



SAN ANTONIO
RIVER AUTHORITY

A POLITICAL SUBDIVISION OF THE STATE OF TEXAS

FISCAL YEAR JUNE 30, 2023



ANNUAL FINANCIAL REPORT



Presented to the
Board of Directors

<u>Name</u>	<u>Title</u>	<u>County</u>
Jim Campbell	Chairman	Bexar County, District 4
Gaylon J. Oehlke	Vice-Chair	Karnes County
Deb Bolner Prost	Secretary	Bexar County, At-Large
Alicia Lott Cowley	Treasurer	Goliad County
Dominic Carvajal	Executive Committee Member	Wilson County
Jerry G. Gonzales	Executive Committee Member	Bexar County, District 1
James Fuller, M.D.		Goliad County
Lourdes Galvan		Bexar County, District 2
Derek J. Gaudlitz		Wilson County
Michael W. Lackey, P.E.		Bexar County, District 3
Hector R. Morales		Bexar County, At-Large
H.B. "Trip" Ruckman III		Karnes County

PRESENTED BY:

Rick Trefzer, CMA

Deputy General Manager

PREPARED BY:

Jennifer Crocker, CPA, CMA, MBA

Deputy Director, Finance

Accounting Services

Shaena Cannon – Senior Accountant
Yolanda Cabrera – Senior Accounting Technician
Benjamin Castillo – Accountant I
Ashley Garcia – Accounting Technician I
Nicholas Rivera – Accountant I

