Materials and supplies	692,850	39,100	86,019	(46,919)	38,533
Other services and charges	584,500	1,401,750	1,238,210	163,540	1,196,096
Capital outlay	-	-	12,831	(12,831)	-
	<u>2,283,791</u>	<u>2,447,291</u>	<u>2,328,047</u>	<u>119,244</u>	<u>2,279,694</u>
Total Cost Allocations:	<u>(1,826,745)</u>	<u>(1,826,745)</u>	<u>(663,446)</u>	<u>(1,163,299)</u>	<u>(669,215)</u>
 Total General Government	 <u>12,122,477</u>	 <u>12,234,283</u>	 <u>12,089,583</u>	 <u>144,700</u>	 <u>10,543,005</u>
Operations:					
Watershed and Parks Operations:					
Personnel services	4,585,822	4,520,936	4,373,085	147,851	3,890,058
Materials and supplies	2,850,948	853,164	711,129	142,035	846,734
Other services and charges	310,000	2,281,408	1,805,112	476,296	1,989,860
Capital outlay	<u>448,800</u>	<u>463,937</u>	<u>416,971</u>	<u>46,966</u>	<u>422,823</u>
	<u>8,195,570</u>	<u>8,119,445</u>	<u>7,306,297</u>	<u>813,148</u>	<u>7,149,475</u>
Total Cost Allocations:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(618)</u>
 Total Operations	 <u>8,195,570</u>	 <u>8,119,445</u>	 <u>7,306,297</u>	 <u>813,148</u>	 <u>7,148,857</u>

(continued)

**SAN ANTONIO RIVER AUTHORITY**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES – BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED JUNE 30, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<b>2018 Budgeted Amounts</b>		<b>2018</b>	<b>Variance with</b>	
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget -</b>	<b>2017</b>
				<b>Positive</b>	<b>Actual</b>
				<b>(Negative)</b>	
Technical Services:					
Watershed Engineering:					
Personnel services	\$ 3,005,464	\$ 2,970,350	\$ 2,884,197	\$ 86,153	\$ 2,529,668
Materials and supplies	427,631	7,000	6,316	684	6,706
Other services and charges	1,037,171	1,446,201	1,138,280	307,921	963,437
Capital outlay	-	-	-	-	-
	<u>4,470,266</u>	<u>4,423,551</u>	<u>4,028,793</u>	<u>394,758</u>	<u>3,499,811</u>
Environmental Sciences:					
Personnel services	3,095,791	3,095,791	3,084,982	10,809	2,938,716
Materials and supplies	705,227	246,092	214,892	31,200	205,569
Other services and charges	156,000	553,226	292,738	260,488	423,819
Capital outlay	148,097	206,806	157,224	49,582	44,519
	<u>4,105,115</u>	<u>4,101,915</u>	<u>3,749,836</u>	<u>352,079</u>	<u>3,612,623</u>
Texas Water Development Board:					
Other services and charges	-	-	-	-	249,027
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>249,027</u>
Real Estate:					
Personnel services	481,479	495,713	490,831	4,882	467,875
Materials and supplies	34,060	650	482	168	123
Other services and charges	-	33,410	24,494	8,916	24,741
	<u>515,539</u>	<u>529,773</u>	<u>515,807</u>	<u>13,966</u>	<u>492,739</u>
Total Cost Allocations:	<u>-</u>	<u>-</u>	<u>(1,038,468)</u>	<u>1,038,468</u>	<u>(1,115,692)</u>
Total Technical Services	<u>9,090,920</u>	<u>9,055,239</u>	<u>7,255,968</u>	<u>1,799,271</u>	<u>6,738,508</u>
Total expenditures	<u>29,408,967</u>	<u>29,408,967</u>	<u>26,651,848</u>	<u>2,757,119</u>	<u>24,430,370</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,372,222</u>	<u>1,372,222</u>	<u>4,606,142</u>	<u>3,233,920</u>	<u>4,817,562</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(3,742,016)	(3,742,016)	(3,748,655)	(6,639)	(5,659,331)
Total other financing sources and (uses)	<u>(3,742,016)</u>	<u>(3,742,016)</u>	<u>(3,748,655)</u>	<u>(6,639)</u>	<u>(5,659,331)</u>
Net change in fund balances	<u>(2,369,794)</u>	<u>(2,369,794)</u>	<u>857,487</u>	<u>3,227,281</u>	<u>(841,769)</u>
Fund balance - beginning	<u>10,893,484</u>	<u>10,893,484</u>	<u>10,893,484</u>	<u>-</u>	<u>11,735,253</u>
Fund balances, end of year	<u>\$ 8,523,690</u>	<u>\$ 8,523,690</u>	<u>\$ 11,750,971</u>	<u>\$ 3,227,281</u>	<u>\$ 10,893,484</u>

**SAN ANTONIO RIVER AUTHORITY**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2018**

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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  
SCHEDULE OF CHANGES IN THE TOTAL OPEB  
LIABILITY AND RELATED RATIOS  
JUNE 30,**

	<u>2017</u>
<b>Total OPEB Liability:</b>	
Service Cost	\$ 2,936
Interest	16,567
Difference Between Expected and Actual Experience	(30,663)
Benefit Payments	<u>5,149</u>
Net Change in Total OPEB Liability	(6,011)
Total OPEB Liability - Beginning	<u>467,827</u>
Total OPEB Liability - Ending	<u><u>\$ 461,816</u></u>
 Covered Employees - Payroll	 \$ 3,101,526
 Total OPEB Liability as a Percentage of Covered Payroll	  14.90%

**Notes to Schedule:**

Changes of Benefit Terms: None

Changes of Assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2018	3.56%
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Note: This the first year of implementation of GASB 75.



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RIVER AUTHORITY



# **Supplemental 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, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<b>2018</b>			<b>Variance –</b>	
	<b>Budgeted Amounts</b>		<b>2018</b>	<b>Positive</b>	<b>2017</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>(Negative)</b>	<b>Actual</b>
<b>REVENUES</b>					
Investment earnings	\$ 28,300	\$ 28,300	\$ 31,459	\$ 3,159	\$ 14,831
Intergovernmental	<u>2,975,406</u>	<u>2,975,406</u>	<u>3,205,758</u>	<u>230,352</u>	<u>3,056,113</u>
Total revenues	<u>3,003,706</u>	<u>3,003,706</u>	<u>3,237,217</u>	<u>233,511</u>	<u>3,070,944</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	2,560,508	2,551,488		
Debt service:					
Bond principal	2,835,000	2,835,000	2,835,000	-	2,790,000
Interest and fees on bonds	<u>761,556</u>	<u>736,556</u>	<u>706,676</u>	<u>29,880</u>	<u>766,081</u>
Total expenditures	<u>3,596,556</u>	<u>3,571,556</u>	<u>6,093,164</u>	<u>29,880</u>	<u>3,556,081</u>
Deficiency of revenues under expenditures	<u>(592,850)</u>	<u>(567,850)</u>	<u>(2,855,947)</u>	<u>(2,288,097)</u>	<u>(485,137)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	<u>596,184</u>	<u>596,184</u>	<u>596,184</u>	<u>-</u>	<u>627,892</u>
Net change in fund balance	<u>3,334</u>	<u>28,334</u>	<u>(2,259,763)</u>	<u>(2,288,097)</u>	<u>142,755</u>
Fund balance, beginning of year	<u>4,429,781</u>	<u>4,429,781</u>	<u>4,429,781</u>	<u>-</u>	<u>4,287,026</u>
Fund balance, end of year	<u>\$ 4,433,115</u>	<u>\$ 4,458,115</u>	<u>\$ 2,170,018</u>	<u>\$ (2,288,097)</u>	<u>\$ 4,429,781</u>

**SAN ANTONIO RIVER AUTHORITY  
COMBINING BALANCE SHEET –  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018**

	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
Cash	\$ 578,662	\$ 755,828	\$ 1,334,490
Investments	211,755	81,249	293,004
Intergovernmental receivables	536,543	1,303,934	1,840,477
Investments - restricted	-	505,527	505,527
Total assets	<u>\$ 1,326,960</u>	<u>\$ 2,646,538</u>	<u>\$ 3,973,498</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 160,845	\$ 289,956	\$ 450,801
Retainage payable	25,208	95,651	120,859
Unearned revenue - services	80,522	405,157	485,679
Due to other funds of the Authority	<u>358,667</u>	<u>327,337</u>	<u>686,004</u>
Total liabilities	<u>625,242</u>	<u>1,118,101</u>	<u>1,743,343</u>
<b>FUND BALANCES</b>			
Restricted:			
Debt Service	17,570	-	17,570
Construction	-	1,528,437	1,528,437
Watershed management	345,367	-	345,367
Water management	127,116	-	127,116
Committed:			
Parks	195,332	-	195,332
Economic development	16,333	-	16,333
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>701,718</u>	<u>1,528,437</u>	<u>2,230,155</u>
Total liabilities and fund balances	<u>\$ 1,326,960</u>	<u>\$ 2,646,538</u>	<u>\$ 3,973,498</u>

**SAN ANTONIO RIVER AUTHORITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES –NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>			
Investment earnings	\$ 8,559	\$ 5,614	\$ 14,173
Intergovernmental	1,614,297	15,711,022	17,325,319
Charges for services	291,126	-	291,126
Miscellaneous	2,911	354,769	357,680
Total revenues	<u>1,916,893</u>	<u>16,071,405</u>	<u>17,988,298</u>
<b>EXPENDITURES</b>			
Current:			
General government	543,107	10,017,075	10,560,182
Operations	421,865	4,945,188	5,367,053
Technical services	1,100,342	15,680	1,116,022
Debt Service:			
Bond principal	123,000	-	123,000
Interest and fees on bonds	59,283	-	59,283
Capital outlay:			
Capital projects	-	413,482	413,482
Operations	247,397	-	247,397
Technical Services	408	-	408
Total expenditures	<u>2,495,402</u>	<u>15,391,425</u>	<u>17,886,827</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(578,509)</u>	<u>679,980</u>	<u>101,471</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	1,243	1,243
Transfers out	-	(200,000)	(200,000)
Total other financing sources and uses	<u>-</u>	<u>(198,757)</u>	<u>(198,757)</u>
Net change in fund balances	(578,509)	481,223	(97,286)
Fund balances, beginning of year	<u>1,280,227</u>	<u>1,047,214</u>	<u>2,327,441</u>
Fund balances, end of year	<u><u>\$ 701,718</u></u>	<u><u>\$ 1,528,437</u></u>	<u><u>\$ 2,230,155</u></u>

**SAN ANTONIO RIVER AUTHORITY  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018**

**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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RIVER AUTHORITY

**SAN ANTONIO RIVER AUTHORITY  
COMBINING BALANCE SHEET –  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2018, WITH COMPARATIVE TOTALS FOR 2017**

		South Central Texas Regional Water Planning Group	Edwards Water Acquisition
	Grants Fund		
<b>ASSETS</b>			
Cash	\$ -	\$ -	\$ 125,480
Investments	-	342	1,982
Intergovernmental receivables	402,930	111,307	300
Due from other funds of the Authority	-	-	-
Total assets	<u>\$ 402,930</u>	<u>\$ 111,649</u>	<u>\$ 127,762</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 41,319	\$ 41,648	\$ -
Retainage payable	-	12,932	-
Due to other funds of the Authority	358,013	654	-
Unearned revenue - services	-	56,369	24,153
Total liabilities	<u>399,332</u>	<u>111,603</u>	<u>24,153</u>
<b>FUND BALANCES</b>			
Restricted:			
Debt Service	-	-	-
Watershed management	-	-	-
Water management	3,598	46	103,609
Committed:			
Parks	-	-	-
Economic development	-	-	-
Total fund balances	<u>3,598</u>	<u>46</u>	<u>103,609</u>
Total liabilities and fund balances	<u>\$ 402,930</u>	<u>\$ 111,649</u>	<u>\$ 127,762</u>



Regional Water Alliance	San Antonio River Public Facility Corp.	San Antonio		
		SACIP Land Sales	River Industrial Development Authority	Park Resources Development
\$ 19,054	\$ 29,846	\$ 404,282	\$ -	\$ -
209	-	5,902	16,333	186,987
600	-	2,499	-	18,907
-	-	-	-	-
<u>\$ 19,863</u>	<u>\$ 29,846</u>	<u>\$ 412,683</u>	<u>\$ 16,333</u>	<u>\$ 205,894</u>
\$ -	\$ -	\$ 67,316	\$ -	\$ 10,562
-	12,276	-	-	-
-	-	-	-	-
-	-	-	-	-
-	12,276	67,316	-	10,562
-	17,570	-	-	-
-	-	345,367	-	-
19,863	-	-	-	-
-	-	-	-	195,332
-	-	-	16,333	-
<u>19,863</u>	<u>17,570</u>	<u>345,367</u>	<u>16,333</u>	<u>195,332</u>
<u>\$ 19,863</u>	<u>\$ 29,846</u>	<u>\$ 412,683</u>	<u>\$ 16,333</u>	<u>\$ 205,894</u>

(continued)

**SAN ANTONIO RIVER AUTHORITY  
COMBINING BALANCE SHEET –  
NONMAJOR SPECIAL REVENUE FUNDS  
JUNE 30, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<b>Total Nonmajor Special Revenue Funds</b>	
	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Cash	\$ 578,662	\$ 438,796
Investments	211,755	287,632
Intergovernmental receivables	536,543	2,053,058
Due from other funds of the Authority	-	496,474
Total assets	<u>\$ 1,326,960</u>	<u>\$ 3,275,960</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 160,845	\$ 320,814
Retainage payable	25,208	236,011
Due to other funds of the Authority	358,667	1,327,637
Unearned revenue - services	<u>80,522</u>	<u>111,271</u>
Total liabilities	<u>625,242</u>	<u>1,995,733</u>
<b>FUND BALANCES</b>		
Restricted:		
Debt Service	17,570	17,570
Watershed management	345,367	644,625
Water management	127,116	210,841
Committed:		
Parks	195,332	385,066
Economic development	<u>16,333</u>	<u>22,125</u>
Total fund balances	<u>701,718</u>	<u>1,280,227</u>
Total liabilities and fund balances	<u>\$ 1,326,960</u>	<u>\$ 3,275,960</u>



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RIVER AUTHORITY

**SAN ANTONIO RIVER AUTHORITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	Grants Fund	South Central Texas Regional Water Planning Group	Edwards Water Acquisition
<b>REVENUES</b>			
Investment earnings	\$ -	\$ 342	\$ -
Intergovernmental	1,174,739	151,599	283,359
Charges for services	-	-	-
Miscellaneous	-	-	-
Total revenues	<u>1,174,739</u>	<u>151,941</u>	<u>283,359</u>
<b>EXPENDITURES</b>			
Current:			
General government	537,107	-	-
Operations	-	151,895	269,952
Technical Services	739,168	-	-
Debt Service:			
Bond principal	-	-	-
Interest and fees on bonds	-	-	-
Capital Outlay			
Operations	-	-	-
Technical services	<u>408</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>1,276,683</u>	<u>151,895</u>	<u>269,952</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(101,944)</u>	<u>46</u>	<u>13,407</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(101,944)</u>	<u>46</u>	<u>13,407</u>
Fund balances, beginning	<u>105,542</u>	<u>-</u>	<u>90,202</u>
Fund balances, end of year	<u><u>\$ 3,598</u></u>	<u><u>\$ 46</u></u>	<u><u>\$ 103,609</u></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>
\$ 184	\$ -	\$ 4,900	\$ 208	\$ 2,925
4,600	-	-	-	-
-	182,283	54,105	-	54,738
-	-	2,911	-	-
<u>4,784</u>	<u>182,283</u>	<u>61,916</u>	<u>208</u>	<u>57,663</u>
-	-	-	6,000	-
18	-	-	-	-
-	-	361,174	-	-
-	123,000	-	-	-
-	59,283	-	-	-
-	-	-	-	247,397
-	-	-	-	-
<u>18</u>	<u>182,283</u>	<u>361,174</u>	<u>6,000</u>	<u>247,397</u>
<u>4,766</u>	<u>-</u>	<u>(299,258)</u>	<u>(5,792)</u>	<u>(189,734)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>4,766</u>	<u>-</u>	<u>(299,258)</u>	<u>(5,792)</u>	<u>(189,734)</u>
<u>15,097</u>	<u>17,570</u>	<u>644,625</u>	<u>22,125</u>	<u>385,066</u>
<u>\$ 19,863</u>	<u>\$ 17,570</u>	<u>\$ 345,367</u>	<u>\$ 16,333</u>	<u>\$ 195,332</u>

(continued)