Budget Services

Erica Jimenez – Budget Analyst
Sharon Otholt – Budget Analyst



**SAN ANTONIO
RIVER AUTHORITY**

**Citizens of Bexar,
Karnes,
Goliad and Wilson
Counties**

**Board of Directors
(12)**

**General Manager
Derek Boese**

**Director
(Vacant)**

**Executive Staff
(6)**

**Deputy General
Manager –
Rick Trefzer**

**Director of
Technical Services –
Melissa Bryant**

**Director of Human
Resources –
Sandy West
(6)**

**Assistant General
Manager –
Stephen T Graham**

**Director of
Technology –
Shawna Arroyo**

**Director of Legal
Services
(Vacant)
(2)**

**Finance
(17)**

**Environmental
Sciences
(35)**

**Project
Management Office
(5)**

**Ecological
Engineering
(18)**

**Utilities
(58)**

**Engineering Design
and Construction
(24)**

**Facilities
(10)**

**Watershed and
Park Operations
(87)**

**Real Estate
(6)**

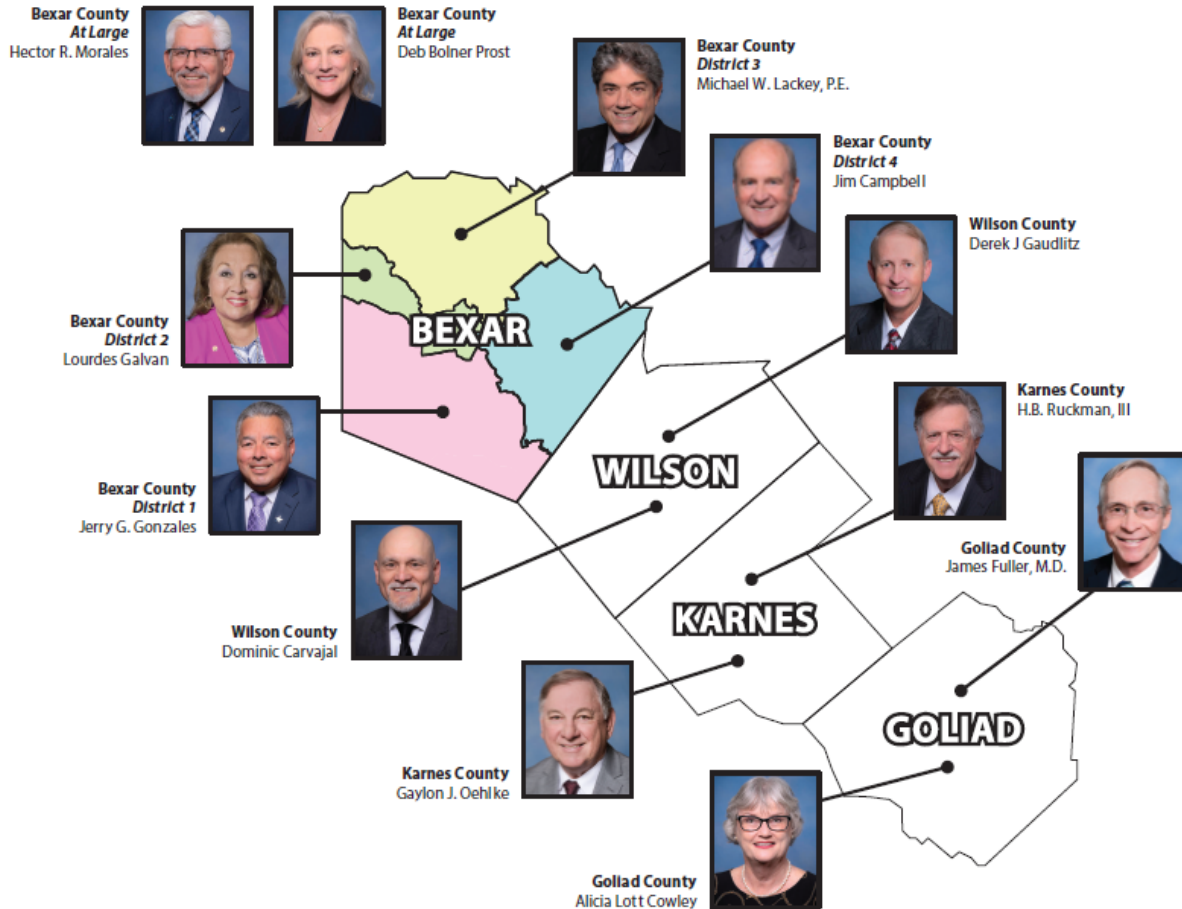
**Public Affairs
(12)**

**Information
Technology
(17)**

**Government Affairs
(5)**

San Antonio River Authority

List of Elected Officials and Management



Management

<u>Name</u>	<u>Title</u>
Derek Boese	General Manager
Rick Trefzer, CMA	Deputy General Manager
Stephen T. Graham, P.E.	Assistant General Manager
Sandy West, SHMR-SPC	Director of Human Resources
Melissa Bryant, P.E.	Director of Technical Services
Shawna Arroyo	Director of Information Technology
Jennifer Crocker, CPA, CMA	Deputy Director Finance & Administration
Kristen Hansen	Deputy Director Park & Recreation
Shaun Donovan	Environmental Sciences Manager
Leamon Anderson	Deputy Director Utilities
Brian Mast	Government Affairs Manager
Katie Brought	Public Affairs Manager
Erin Cavazos	Design & Construction Engineering
Aarin Teague, PhD, P.E.	Manager Ecological Engineering Manager
Amy Zola	Manager of Planning & Project Management

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Independent Auditors' Report

To the Board of Directors of
San Antonio River Authority

Report on the Audit of the Financial Statements

Opinions

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 the San Antonio River Authority (the Authority), as of and for the year ended June 30, 2023 and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

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 the Authority as of June 30, 2023 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the San Antonio River Authority adopted the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective July 1, 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, notes to the required supplementary information and the schedule of changes in the total other post-employment benefit (OPEB) liability and related ratios, as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We 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.

Supplementary Information

Our audit for the year ended June 30, 2023 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The other supplementary information and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and Texas Grant Management Standards* for the year ended June 30, 2023 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2023 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 supplementary information and the schedule of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and Texas Grant Management Standards* are fairly stated in all material respects, in relation to the financial statements as a whole for the year ended June 30, 2023.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Authority as of and for the year ended June 30, 2022 (not presented herein) and have issued our report thereon dated October 7, 2022, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information. The other supplementary information for the year ended June 30, 2022 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2022 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those 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 is fairly stated in all material respects in relation to the financial statements as a whole for the year ended June 30, 2022.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2023 on our consideration of the 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 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 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 Authority's internal control over financial reporting and compliance.

Baker Tilly US, LLP

Austin, Texas
October 6, 2023

**SAN ANTONIO RIVER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

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 (FY) ended June 30, 2023.

FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of the River Authority exceeded its liabilities and deferred inflows at June 30, 2023 resulting in a total net position of \$802.3 million. This balance consists of cash and non-cash assets so it is important to note that the net investment in capital assets (non-cash) is over \$670.4 million. Of the \$802.3 million net position, \$96.0 million is unrestricted and may be utilized to meet the River Authority's ongoing obligations to citizens and creditors. (See page 9 for more details)
- The River Authority's total net position increased by \$44.7 million from FY 2021-22 to FY 2022-23 due to revenues exceeding expenses by \$29.5 million in Governmental funds and \$15.2 million in Business-type Funds. (See page 9 for more details)
- Total capital assets increased by \$44.6 million due to some large capital asset additions including, but not limited to, construction in process for the San Pedro Creek project, the Martinez IV Wastewater Treatment Plant Expansion project, and the Salitrillo Wastewater Treatment Plant Expansion project (See page 19 for more details).
- The River Authority's Governmental Funds reported combined ending fund balances of over \$41.4 million, culminating a slight increase from last year with no unassigned balances. (See pages 21 and 22 for more details)
- Charges for services decreased by \$6.7 million from FY 2021-22 to FY 2022-23 in Governmental Funds due to construction activity in WSC City of San Antonio Fund (61) for the West Side Creek (WSC) Linear Creekways and San Pedro Creek nearing completion. (see page 23).
- Property tax revenues in the General Fund increased by \$5.1 million from FY 2021-22 to FY 2022-23 primarily due to property value appraisals. (See page 10 and 27 for more details)
- Utility Operating revenues increased from FY 2021-22 to FY 2022-23 by over \$3.9 million primarily due to utility rate increases. (See page 10 and 32 for more details)
- Expenditures in our Governmental Funds increased by \$6.4 million from FY 2021-22 to FY 2022-23. The increase is attributable to the Bexar County Rivers & Creeks Program with the primary activity being a pass-through from Bexar County to the United States Army Corps of Engineers (USACE). This process resulted in the Bexar County Capital Projects Fund (59) becoming a major fund during this fiscal year. (See pages 27 and 28 for more details)
- Governmental Accounting Standards Board (GASB) Statement No. 96 *Subscription-Based Information Technology Arrangements* was implemented during FY 2022-23 and reflected in the financial statements presented.

**SAN ANTONIO RIVER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

OVERVIEW OF THE FINANCIAL STATEMENTS



This discussion and analysis are 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 resulting from federal and state grant expenditures.

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 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 activities of the River Authority include general government, operations, and technical services. The business-type activities of the River Authority include Utility operations. The government-wide financial statements can be found on pages 21 - 26 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 River Authority funds can be divided into two categories: governmental funds and proprietary funds.

**SAN ANTONIO RIVER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

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 17 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. The General Fund, Debt Service Fund, Bexar County Westside Creek, City of San Antonio Westside Creek, Bexar County Capital Projects Fund, and the San Antonio River Authority Project Fund are major funds. Data from the other 11 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 24 - 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

**SAN ANTONIO RIVER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

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.

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 - 68 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 Other Post Employment Benefit Plans. Required supplementary information can be found on pages 69 - 75 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 are presented immediately following the required supplementary information. Budgetary comparison schedules and combining and individual fund statements and schedules can be found on pages 76 - 93 of this report.

Single Audit. As a recipient of state and 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 found on pages 94 - 101, for the fiscal year presented, provided no instances of material weaknesses in the internal control structure or violations of applicable laws and regulations.

**SAN ANTONIO RIVER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**



GOVERNMENT-WIDE FINANCIAL ANALYSIS



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 \$802,297,503 at the close of the 2023 fiscal year.

A large portion of the River Authority's net position (84%) 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 DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