**SAN ANTONIO RIVER AUTHORITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<b>Total Nonmajor Special Revenue Funds</b>	
	<b>2018</b>	<b>2017</b>
<b>REVENUES</b>		
Investment earnings	\$ 8,559	\$ 4,375
Intergovernmental	1,614,297	4,692,240
Charges for services	291,126	266,221
Miscellaneous	<u>2,911</u>	<u>569,627</u>
Total revenues	<u>1,916,893</u>	<u>5,532,463</u>
<b>EXPENDITURES</b>		
Current:		
General government	543,107	679,726
Operations	421,865	757,157
Technical Services	1,100,342	779,839
Debt Service:		
Bond principal	123,000	122,000
Interest and fees on bonds	59,283	60,674
Capital Outlay		
Operations	247,397	6,712
Technical services	<u>408</u>	<u>2,694,643</u>
Total expenditures	<u>2,495,402</u>	<u>5,100,751</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(578,509)</u>	<u>431,712</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	-	-
Transfers out	<u>-</u>	<u>-</u>
Total other financing sources and (uses)	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(578,509)</u>	<u>431,712</u>
Fund balances, beginning	<u>1,280,227</u>	<u>848,515</u>
Fund balances, end of year	<u><u>\$ 701,718</u></u>	<u><u>\$ 1,280,227</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, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<b>2018</b>			<b>Variance --</b>	
	<b><u>Budgeted Amounts</u></b>		<b>2018</b>	<b>Positive</b>	<b>2017</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	\$ 6,526,498	\$ 9,743,879	\$ 1,174,739	\$ (8,569,140)	\$ 3,910,873
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,625</u>
 Total revenues	<u>6,526,498</u>	<u>9,743,879</u>	<u>1,174,739</u>	<u>(8,569,140)</u>	<u>3,951,498</u>
 <b>EXPENDITURES</b>					
Current:					
General government	537,107	537,107	537,107	-	666,534
Technical services	1,943,164	5,688,705	739,168	4,949,537	590,321
Capital outlay:					
Technical services	<u>4,046,227</u>	<u>3,518,067</u>	<u>408</u>	<u>3,517,659</u>	<u>2,694,643</u>
Total expenditures	<u>6,526,498</u>	<u>9,743,879</u>	<u>1,276,683</u>	<u>8,467,196</u>	<u>3,951,498</u>
 Net change in fund balances	-	-	(101,944)	(101,944)	-
 Fund balance, beginning of year	<u>105,542</u>	<u>105,542</u>	<u>105,542</u>	<u>-</u>	<u>105,542</u>
Fund balance, end of year	<u>\$ 105,542</u>	<u>\$ 105,542</u>	<u>\$ 3,598</u>	<u>\$ (101,944)</u>	<u>\$ 105,542</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, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<b>2018</b>			<b>Variance --</b>	
	<b><u>Budgeted Amounts</u></b>		<b>2018</b>	<b>Positive</b>	<b>2017</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	\$ 342	\$ 292	\$ 5
Intergovernmental	<u>513,389</u>	<u>513,389</u>	<u>151,599</u>	<u>(361,790)</u>	<u>133,819</u>
Total revenues	513,439	513,439	151,941	(361,498)	133,824
<b>EXPENDITURES</b>					
Operations	<u>513,439</u>	<u>513,439</u>	<u>151,895</u>	<u>361,544</u>	<u>133,835</u>
Net change in fund balances	-	-	46	46	(11)
Fund balance, beginning of year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11</u>
Fund balance, end of year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 46</u></u>	<u><u>\$ 46</u></u>	<u><u>\$ -</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, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<b>2018 Original and Final Budgeted Amounts</b>	<b>2018 Actual</b>	<b>Variance -- Positive (Negative)</b>	<b>2017 Actual</b>
<b>REVENUES</b>				
Investment earnings	\$ 1,000	\$ -	\$ (1,000)	\$ 778
Intergovernmental	297,609	283,359	(14,250)	643,148
Charges for services	<u>1,100</u>	<u>-</u>	<u>(1,100)</u>	<u>-</u>
Total revenues	299,709	283,359	(16,350)	643,926
<b>EXPENDITURES</b>				
Operations	<u>298,432</u>	<u>269,952</u>	<u>28,480</u>	<u>622,499</u>
Net change in fund balances	1,277	13,407	12,130	21,427
Fund balance, beginning of year	<u>90,202</u>	<u>90,202</u>	<u>-</u>	<u>68,775</u>
Fund balance, end of year	<u><u>\$ 91,479</u></u>	<u><u>\$ 103,609</u></u>	<u><u>\$ 12,130</u></u>	<u><u>\$ 90,202</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, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<b>2018</b>			<b>Variance –</b>	
	<b><u>Budgeted Amounts</u></b>		<b>2018</b>	<b>Positive</b>	<b>2017</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	\$ 30	\$ 30	\$ 184	\$ 154	\$ 57
Intergovernmental	4,200	4,200	4,600	400	4,400
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>764</u>
Total revenues	4,230	4,230	4,784	554	5,221
<b>EXPENDITURES</b>					
Operations	<u>4,625</u>	<u>4,625</u>	<u>18</u>	<u>4,607</u>	<u>823</u>
Net change in fund balances	(395)	(395)	4,766	5,161	4,398
Fund balance, beginning of year	<u>15,097</u>	<u>15,097</u>	<u>15,097</u>	<u>-</u>	<u>10,699</u>
Fund balance, end of year	<u><u>\$ 14,702</u></u>	<u><u>\$ 14,702</u></u>	<u><u>\$ 19,863</u></u>	<u><u>\$ 5,161</u></u>	<u><u>\$ 15,097</u></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, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	2018			Variance –	
	<u>Budgeted Amounts</u>		2018	Positive	2017
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>(Negative)</u>	<u>Actual</u>
<b>REVENUES</b>					
Charges for services:					
Lease/rentals	\$ 182,283	\$ 182,283	\$ 182,283	\$ -	\$ 182,674
Total revenues	<u>182,283</u>	<u>182,283</u>	<u>182,283</u>	<u>-</u>	<u>182,674</u>
<b>EXPENDITURES</b>					
Debt service:					
Bond principal	123,000	123,000	123,000	-	122,000
Interest on bonds	59,283	59,283	59,283	-	60,674
Capital Outlay	<u>12,277</u>	<u>12,277</u>	<u>-</u>	<u>12,277</u>	<u>-</u>
Total expenditures	<u>194,560</u>	<u>194,560</u>	<u>182,283</u>	<u>12,277</u>	<u>182,674</u>
Net change in fund balance	(12,277)	(12,277)	-	12,277	-
Fund balance, beginning of year	<u>17,570</u>	<u>17,570</u>	<u>17,570</u>	<u>-</u>	<u>17,570</u>
Fund balance, end of year	<u><u>\$ 5,293</u></u>	<u><u>\$ 5,293</u></u>	<u><u>\$ 17,570</u></u>	<u><u>\$ 12,277</u></u>	<u><u>\$ 17,570</u></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, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<b>2018</b>			<b>Variance --</b>	
	<b><u>Budgeted Amounts</u></b>		<b>2018</b>	<b>Positive</b>	<b>2017</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	\$ 840	\$ 840	\$ 4,900	\$ 4,060	\$ 1,547
Charges for services	55,100	55,100	54,105	(995)	60,517
Miscellaneous	-	-	2,911	2,911	528,238
Total revenues	<u>55,940</u>	<u>55,940</u>	<u>61,916</u>	<u>5,976</u>	<u>590,302</u>
<b>EXPENDITURES</b>					
Technical services	<u>435,000</u>	<u>510,000</u>	<u>361,174</u>	<u>148,826</u>	<u>189,518</u>
Net change in fund balances	(379,060)	(454,060)	(299,258)	154,802	400,784
Fund balance, beginning of year	<u>644,625</u>	<u>644,625</u>	<u>644,625</u>	-	<u>243,841</u>
Fund balance, end of year	<u>\$ 265,565</u>	<u>\$ 190,565</u>	<u>\$ 345,367</u>	<u>\$ 154,802</u>	<u>\$ 644,625</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, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<u>2018 Original and Final Budgeted Amounts</u>	<u>2018 Actual</u>	<u>Variance -- Positive (Negative)</u>	<u>2017 Actual</u>
<b>REVENUES</b>				
Investment earnings	\$ 100	\$ 208	\$ 108	\$ 119
<b>EXPENDITURES</b>				
General government	<u>6,000</u>	<u>6,000</u>	<u>-</u>	<u>6,000</u>
Net change in fund balances	(5,900)	(5,792)	108	(5,881)
Fund balance, beginning of year	<u>22,125</u>	<u>22,125</u>	<u>-</u>	<u>28,006</u>
Fund balance, end of year	<u><u>\$ 16,225</u></u>	<u><u>\$ 16,333</u></u>	<u><u>\$ 108</u></u>	<u><u>\$ 22,125</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, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<b>2018</b>		<b>2018</b>	<b>Variance –</b>	<b>2017</b>
	<b><u>Budgeted Amounts</u></b>		<b>Actual</b>	<b>Positive</b>	<b>Actual</b>
	<b><u>Original</u></b>	<b><u>Final</u></b>		<b>(Negative)</b>	
<b>REVENUES</b>					
Investment earnings	\$ 500	\$ 500	\$ 2,925	\$ 2,425	\$ 1,869
Charges for services	<u>20,000</u>	<u>20,000</u>	<u>54,738</u>	<u>34,738</u>	<u>23,030</u>
Total revenues	20,500	20,500	57,663	37,163	24,899
<b>EXPENDITURES</b>					
Current					
Operations	-	-	-	-	7,192
Capital Outlay					
Operations	<u>270,752</u>	<u>270,752</u>	<u>247,397</u>	<u>23,355</u>	<u>6,712</u>
Total expenditures	<u>270,752</u>	<u>270,752</u>	<u>247,397</u>	<u>23,355</u>	<u>13,904</u>
Net change in fund balances	(250,252)	(250,252)	(189,734)	60,518	10,995
Fund balance, beginning of year	<u>385,066</u>	<u>385,066</u>	<u>385,066</u>	-	<u>374,071</u>
Fund balance, end of year	<u>\$ 134,814</u>	<u>\$ 134,814</u>	<u>\$ 195,332</u>	<u>\$ 60,518</u>	<u>\$ 385,066</u>

**SAN ANTONIO RIVER AUTHORITY  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2018**

**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.

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 on 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, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<b>San Antonio River Improvement Project</b>		
	<b>City of San Antonio</b>	<b>SACIP 1999</b>	<b>Bexar County Flood Tax</b>
<b>ASSETS</b>			
Cash	\$ 42,353	\$ 32,342	\$ 1,048
Investments	78,275	-	-
Intergovernmental receivables	56,212	-	-
Investments - Restricted	-	-	505,527
Total assets	<u>\$ 176,840</u>	<u>\$ 32,342</u>	<u>\$ 506,575</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 5,701	\$ -	\$ 6,100
Retainage payable	-	-	-
Unearned revenue - services	-	-	381,796
Due to other funds of the Authority	-	-	-
Total liabilities	<u>5,701</u>	<u>-</u>	<u>387,896</u>
<b>FUND BALANCES</b>			
Restricted:			
Construction	<u>171,139</u>	<u>32,342</u>	<u>118,679</u>
Total fund balances	<u>171,139</u>	<u>32,342</u>	<u>118,679</u>
Total liabilities and fund balances	<u>\$ 176,840</u>	<u>\$ 32,342</u>	<u>\$ 506,575</u>



<b>Bexar County</b>	<b>Downstream Counties</b>	<b>Bexar County CIP</b>	<b>Medina Dam Improvements</b>	<b>Other Capital Projects</b>
\$ -	\$ 677,747	\$ -	\$ -	\$ 2,338
-	628	-	-	2,346
246,163	555,000	1,270	16,655	428,634
-	-	-	-	-
<u>\$ 246,163</u>	<u>\$ 1,233,375</u>	<u>\$ 1,270</u>	<u>\$ 16,655</u>	<u>\$ 433,318</u>
\$ 144,316	\$ 44,813	\$ -	\$ 9,500	\$ 79,526
23,350	-	-	1,800	70,501
-	-	-	-	23,361
64,088	-	1,270	5,355	256,624
<u>231,754</u>	<u>44,813</u>	<u>1,270</u>	<u>16,655</u>	<u>430,012</u>
14,409	1,188,562	-	-	3,306
<u>14,409</u>	<u>1,188,562</u>	<u>-</u>	<u>-</u>	<u>3,306</u>
<u>\$ 246,163</u>	<u>\$ 1,233,375</u>	<u>\$ 1,270</u>	<u>\$ 16,655</u>	<u>\$ 433,318</u>

(continued)

**SAN ANTONIO RIVER AUTHORITY  
COMBINING BALANCE SHEET –  
NONMAJOR CAPITAL PROJECT FUNDS  
JUNE 30, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<b>Total Nonmajor Capital Project Funds</b>	
	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Cash	\$ 755,828	\$ 361,937
Investments	81,249	78,284
Intergovernmental receivables	1,303,934	2,163,285
Investments - Restricted	<u>505,527</u>	<u>524,912</u>
Total assets	<u><u>\$ 2,646,538</u></u>	<u><u>\$ 3,128,418</u></u>
<b>LIABILITIES</b>		
Accounts payable	\$ 289,956	\$ 575,362
Retainage payable	95,651	117,187
Unearned revenue - services	405,157	620,160
Due to other funds of the Authority	<u>327,337</u>	<u>768,495</u>
Total liabilities	<u><u>1,118,101</u></u>	<u><u>2,081,204</u></u>
<b>FUND BALANCES</b>		
Restricted:		
Construction	<u>1,528,437</u>	<u>1,047,214</u>
Total fund balances	<u><u>1,528,437</u></u>	<u><u>1,047,214</u></u>
Total liabilities and fund balances	<u><u>\$ 2,646,538</u></u>	<u><u>\$ 3,128,418</u></u>