Net Position

	<i>Governmental Activities</i>		<i>Business-type Activities</i>		<i>Total</i>	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 61,787,555	\$ 59,350,183	\$ 88,905,784	\$ 102,799,237	\$ 150,693,339	\$ 162,149,420
Capital assets	<u>653,282,527</u>	<u>634,187,090</u>	<u>99,706,013</u>	<u>74,224,226</u>	<u>752,988,540</u>	<u>708,411,316</u>
Total assets	<u>715,070,082</u>	<u>693,537,273</u>	<u>188,611,797</u>	<u>177,023,463</u>	<u>903,681,879</u>	<u>870,560,736</u>
Deferred outflows	<u>549,673</u>	<u>618,046</u>	<u>74,700</u>	<u>87,055</u>	<u>624,373</u>	<u>705,101</u>
Long-term liabilities	19,977,906	22,090,853	58,603,337	61,157,200	78,581,243	83,248,053
Other liabilities	<u>15,585,873</u>	<u>21,482,412</u>	<u>7,154,121</u>	<u>8,211,526</u>	<u>22,739,994</u>	<u>29,693,938</u>
Total liabilities	<u>35,563,779</u>	<u>43,573,265</u>	<u>65,757,458</u>	<u>69,368,726</u>	<u>101,321,237</u>	<u>112,941,991</u>
Deferred inflows	<u>-</u>	<u>-</u>	<u>687,512</u>	<u>695,746</u>	<u>687,512</u>	<u>695,746</u>
Net investment in capital assets	631,437,552	615,204,171	38,981,620	37,252,032	670,419,172	652,456,203
Restricted	4,513,198	5,478,653	31,406,093	22,900,251	35,919,291	28,378,904
Unrestricted	<u>44,105,226</u>	<u>29,899,230</u>	<u>51,853,814</u>	<u>46,893,763</u>	<u>95,959,040</u>	<u>76,792,993</u>
Total net position	<u>\$ 680,055,976</u>	<u>\$ 650,582,054</u>	<u>\$ 122,241,527</u>	<u>\$ 107,046,046</u>	<u>\$ 802,297,503</u>	<u>\$ 757,628,100</u>

A portion of the River Authority's net position (4.5%) represents resources that are subject to restrictions for debt service and construction. The remaining balance of *unrestricted net position* in the amount of \$95,959,040 may be used to meet the River Authority's ongoing liabilities.

As of June 30, 2023, the River Authority reported a positive change in the net position for both the Governmental activities and the Business-type activities. The River Authority's net position increased by \$44,669,403, which is \$9.6 million less than the 2022 change in net position.

**SAN ANTONIO RIVER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

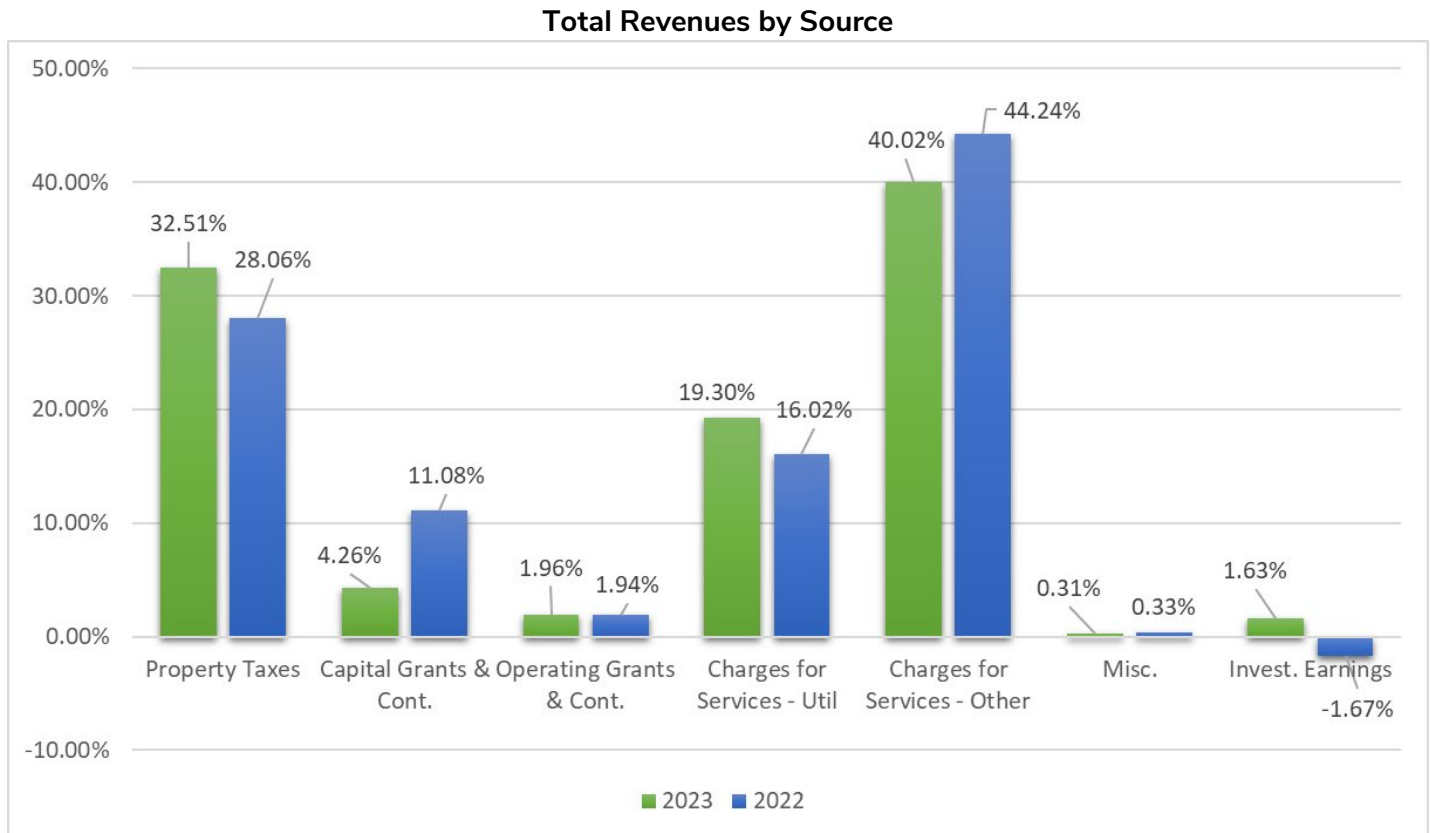
The following table indicates change in net position for governmental and business-type activities:

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues:						
Charges for services	\$ 52,575,915	\$ 59,239,665	\$ 25,355,249	\$ 21,456,413	\$ 77,931,164	\$ 80,696,078
Operating grants & contributions	2,576,278	2,595,360	-	-	2,576,278	2,595,360
Capital grants & contributions	-	2,753,592	5,595,371	12,075,542	5,595,371	14,829,134
General Revenues:						
Property Taxes	42,712,708	37,570,370	-	-	42,712,708	37,570,370
Investment earnings (loss)	2,411,868	(2,075,433)	(301,173)	(159,220)	2,110,695	(2,234,653)
Net gain (loss) on disposal of capital assets	5,677	-	23,327	(1,007)	29,004	(1,007)
Miscellaneous	261,465	331,961	148,696	107,498	410,161	439,459
Total Revenues	<u>100,543,911</u>	<u>100,415,515</u>	<u>30,821,470</u>	<u>33,479,226</u>	<u>131,365,381</u>	<u>133,894,741</u>
Expenses:						
General government	31,030,568	32,081,786	-	-	31,030,568	32,081,786
Operations	20,243,948	20,548,308	15,625,989	14,985,910	35,869,937	35,534,218
Technical services	19,193,893	11,413,835	-	-	19,193,893	11,413,835
Interest and other fees	601,580	624,727	-	-	601,580	624,727
Total expenses	<u>71,069,989</u>	<u>64,668,656</u>	<u>15,625,989</u>	<u>14,985,910</u>	<u>86,695,978</u>	<u>79,654,566</u>
Change in net position	29,473,922	35,746,859	15,195,481	18,493,316	44,669,403	54,240,175
Net position, beginning	650,582,054	614,835,195	107,046,046	88,552,730	757,628,100	703,387,925
Net position, ending	<u>\$ 680,055,976</u>	<u>\$ 650,582,054</u>	<u>\$ 122,241,527</u>	<u>\$ 107,046,046</u>	<u>\$ 802,297,503</u>	<u>\$ 757,628,100</u>