SAN ANTONIO  

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RIVER AUTHORITY

**SAN ANTONIO RIVER AUTHORITY**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES – NONMAJOR CAPITAL PROJECT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<b>San Antonio River Improvement Project</b>		
	<b>City of San Antonio</b>	<b>SACIP 1999</b>	<b>Bexar County Flood Tax</b>
<b>REVENUES</b>			
Investment earnings	\$ -	\$ -	\$ 5,614
Intergovernmental	2,077,346	-	10,118,370
Miscellaneous	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>2,077,346</u>	<u>-</u>	<u>10,123,984</u>
<b>EXPENDITURES</b>			
Current:			
General government	-	-	10,017,075
Operations	2,079,700	-	-
Technical services	-	-	-
Capital projects	-	-	-
Total expenditures	<u>2,079,700</u>	<u>-</u>	<u>10,017,075</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,354)</u>	<u>-</u>	<u>106,909</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	1,243	-	-
Transfers Out	<u>(200,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources and (uses)	<u>(198,757)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>(201,111)</u>	<u>-</u>	<u>106,909</u>
Fund balances, beginning	<u>372,250</u>	<u>32,342</u>	<u>11,770</u>
Fund balances, end of year	<u>\$ 171,139</u>	<u>\$ 32,342</u>	<u>\$ 118,679</u>

<b>Bexar County</b>	<b>Downstream Counties</b>	<b>Bexar County CIP</b>	<b>Medina Dam Improvements</b>	<b>Other Capital Projects</b>
\$ -	\$ -	\$ -	\$ -	\$ -
717,053	1,575,992	10,104	40,345	1,171,812
-	-	-	-	354,769
<u>717,053</u>	<u>1,575,992</u>	<u>10,104</u>	<u>40,345</u>	<u>1,526,581</u>
-	-	-	-	-
310,288	387,523	-	40,345	2,127,332
-	-	10,104	-	5,576
<u>413,482</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>723,770</u>	<u>387,523</u>	<u>10,104</u>	<u>40,345</u>	<u>2,132,908</u>
<u>(6,717)</u>	<u>1,188,469</u>	<u>-</u>	<u>-</u>	<u>(606,327)</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>(6,717)</u>	<u>1,188,469</u>	<u>-</u>	<u>-</u>	<u>(606,327)</u>
<u>21,126</u>	<u>93</u>	<u>-</u>	<u>-</u>	<u>609,633</u>
<u>\$ 14,409</u>	<u>\$ 1,188,562</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,306</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, 2018, WITH COMPARATIVE TOTALS FOR 2017**

	<b>Total Nonmajor Capital Project Funds</b>	
	<b>2018</b>	<b>2017</b>
<b>REVENUES</b>		
Investment earnings	\$ 5,614	\$ 11,228
Intergovernmental	15,711,022	3,982,680
Miscellaneous	<u>354,769</u>	<u>21,875</u>
Total revenues	<u>16,071,405</u>	<u>4,015,783</u>
<b>EXPENDITURES</b>		
Current:		
General government	10,017,075	111,272
Operations	4,945,188	1,468,999
Technical services	15,680	63,274
Capital projects	<u>413,482</u>	<u>2,549,537</u>
Total expenditures	<u>15,391,425</u>	<u>4,193,082</u>
Excess (deficiency) of revenues over (under) expenditures	<u>679,980</u>	<u>(177,299)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers In	1,243	248,120
Transfers Out	<u>(200,000)</u>	<u>(79,828)</u>
Total other financing sources and (uses)	<u>(198,757)</u>	<u>168,292</u>
Net change in fund balances	481,223	(9,007)
Fund balances, beginning	<u>1,047,214</u>	<u>1,056,221</u>
Fund balances, end of year	<u>\$ 1,528,437</u>	<u>\$ 1,047,214</u>



Goliad Paddling Trail, North of City of Goliad  
Goliad County



SAN ANTONIO  
RIVER AUTHORITY



**SAN ANTONIO RIVER AUTHORITY**  
**JUNE 30, 2018**

**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

**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			
	2009	2010	2011	2012
Governmental activities				
Net investment in capital assets	\$ 272,930,179	\$ 282,738,577	\$ 353,820,629	\$ 405,475,880
Restricted	4,148,081	2,740,309	7,292,287	6,733,084
Unrestricted	22,154,930	24,323,085	19,001,393	15,066,632
Total governmental activities net position	<u>\$ 299,233,190</u>	<u>\$ 309,801,971</u>	<u>\$ 380,114,309</u>	<u>\$ 427,275,596</u>
Business-type activities				
Net investment in capital assets	\$ 25,356,024	\$ 25,486,015	\$ 24,610,241	\$ 22,671,819
Restricted	7,613,037	6,497,154	8,485,058	12,350,883
Unrestricted	6,984,412	5,395,985	4,096,133	4,467,523
Total business-type activities net position	<u>\$ 39,953,473</u>	<u>\$ 37,379,154</u>	<u>\$ 37,191,432</u>	<u>\$ 39,490,225</u>
Primary government				
Net investment in capital assets	\$ 298,286,203	\$ 308,224,592	\$ 378,430,870	\$ 428,147,699
Restricted	11,761,118	9,237,463	15,777,345	19,083,967
Unrestricted	29,139,342	29,719,070	23,097,526	19,534,155
Total primary government net position	<u>\$ 339,186,663</u>	<u>\$ 347,181,125</u>	<u>\$ 417,305,741</u>	<u>\$ 466,765,821</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					
2013	2014	2015	2016	2017	2018
\$ 453,581,745	\$ 457,027,718	\$ 458,716,760	\$ 465,973,372	\$ 463,853,063	\$ 504,604,452
6,425,566	9,208,478	6,003,312	6,252,811	4,269,249	2,278,970
18,362,082	15,008,284	18,972,630	22,478,110	24,456,343	25,507,018
<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>	<u>\$ 532,390,440</u>
\$ 26,750,240	\$ 28,130,601	\$ 28,957,251	\$ 27,524,744	\$ 28,147,329	\$ 29,029,396
8,463,921	6,571,105	6,712,469	3,134,754	5,378,667	5,910,087
3,740,397	4,811,695	6,653,144	11,551,308	11,693,848	17,549,077
<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>	<u>\$ 52,488,560</u>
\$ 480,331,985	\$ 485,158,319	\$ 487,674,011	\$ 493,498,116	\$ 492,000,392	\$ 533,633,848
14,889,487	15,779,583	12,715,781	9,387,565	9,647,916	8,189,057
22,102,479	19,819,979	25,595,774	34,029,418	36,150,191	43,056,095
<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>	<u>\$ 584,879,000</u>

**SAN ANTONIO RIVER AUTHORITY  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2009	2010	2011	2012
<b>Expenses</b>				
Governmental activities:				
General government	\$ 6,717,172	\$ 6,804,463	\$ 7,943,352	\$ 10,236,092
Program support	-	-	-	6,046,699
Operations	11,395,792	12,671,396	17,143,213	17,371,274
Watershed management	-	-	-	-
Technical Services	5,744,225	8,111,778	9,545,786	3,697,743
Planning and development	-	-	-	-
Interest and other fees	2,438,057	2,075,150	1,888,199	1,669,231
Total governmental activities	<u>26,295,246</u>	<u>29,662,787</u>	<u>36,520,550</u>	<u>39,021,039</u>
Business-type activities:				
Operations:				
Utilities	10,368,609	10,602,829	11,262,709	11,480,965
Parks	1,835,350	811,854	-	-
Total business-type activities expenses	<u>12,203,959</u>	<u>11,414,683</u>	<u>11,262,709</u>	<u>11,480,965</u>
Total primary government expenses	<u>38,499,205</u>	<u>41,077,470</u>	<u>47,783,259</u>	<u>50,502,004</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	3,143,092	2,901,756	2,573,444	2,498,383
Operations	118,241	527,856	665,971	1,132,605
Technical services	356,629	536,090	451,664	572,935
Operating grants and contributions				
General government	262,099	148,596	33,358	217,260
Program support	-	-	-	-
Operations	601,955	978,680	206,620	66,189
Technical services	511,792	617,260	590,633	336,653
Capital grants and contributions				
General government	-	-	-	-
Operations	33,945,121	17,755,203	79,686,681	61,300,773
Technical services	-	-	3,991,095	1,267,053
Interest and other fees	-	-	-	-
Total governmental activities program revenues	<u>38,938,929</u>	<u>23,465,441</u>	<u>88,199,466</u>	<u>67,391,851</u>

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 10,572,749	\$ 25,187,998	\$ 23,734,542	\$ 10,202,949	\$ 35,055,308	\$ 26,734,430
7,361,155	7,291,215	8,061,334	-	-	-
12,805,687	6,339,186	7,224,872	37,224,546	28,066,284	33,830,509
-	-	-	-	-	-
5,326,820	6,008,841	5,241,171	9,072,456	7,966,559	8,393,583
-	-	-	-	-	-
1,482,026	1,553,757	1,193,290	961,639	879,661	818,865
<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>	<u>69,777,387</u>
12,092,625	12,883,470	13,410,525	13,637,691	12,877,311	13,622,982
-	-	-	-	-	-
<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>13,622,982</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>	<u>83,400,369</u>
2,589,453	2,116,619	2,317,148	2,655,565	29,427,485	49,161,136
1,484,928	5,239,975	10,934,241	21,985,728	2,141,822	4,502,063
550,205	469,359	416,935	403,922	912,020	365,587
450,158	112,984	281,768	171,174	155,709	160,703
15,824	-	-	-	-	-
261,980	477,709	518,041	340,453	1,634,312	1,397,200
677,474	1,035,303	3,621,045	40,716	37,762	45,095
-	-	-	-	490,000	10,000
62,693,966	18,427,713	5,323,165	13,193,294	6,417,209	25,479,637
329,995	243,073	1,289,815	2,508,348	2,692,521	278,372
-	-	-	-	-	-
<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>	<u>81,399,793</u>

(continued)

**SAN ANTONIO RIVER AUTHORITY  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2009	2010	2011	2012
Business-type activities:				
Charges for services				
Operations:				
Utilities	\$ 8,647,461	\$ 8,691,636	\$ 9,697,771	\$ 10,790,193
Park services	1,257,454	453,535	-	-
Operating grants and contributions				
Operations:				
Utilities	-	-	-	55,383
Park services	-	-	-	-
Capital grants and contributions				
Operations:				
Utilities	1,930,693	918,033	1,039,363	2,595,799
Park services	716,105	-	-	-
Total business-type activities program revenues	<u>12,551,713</u>	<u>10,063,204</u>	<u>10,737,134</u>	<u>13,441,375</u>
Total primary government program revenues	<u>51,490,642</u>	<u>33,528,645</u>	<u>98,936,600</u>	<u>80,833,226</u>
Net (expense)/revenue				
Governmental activities	12,643,683	(6,197,346)	51,678,916	28,370,812
Business-type activities	<u>347,754</u>	<u>(1,351,479)</u>	<u>(525,575)</u>	<u>1,960,410</u>
Total primary government net expense	<u>12,991,437</u>	<u>(7,548,825)</u>	<u>51,153,341</u>	<u>30,331,222</u>
<b>General Revenues and Other Changes In Net Position</b>				
Governmental activities				
Property taxes	16,408,411	16,835,358	17,428,109	18,255,301
Investment earnings	889,224	(67,262)	261,136	231,236
Intergovernmental	-	-	137,500	-
Miscellaneous	120,620	181,655	268,992	303,938
Net gain (loss) on disposal of capital assets	-	-	-	-
Contributed capital	-	-	-	-
Special item/restatement of net position	-	-	-	-
Transfers	<u>(341,567)</u>	<u>(183,624)</u>	<u>-</u>	<u>-</u>
Total governmental activities	<u>17,076,688</u>	<u>16,766,127</u>	<u>18,095,737</u>	<u>18,790,475</u>

Fiscal Year					
2013	2014	2015	2016	2017	2018
\$ 10,833,126	\$ 11,219,264	\$ 11,891,387	\$ 12,081,771	\$ 13,362,850	\$ 18,233,487
-	-	-	-	-	-
-	9,140	9,143	-	-	-
-	-	-	-	-	-
1,742,703	1,555,436	1,592,548	1,201,136	2,181,264	1,949,799
-	-	-	-	-	-
<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>20,183,286</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>	<u>101,583,079</u>
31,505,546	(18,258,262)	(20,753,051)	(16,162,390)	(28,058,972)	11,622,406
<u>483,204</u>	<u>(99,630)</u>	<u>82,553</u>	<u>(354,784)</u>	<u>2,666,803</u>	<u>6,560,304</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>	<u>18,182,710</u>
18,958,404	21,196,901	22,955,094	24,741,457	25,698,484	27,330,959
39,132	157,122	2,484	188,558	143,210	651,857
-	700	-	-	-	-
212,837	226,845	213,695	810,824	172,643	206,563
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	(448,219)	-	-	(81,003)	-
<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>	<u>28,189,379</u>

(continued)

**SAN ANTONIO RIVER AUTHORITY  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2009	2010	2011	2012
Business-type activities				
Investment earnings	\$ 584,116	\$ 115,354	\$ 315,418	\$ 250,712
Intergovernmental	323,916	183,866	67,322	10,064
Miscellaneous	18,421	60,994	13,546	77,607
Net gain (loss) on disposal of capital assets	-	(2,282,780)	-	-
Transfers	341,567	183,624	-	-
Total business-type activities	<u>1,268,020</u>	<u>(1,738,942)</u>	<u>396,286</u>	<u>338,383</u>
Total primary government	<u>18,344,708</u>	<u>15,027,185</u>	<u>18,492,023</u>	<u>19,128,858</u>
<b>Change in Net Position</b>				
Governmental activities	29,720,371	10,568,781	69,774,653	47,161,287
Business-type activities	<u>1,615,774</u>	<u>(3,090,421)</u>	<u>(129,289)</u>	<u>2,298,793</u>
Total primary government	<u>\$ 31,336,145</u>	<u>\$ 7,478,360</u>	<u>\$ 69,645,364</u>	<u>\$ 49,460,080</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					
2013	2014	2015	2016	2017	2018
\$ 79,669	\$ 79,669	\$ 29,367	\$ 22,731	\$ 67,296	\$ 255,742
400	400	-	-	-	-
82,007	82,007	176,418	219,995	193,936	452,670
-	-	-	-	-	-
-	-	-	-	81,003	-
<u>162,076</u>	<u>162,076</u>	<u>205,785</u>	<u>242,726</u>	<u>342,235</u>	<u>708,412</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>	<u>28,897,791</u>
50,715,919	2,875,087	2,418,222	9,578,449	(2,125,638)	39,811,785
<u>645,280</u>	<u>62,446</u>	<u>288,338</u>	<u>(112,058)</u>	<u>3,009,038</u>	<u>7,268,716</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>	<u>\$ 47,080,501</u>

**SAN ANTONIO RIVER AUTHORITY**  
**FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2009	2010	2011	2012
General Fund				
Reserved	\$ 1,820,574	\$ 4,039,126	\$ -	\$ -
Unreserved	15,054,947	12,770,843	-	-
Nonspendable:				
Prepaid items	-	-	166,354	246,803
Notes receivable, long term portion	-	-	847,800	847,525
Inventory	-	-	8,531	9,739
Restricted:				
TWDB projects	-	-	-	-
Committed:				
Operating reserve	-	-	-	-
Reserve	-	-	-	-
Water rights	-	-	-	-
Assigned:				
General government	-	-	708,298	1,152,712
Program Support	-	-	-	268,869
Parks	-	-	218,744	210,826
Water quality	-	-	201,917	117,751
Watershed management	-	-	1,451,230	1,081,653
Water management	-	-	267,478	251,777
Contract commitments	-	-	-	-
TWDB projects	-	-	-	-
Unassigned	-	-	13,101,223	12,678,158
Total general fund	<u>\$ 16,875,521</u>	<u>\$ 16,809,969</u>	<u>\$ 16,971,575</u>	<u>\$ 16,865,813</u>
All other governmental funds				
Reserved	\$ 9,723,741	\$ 8,968,556	\$ -	\$ -
Unreserved, reported in				
Special revenue funds	534,289	1,783,887	-	-
Capital projects funds	(1,308,883)	(1,676,026)	-	-
Nonspendable:				
Prepaid items	-	-	-	-
Restricted:				
Debt service	-	-	6,023,710	5,268,015
Construction	-	-	1,056,540	1,080,041
Watershed management	-	-	191,217	283,884
Water management	-	-	20,820	101,144
Committed:				
Unrestricted Reserve	-	-	-	-
Parks	-	-	116,856	219,977
Economic development	-	-	61,574	53,383
Assigned - projects	-	-	-	-
Unassigned	-	-	(14,316)	-
Total all other governmental funds	<u>\$ 8,949,147</u>	<u>\$ 9,076,417</u>	<u>\$ 7,456,401</u>	<u>\$ 7,006,444</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					
2013	2014	2015	2016	2017	2018
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
234,088	214,419	136,695	17,879	33,981	9,989
959,382	903,225	735,863	463,860	303,832	257,155
10,506	7,372	7,794	6,958	5,127	-
-	1,579,162	429,850	249,027	206,781	206,791
-	3,231,198	6,879,043	7,287,329	8,006,932	7,821,688
-	6,154,848	5,585,700	-	-	-
-	50,000	-	-	-	-
523,337	-	-	-	-	-
147,512	-	-	-	-	-
398,315	-	-	-	-	-
171,033	-	-	-	-	-
1,279,396	-	-	-	-	-
-	-	-	-	-	-
-	4,377,258	1,815,639	1,251,003	1,098,418	876,805
-	441,436	441,436	-	-	-
13,218,181	1,559,505	2,184,422	2,459,197	1,238,413	2,578,543
<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>	<u>\$ 11,750,971</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	2,305,000	2,360,000
4,738,857	4,527,405	4,265,023	4,287,026	2,142,351	17,570
1,141,442	2,661,775	871,847	1,287,890	1,064,651	1,582,126
525,273	364,756	357,948	243,841	644,625	345,367
19,994	75,380	78,644	185,027	210,841	127,116
-	-	-	6,373,994	6,002,082	5,027,451
294,716	307,871	339,358	374,071	385,066	195,332
45,932	39,909	33,934	28,006	22,125	16,333
-	-	-	2,729,225	3,764,470	5,246,988
(67,161)	(116,035)	(182,928)	-	-	(189,982)
<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>	<u>\$ 14,728,301</u>

**SAN ANTONIO RIVER AUTHORITY**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(MODIFIED ACCRUAL BASIS OF ACCOUNTING)**

	Fiscal Year			
	2009	2010	2011	2012
<b>Revenues</b>				
Taxes	\$ 16,357,830	\$ 16,799,655	\$ 17,339,015	\$ 18,091,785
Intergovernmental	13,077,952	18,398,004	46,107,762	63,678,134
Charges for services	4,017,869	1,681,409	1,297,589	1,733,544
Investment earnings	884,064	(71,767)	259,277	230,252
Support fees	2,223,994	2,287,469	2,133,855	2,113,251
Contribution revenue	-	335,185	-	-
Miscellaneous	287,376	183,078	268,992	190,089
Total Revenues	<u>36,849,085</u>	<u>39,613,033</u>	<u>67,406,490</u>	<u>86,037,055</u>
<b>Expenditures</b>				
General government	5,932,176	6,451,418	7,336,957	8,806,284
Program support	-	-	-	6,081,054
Operations	4,432,826	5,331,852	5,604,826	7,754,144
Technical services	6,071,862	8,088,043	7,065,840	3,558,335
Capital outlay	15,868,661	13,570,030	43,669,036	54,181,374
Debt service				
Principal	3,680,000	3,825,000	3,975,000	4,165,000
Interest	2,168,291	1,975,384	1,776,556	1,557,588
Capital lease principal	-	443,352	483,206	488,995
Bond issuance cost	-	-	35,631	-
Total Expenditures	<u>38,153,816</u>	<u>39,685,079</u>	<u>69,947,052</u>	<u>86,592,774</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,304,731)</u>	<u>(72,046)</u>	<u>(2,540,562)</u>	<u>(555,719)</u>
<b>Other financing sources (uses)</b>				
Transfers in	6,024,607	5,853,073	5,711,026	4,925,439
Transfers out	(6,366,174)	(6,036,697)	(5,711,026)	(4,925,439)
Refunding bonds issued	-	-	2,475,000	-
Bonds issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	(2,465,000)	-
Contributed capital	-	-	-	-
Capital leases	972,490	317,390	534,467	-
Total other financing sources (uses)	<u>630,923</u>	<u>133,766</u>	<u>544,467</u>	<u>-</u>
Net change in fund balances	<u>\$ (673,808)</u>	<u>\$ 61,720</u>	<u>\$ (1,996,095)</u>	<u>\$ (555,719)</u>
Debt service as a percentage of noncapital expenditures	26%	22%	22%	18%

Fiscal Year						
2013	2014	2015	2016	2017	2018	
\$ 18,984,993	\$ 21,184,225	\$ 22,947,890	\$ 24,276,704	\$ 25,682,722	\$ 27,323,379	
65,173,161	25,024,813	21,323,488	38,067,735	40,038,344	70,999,207	
1,436,995	4,906,481	1,125,223	958,317	913,038	896,227	
43,105	157,959	2,484	183,948	165,262	622,454	
2,051,806	2,222,808	2,253,647	2,301,631	2,384,595	2,301,288	
-	-	-	-	-	-	
212,837	226,845	213,495	859,704	722,756	561,332	
87,902,897	53,723,131	47,866,227	66,648,039	69,906,717	102,703,887	
8,574,664	11,849,152	9,657,176	8,956,409	33,186,385	24,772,816	
7,113,412	7,291,215	8,061,334	-	-	-	
3,130,028	6,296,759	4,781,083	21,846,883	12,789,244	18,405,643	
5,188,173	5,967,387	5,236,610	8,704,558	7,537,102	8,214,766	
59,820,241	18,445,340	18,829,393	20,811,396	11,693,866	48,542,126	
3,785,000	6,605,000	2,583,000	2,756,000	2,912,000	2,958,000	
1,410,137	1,313,103	1,140,386	868,728	826,755	765,959	
362,139	247,274	97,288	40,000	-	-	
-	-	-	-	-	-	
89,383,794	58,015,230	50,386,270	63,983,974	68,945,352	103,659,310	
(1,480,897)	(4,292,099)	(2,520,043)	2,664,065	961,365	(955,423)	
4,816,804	4,064,096	3,140,928	11,456,361	5,168,156	3,948,655	
(4,816,804)	(4,512,315)	(3,140,928)	(12,056,361)	(5,939,159)	(3,948,655)	
-	-	-	-	-	-	
-	12,565,000	8,265,000	1,200,000	-	-	
-	(5,086,001)	(8,144,173)	-	-	-	
391,943	-	-	-	-	-	
274,259	-	-	-	-	-	
666,202	7,030,780	120,827	600,000	(771,003)	-	
\$ (814,695)	\$ 2,738,681	\$ (2,399,216)	\$ 3,264,065	\$ 190,362	\$ (955,423)	
18%	20%	12%	8%	7%	7%	

**SAN ANTONIO RIVER AUTHORITY  
APPRAISED VALUE AND ESTIMATED ACTUAL VALUE  
OF TAXABLE PROPERTY LAST TEN FISCAL YEARS  
JUNE 30, 2018**

**Bexar County**

<b>Tax Year</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Taxable Value</b>	<b>Tax Rate</b>
	<b>Appraised Value</b>	<b>Taxable Value (less exemptions)</b>	<b>Appraised &amp; Taxable Value</b>	<b>as a percentage of Appraised Value</b>	
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
2017	145,679,088,780	133,501,968,792	14,109,090,676	92.38%	0.017290

**Goliad County**

<b>Tax Year</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Taxable Value</b>	<b>Tax Rate</b>
	<b>Appraised Value</b>	<b>Taxable Value (less exemptions)</b>	<b>Appraised &amp; Taxable Value</b>	<b>as a percentage of Appraised Value</b>	
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
2017	1,125,002,530	1,036,793,979	84,906,472	92.71%	0.017290

**Karnes County**

<b>Tax Year</b>	<b>Real Property</b>		<b>Personal Property</b>	<b>Taxable Value</b>	<b>Tax Rate</b>
	<b>Appraised Value</b>	<b>Taxable Value (less exemptions)</b>	<b>Appraised &amp; Taxable Value</b>	<b>as a percentage of Appraised Value</b>	
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
2017	6,073,644,654	6,049,608,955	56,477,453	99.61%	0.017290

**SAN ANTONIO RIVER AUTHORITY  
APPRAISED VALUE AND ESTIMATED ACTUAL VALUE  
OF TAXABLE PROPERTY LAST TEN FISCAL YEARS  
JUNE 30, 2018**

**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>		
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
2017	3,542,875,594	3,187,805,763	180,743,346	90.46%	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, 2018**

2017					
		<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	\$ 1,430,160,492	-	0.94%	1	0.97%
Microsoft Corporation	764,067,160	-	0.50%	2	0.52%
Methodist Healthcare System	732,871,464	-	0.48%	3	0.50%
Wal-Mart Stores, Inc.	687,964,840	-	0.45%	4	0.47%
Halliburton Energy Services Inc.	292,358,070	-	0.19%	5	0.20%
VHS San Antonio Partners LP	509,094,750	-	0.33%	6	0.34%
USAA	390,986,550	-	0.26%	7	0.26%
La Cantera Specialty Retail LP	359,481,560	-	0.24%	8	0.24%
Southwestern Bell Telephone	342,842,408	-	0.23%	9	0.23%
Toyota Motor MFG Texas Inc	572,859,806	-	0.38%	10	0.39%
Time Warner Cable	-	-	-	-	-
Franklin Family Trust	-	-	-	-	-
Alamo Stonecrest Holdings	-	-	-	-	-
<b>Goliad County</b>					
Coleta Creek Power LP	\$ 255,311,670	-	0.17%	1	22.76%
DCP South Central Texas LLC	156,646,610	-	0.10%	2	13.97%
DCP Sand Hills Pipeline	33,668,560	-	0.02%	3	3.00%
AEP Texas Central Co	27,639,330	-	0.02%	4	2.46%
Eagle Ford Gathering LLC	20,070,140	-	0.01%	5	1.79%
Flint Hills Resources LP	17,455,660	-	0.01%	6	1.56%
Kinder Morgan Tejas Pipeline	14,476,270	-	0.01%	7	1.29%
DCP South Central Texas LLC	9,091,040	-	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%
Petrohawk Operating Company	-	-	-	-	-
Chesapeake Operating, Inc.	-	-	-	-	-
Charro Operating LLC	-	-	-	-	-
Entex Operating Corporation	-	-	-	-	-
T-C Oil Company LLC	-	-	-	-	-
KCS Resources Inc.	-	-	-	-	-
Erskine Operating LLC	-	-	-	-	-
CDM Resource Management LTD	-	-	-	-	-



**2008**

<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>
\$ 609,664,928	1	0.53%	1	0.55%
-	-	-	-	-
150,949,717	9	0.13%	8	0.14%
-	-	-	-	-
-	-	-	-	-
315,925,896	5	0.28%	4	0.28%
152,737,712	7	0.13%	6	0.14%
142,605,028	-	-	10	-
380,962,854	4	-	3	0.34%
551,473,602	2	0.48%	2	0.50%
159,976,367	6	0.14%	5	0.14%
152,243,432	8	-	7	-
146,105,908	10	-	9	-
\$ 410,397,030	3	0.36%	1	32.09%
-	-	-	-	-
-	-	-	-	-
22,259,070	-	0.02%	5	1.74%
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
57,369,920	-	0.05%	2	4.49%
49,129,650	-	0.04%	3	3.84%
25,513,580	-	0.02%	4	1.99%
21,853,100	-	0.02%	6	1.71%
18,653,710	-	0.02%	7	1.46%
18,076,810	-	0.02%	8	1.41%
12,170,850	-	0.01%	9	0.95%
10,615,390	-	0.01%	10	0.83%

**SAN ANTONIO RIVER AUTHORITY  
PRINCIPAL TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
JUNE 30, 2018**

2017					
	<u>Taxable Value</u>	<u>Total Taxable Value</u>	<u>Percent</u>	<u>County Taxable Value</u>	<u>Percent</u>
		<u>Rank</u>		<u>Rank</u>	
<b>Karnes County</b>					
Marathon Oil Company	\$ 748,103,163	-	0.49%	1	12.25%
EOG Resources Inc/Min Accts	594,472,590	-	0.39%	2	9.74%
Burlington Resources Oil and Gas	369,023,720	-	0.24%	3	6.04%
Encana Oil and Gas	282,824,390	-	0.19%	4	4.63%
Statoil Texas Onshore Prop	177,730,230	-	0.12%	5	2.91%
ETC Texas Processing LTD	161,375,910	-	0.11%	6	2.64%
Enervest Operating LLC	137,278,310	-	0.09%	7	2.25%
Murphy Exploration and Production	126,612,010	-	0.08%	8	2.07%
PNR USA Inc - WI & OR	120,950,490	-	0.08%	9	1.98%
EOG Resources Inc	85,395,811	-	0.06%	10	1.40%
CPT Operating Partnership	-	-	-	-	-
Kern, Peter C. & Sherri D	-	-	-	-	-
Walmart	-	-	-	-	-
Karnes Associates LP	-	-	-	-	-
H.E. Butt Grocery Stores	-	-	-	-	-
Alamo Lumber Company	-	-	-	-	-
First Nichols National Bank	-	-	-	-	-
Karnes Housing Corporation	-	-	-	-	-
Farmers CO-OP of Kenedy	-	-	-	-	-
Patterson Dee Ann Trust	-	-	-	-	-
<b>Wilson County</b>					
H.E. Butt Grocery Company, LP	\$ 7,109,633		0.00%	1	0.21%
Guadalupe Valley Electric Coop	5,835,040		0.00%	2	0.17%
Moser Engine Service	4,395,110		0.00%	3	0.13%
Red D Arc Inc	3,368,560		0.00%	4	0.10%
Care Inn Realty - La Vernia Inc	1,870,584		0.00%	5	0.06%
Red D Arc Inc	1,790,280		0.00%	6	0.05%
Koepp Chevrolet Inc	1,601,170		0.00%	7	0.05%
Gulfmark Energy Inc	1,488,680		0.00%	8	0.04%
Fontier Communications	1,390,230		0.00%	9	0.04%
Cayetano Villas of La Vernia LLC	827,668		0.00%	10	0.02%
River Bend Community LLP	-	-	-	-	-
Verizon Southwest	-	-	-	-	-
Lazarus Energy Holdings LLC	-	-	-	-	-
River Place Realty Company	-	-	-	-	-
Lyssy & Eckel LP	-	-	-	-	-
Flint Hills Resources LP	-	-	-	-	-
Texas Tall Tower Corporation	-	-	-	-	-
Houston Pipeline Co, LP	-	-	-	-	-

2008

Taxable Value		Total Taxable Value		County Taxable Value	
		Rank	Percent	Rank	Percent
\$	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	9,217,729	-	0.01%	1	1.81%
	3,505,795	-	0.00%	2	0.69%
	3,202,883	-	0.00%	3	0.63%
	1,233,173	-	0.00%	4	0.24%
	1,106,268	-	0.00%	5	0.22%
	960,255	-	0.00%	6	0.19%
	887,384	-	0.00%	7	0.17%
	824,593	-	0.00%	8	0.16%
	760,194	-	0.00%	9	0.15%
	747,590	-	0.00%	10	0.15%
\$	4,137,700	-	0.00%	7	0.22%
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	9,799,870	-	0.01%	1	0.52%
	9,282,770	-	0.01%	2	0.49%
	3,173,750	-	0.00%	3	0.17%
	6,625,730	-	0.01%	4	0.35%
	6,191,580	-	0.01%	6	0.33%
	3,700,300	-	0.00%	8	0.20%
	3,638,620	-	0.00%	9	0.19%
	3,132,380	-	0.00%	10	0.17%

**SAN ANTONIO RIVER AUTHORITY  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

	<b>Fiscal Year</b>		
	<b>2009</b>	<b>2010</b>	<b>2011</b>
Total tax levy	<u>\$ 16,526,978</u>	<u>\$ 16,806,248</u>	<u>\$ 17,358,564</u>
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	-	-	-
Collections, 2017 levy year	<u>-</u>	<u>-</u>	<u>-</u>
Total collections, fiscal year	<u>\$ 15,686,281</u>	<u>\$ 16,586,049</u>	<u>\$ 17,145,765</u>
Percentage of levy collected in fiscal year	94.91%	94.45%	95.22%
Percentage of levy collected in subsequent fiscal years	4.84%	4.10%	3.53%
Percentage of total levy collected	99.75%	98.55%	98.75%
Percent of levy outstanding	0.25%	1.45%	1.25%

Fiscal Year							Total
2012	2013	2014	2015	2016	2017	2018	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>	<u>\$ 27,233,924</u>	
\$ 22,732	\$ 22,040	\$ 19,821	\$ 833	\$ 3,272	\$ 1,994	\$ 2,662	\$ 16,491,567
47,249	22,631	23,686	1,317	5,958	2,538	3,177	16,572,068
540,186	43,827	28,315	1,751	19,930	3,202	4,213	17,165,600
17,298,817	668,579	43,901	2,490	23,473	5,957	5,766	18,043,359
161	18,123,625	94,052	4,561	24,807	12,154	13,759	18,259,360
-	487	20,298,182	12,501	29,086	13,736	15,307	20,353,992
-	-	-	21,473,700	78,577	19,234	17,218	21,571,511
-	-	-	-	23,870,313	105,919	(11,185)	23,976,232
-	-	-	-	-	25,527,921	(10,615)	25,527,921
-	-	-	-	-	-	27,193,623	27,193,623
<u>\$ 17,909,145</u>	<u>\$ 18,881,189</u>	<u>\$ 20,507,957</u>	<u>\$ 21,497,153</u>	<u>\$ 24,055,416</u>	<u>\$ 25,692,655</u>	<u>\$ 27,233,925</u>	<u>\$ 205,155,233</u>
95.07%	95.76%	96.53%	95.57%	96.71%	97.57%	99.85%	
3.92%	0.52%	0.02%	0.02%	0.11%	0.05%	0.15%	
98.98%	96.28%	96.55%	95.59%	96.82%	97.62%	100.05%	
1.02%	3.72%	3.45%	4.41%	3.18%	2.38%	0.00%	

**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	Lease	Capital	Revenue	Notes	Capital			
	Revenue Bonds	Revenue Bond	Leases	Bonds	Payable	Leases			
2009	\$ 44,270,361	\$ 4,310,000	\$ 1,348,926	\$ 5,173,307	\$ 1,247,443	\$ 402,010	\$ 56,752,047	79.99%	\$ 34
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
2018	22,774,217	2,591,000	-	23,422,538	993,751	-	49,781,506	45.22%	24.89

**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>	
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
2018	12,999,416	8,558,868	4,440,548	735,000	430,451	1,165,451	3.81

(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.

**SAN ANTONIO RIVER AUTHORITY**  
**FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

<b>Function/Program</b>	<b>As of June 30</b>				
	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>
<b>Governmental-type activities:</b>					
<b>General Government:</b>					
Board of Directors	1.5	1.5	1.6	0	0
Executive Offices	3	3	3.4	12	9
Intergovernmental & Community Relations	9	10	10	11	14
Human Resources	4.5	4.5	5	7	6
Director of Support Services	1	1	1	0	0
Finance	13	13	16	16	16
Information Technology	8	7	7	12	13
General Manager	0	0	0	0	0
Assistant General Manager	0	0	0	0	0
Director of Internal Resources	1	1	1	0	0
Internal Resources	6.2	6.2	4.3	0	0
Organizational Support	2	2	1	3	2
Administrative Services	0	0	0	0	0
<b>Technical Services:</b>					
Director of Technical Services	2	3	3	0	0
Environmental Sciences	24	23	24	25	26
Real Estate	5	5	4	4	5
Engineering	19	20	19	0	0
Watershed Engineering	0	0	0	29	32
Watershed Management	12.75	11.75	10	0	0
<b>Watershed Management:</b>					
Watershed Management	0	0	0	0	0
Environmental Sciences	0	0	0	0	0
Watershed Operations	0	0	0	0	0
<b>Operations:</b>					
Director of Operations	1	1	1	0	0
Facilities	0	0	0	3.5	3.5
Parks	3	3	9.1	10	9
Watershed Operations	25.65	27.65	41.4	55	52
Engineering	0	0	0	0	0
Water Resources & Community Development	5	5	5	0	0
<b>Planning &amp; Development:</b>					
Planning and Development	0	0	0	0	0
Real Estate	0	0	0	0	0
Community Relations	0	0	0	0	0
Water Resources	0	0	0	0	0
<b>Business-type activities:</b>					
<b>Operations:</b>					
Park Services	26.1	26.2	0	0	0
Utilities	64.3	64.2	64.2	52.5	52.5
<b>Total</b>	<b>237</b>	<b>239</b>	<b>231</b>	<b>240</b>	<b>240</b>

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).



As of June 30				
2014	2015	2016	2017	2018
0	0	0	0	0
5	5	6	11	13
15	15	15	15	15
7	7	7	6	6
0	0	0	0	0
13	13	13	14	14
11	11	12	14	18
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
1	1	2	0	0
0	0	0	0	0
0	0	1	0	0
27	30	36	38	38
4	4	4.5	5	5
0	0	0	0	0
28.5	31	28.5	27	30
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	0	0	0
0	0	1	0	0
3.5	4.5	6.5	6	6.5
0	0	0	0	0
63	65	64	71	75
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	53	51.5
230.5	239	249	260	272

**SAN ANTONIO RIVER AUTHORITY  
MISCELLANEOUS STATISTICS  
JUNE 30, 2018**

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

J.W. 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

Confluence Park

Bexar County, Texas

Museum Reach

Bexar County, Texas

Mission Reach

Bexar County, Texas

San Pedro Creek

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, 2018**

**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

**Salitrillo Wastewater System**

Salitrillo Sewage Treatment Plant	Bexar County, Texas
Salitrillo 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)
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
2018	6	32,163	7,815,366	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, 2018**

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

Bexar County, Texas

Unit 2, Karnes County Operations Center

Karnes County, Texas

Unit 3, Bergs Mill Operations Center

Bexar County, Texas

Unit 4, Urban Reach Operations Center

Bexar County, Texas

Unit 5, Mission Reach Operations Center

Bexar County, Texas

Unit 6, San Juan Pump Station

Bexar County, Texas

Retention Dams

Calaveras Creek Watershed - 7

Bexar County, Texas

Salado Creek Watershed - 14

Bexar County, Texas

Martinez Creek Watershed - 6

Bexar County, Texas

Medina River Watershed - 1

Bexar County, Texas

Escondido Watershed – 13

Karnes County, Texas

Channel Maintenance

Nichols Creek Channel – 2.07 miles

Karnes County, Texas

Escondido Creek - 1.5 miles

Karnes County, Texas

San Antonio River Urban Segment Operations – 1.5 miles

Bexar County, Texas

San Antonio River Eagleland Segment Operations – 1 mile

Bexar County, Texas

San Antonio River Mission Segment Operations – 8 miles

Bexar County, Texas

Asylum Creek – .8 miles

**SAN ANTONIO RIVER AUTHORITY  
MISCELLANEOUS STATISTICS  
JUNE 30, 2018**

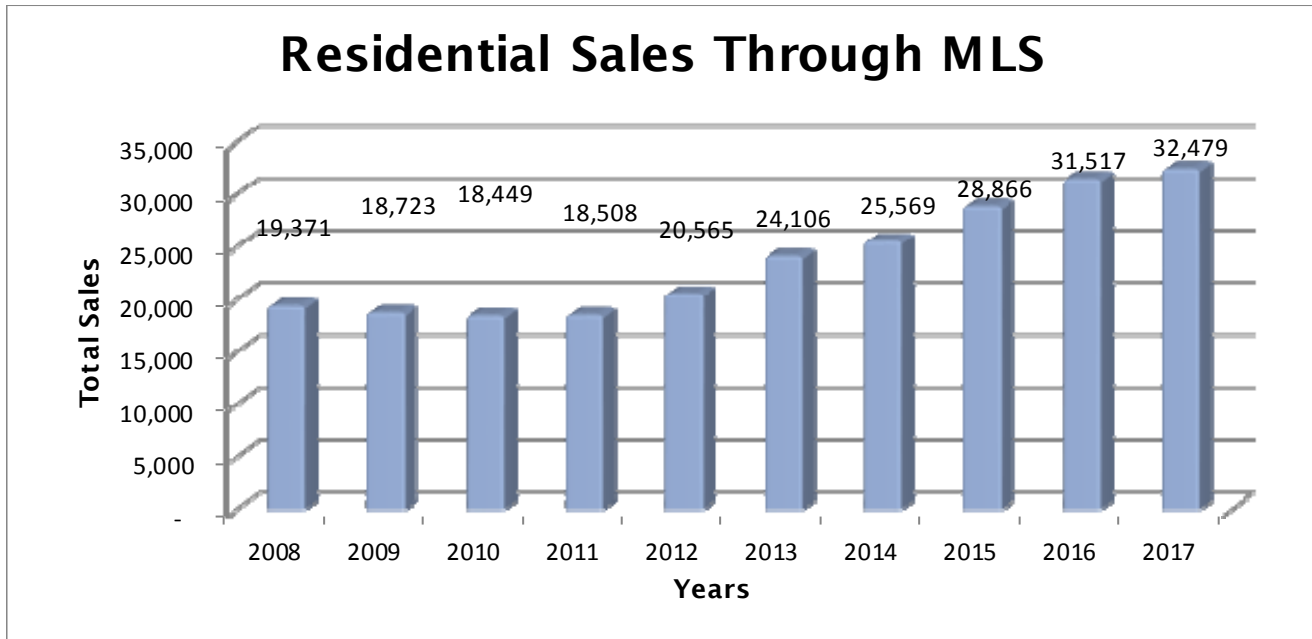
**Education.** The Bexar County area offers 15 public independent school districts (ISDs), as well as over 90 private, parochial, magnet and charter schools.

<b>Independent School District</b>	<b>Total # of campuses</b>
<i>Alamo Heights</i>	6
<i>East Central</i>	18
<i>Edgewood</i>	26
<i>Fort Sam Houston</i>	4
<i>Harlandale</i>	31
<i>Judson</i>	32
<i>Lackland</i>	2
<i>North East</i>	75
<i>Northside</i>	125
<i>Randolph Field</i>	3
<i>San Antonio</i>	102
<i>Somerset</i>	8
<i>South San Antonio</i>	15
<i>Southside</i>	10
<i>Southwest</i>	19
<b>TOTAL</b>	<b>476</b>

Source of data: Texas Education Agency

**Residential/Construction.** San Antonio's cost of living continues to remain below the U.S. average housing indicator of 100. San Antonio metro area housing indicator of 93.2 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, 2018**



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

The Multi-Family Housing markets will see a slight decline in 2018, with builders adding 7,400 new units in the twelve months ending the first quarter of 2018. Developers are planning to deliver an additional 6,900 units the following twelve months. Rental rates remained steady over the past year with an average rent increase of \$1 per month, and the effective rent increased by 2.9% across San Antonio ending the first quarter of 2018.

### MULTI-FAMILY HOUSING

Year	Occupancy	Average Rent
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
2017	93.10%	\$938.00

**SAN ANTONIO RIVER AUTHORITY  
MISCELLANEOUS STATISTICS  
JUNE 30, 2018**

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 1st, Dallas at 3rd, Austin ranking 4th, Fort Worth at 5th, and El Paso ranking as the 6th largest.

**POPULATION / DEMOGRAPHICS**

<b>Year</b>	<b>San Antonio</b>	<b>Bexar County</b>	<b>MSA</b>
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
2017	1,492,510	1,958,578	2,473,974

\*These figures are an estimate. (The source of these figures is the San Antonio Economic Development Foundation)

**SAN ANTONIO RIVER AUTHORITY  
MISCELLANEOUS STATISTICS  
JUNE 30, 2018**

**JURISDICTIONAL POPULATION**

<b>Year</b>	<b>Bexar County</b>	<b>Goliad County</b>	<b>Karnes County</b>	<b>Wilson County</b>	<b>Total</b>
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
2017	1,932,383	7,730	15,420	48,858	2,004,391

Statistics provided by TX State Data Center

**Employment.** San Antonio's workforce grew 2.2% to 1,060,600 in 2017, and the annual unemployment rate of 3.7% continues to remain less than figures for both the state of Texas and the rest of the nation and is a .3% 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.



**SAN ANTONIO RIVER AUTHORITY  
MISCELLANEOUS STATISTICS  
JUNE 30, 2018**

**PERSONAL INCOME AND UNEMPLOYMENT STATISTICS**

<b>Year</b>	<b>Personal Income (expressed in thousands)</b>		<b>Per Capita Personal Income</b>		<b>Unemployment Rate (Annualized)</b>
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%
2017		108,416,348		26,278	3.50%

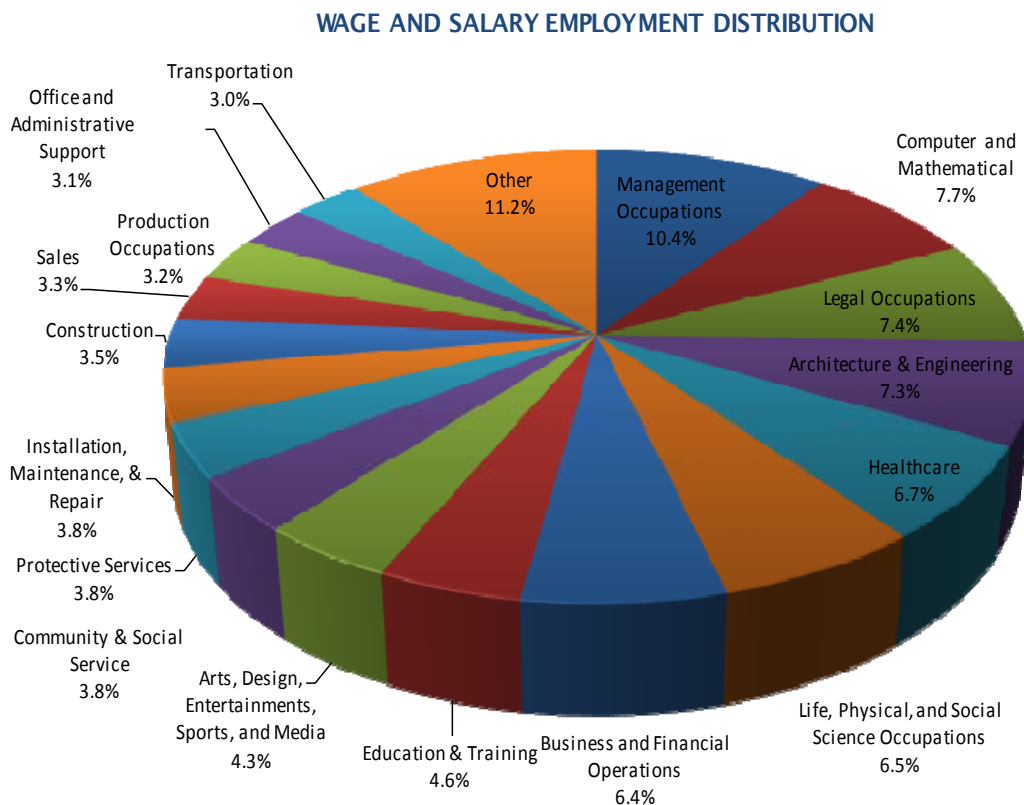
Data Sources

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

\* 2014 numbers not available

**SAN ANTONIO RIVER AUTHORITY  
MISCELLANEOUS STATISTICS  
JUNE 30, 2018**

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, 2018**

**Medical and Research Facilities.** The economic impact of the Healthcare and Bioscience industry grew to an estimated \$28.4 billion in 2015. The industry employed more than 172,094 people, or more than one out of every six employees in San Antonio, and paid wages of \$8.9 billion to employees in 2015. 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.** In 2015, more than 34 million tourists visited San Antonio to shop, play and enjoy the city's unique history and culture. Of those visitors, 21 million stayed overnight, contributing even more towards local restaurants, hotels, and attractions. San Antonio remains one of the top convention cities in the nation, with 6.5 million business visitors coming to the area for conventions and other business purposes. In 2015, the Hospitality Industry contributed at least \$13.6 billion to the local economy and employed 1 of every 8 workers in San Antonio, or 130,796 jobs.

**SAN ANTONIO RIVER AUTHORITY  
MISCELLANEOUS STATISTICS  
JUNE 30, 2018**

<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>
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
2017	823,561	816,582	*N/A

Source of data: The San Antonio Convention and Visitors Bureau

\* No longer tracked

The expansion of the Henry B. Gonzalez Convention Center, unveiled in January 2016, brought its footprint to 1.6 million square feet. The \$325 million addition was the largest capital improvement project in the City of San Antonio's history and includes a 54,000 square foot ballroom - the largest in the state of Texas. Other features include 514,000 square feet of contiguous exhibition space, advanced technological features, and energy saving enhancements.

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



Lower Cibolo Creek  
Stockdale, Wilson County



SAN ANTONIO  

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RIVER AUTHORITY



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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, 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, 2018, 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 17, 2018.

**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

San Antonio, Texas

October 17, 2018



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, 2018. 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, 2018.

### **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.

ABIP, PC

San Antonio, Texas

October 17, 2018

**SAN ANTONIO RIVER AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2018**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA #</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
United States Department of Agriculture/ Natural Resource Conservation Service/ Martinez 1 Dam Rehabilitation	10.916	69-7442-14-986	\$ 277,471
United States Department of Agriculture/ Natural Resource Conservation Service/ Martinez 2 Dam Rehabilitation	10.916	69-7442-14-987	130,263
United States Department of the Interior/ National Park Services/NPS Monitoring Program	15.916	P16PX01576	11,046
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (Risk Map)	97.045	EMT-2016-CA-000025	86,713
United States Environmental Protection Agency/ Upper San Antonio River Watershed Protection Plan Stormwater Retrofit Best Management Practices	66.460	99614620	10,000
United States Environmental Protection Agency/ Upper San Antonio River Watershed Protection Plan River Restoration and Stormwater Best Management Practices	66.460	99614620	24,063

(continued)

**SAN ANTONIO RIVER AUTHORITY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2018**

<b>Federal Grantor/Pass-Through Grantor/Program Title</b>	<b>Federal CFDA #</b>	<b>Pass-Through Entity Identifying Number</b>	<b>Total Federal Expenditures</b>
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (LOMR)	97.045	EMW-2016-CA-00044-S01	221,378
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (Risk Map)	97.045	EMT-2012-CA-0012	100,757
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (Risk Map)	97.045	EMT-2013-CA-0003	51,636
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (Risk Map)	97.045	EMW-2017-CA-00009-S01	3,010
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (LOMR)	97.045	EMW-2017-CA-00003-S01	39,245
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (Risk Map)	97.045	EMW-2014-CA-K00215	13,984
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (Risk Map)	97.045	EMW-2015-CA-00058	1,319
United States Department of Homeland Security/ Federal Emergency Management Agency Cooperating Technical Partners (Risk Map)	97.045	EMT-2016-CA-000022-S01	12,173
United States Department of Defense/Defense Energy Support Center/Randolph Air Force Base, Texas	12.999	SP0600-03-8266	<u>744,915</u>
Total Federal Expenditures			<u>\$ 1,727,973</u>

**SAN ANTONIO RIVER AUTHORITY  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2018**

**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, 2018:

Fund	Amount
Grant Funds	\$ 983,058
Randolph Air Force Base Collection System	744,915
	<u>\$ 1,727,973</u>

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

5. There were no awards passed through to subrecipients.

**SAN ANTONIO RIVER AUTHORITY  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2018**

**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)

Name of Federal Program or Cluster

12.999

U.S. Department of Defense/Defense Energy Support Center/Randolph Air Force Base

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  
YEAR ENDED JUNE 30, 2018**

**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, 2018**

None





SAN ANTONIO  

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RIVER AUTHORITY