**SAN ANTONIO RIVER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

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

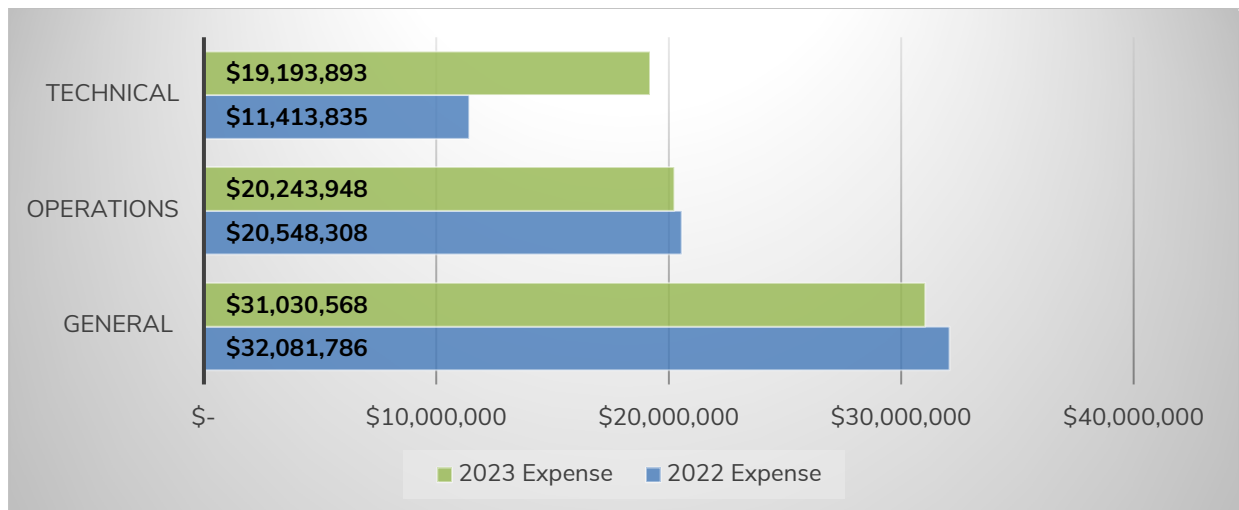
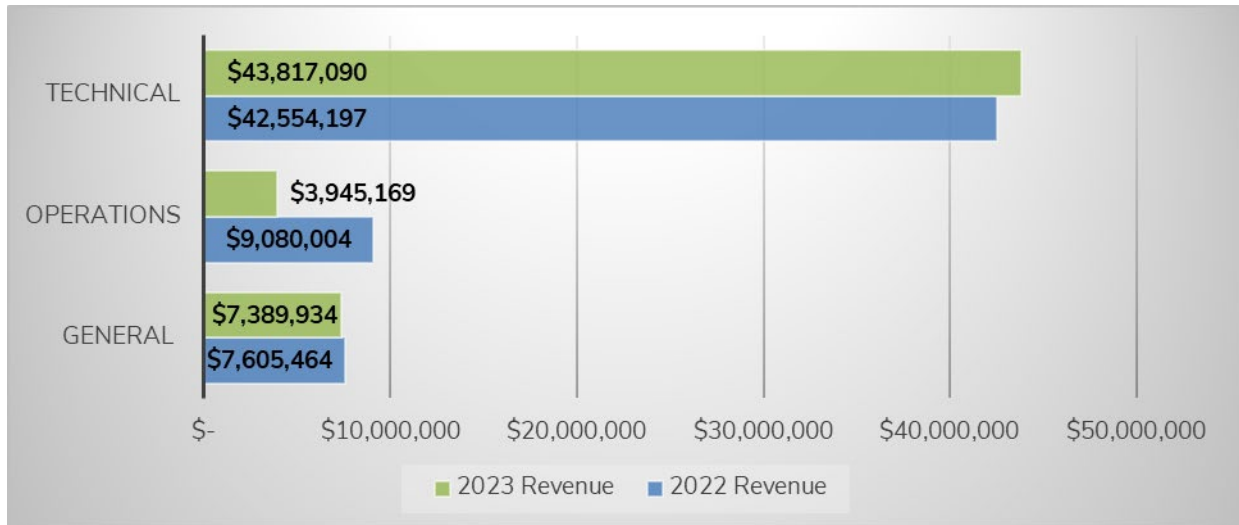


Governmental Activities. The River Authority's Governmental net position increased by \$29,473,922 from FY 2021-22 to FY 2022-23. This increase is attributable to various capital improvements. These projects are mainly funded external funding agreements where the River Authority provides project and construction management services.

With the implementation of GASB 34, the River Authority shows expenses alongside revenues for each program in the Statement of Activities (see page 23). The programs included in the governmental activities are general government, operations, and technical services. In 2023, operations program revenue decreased due construction activity in WSC City of San Antonio Fund (61) for the West Side Creek (WSC) Linear Creekways and San Pedro Creek nearing completion as already discussed. The increase in technical program expenses is attributable to the Bexar County Rivers & Creeks Program with the primary activity being a pass-through from Bexar County to the United States Army Corps of Engineers. The imbalance between revenue and expense programs is attributable to GASB 34 depreciation expense since we have a considerable amount of general government assets.

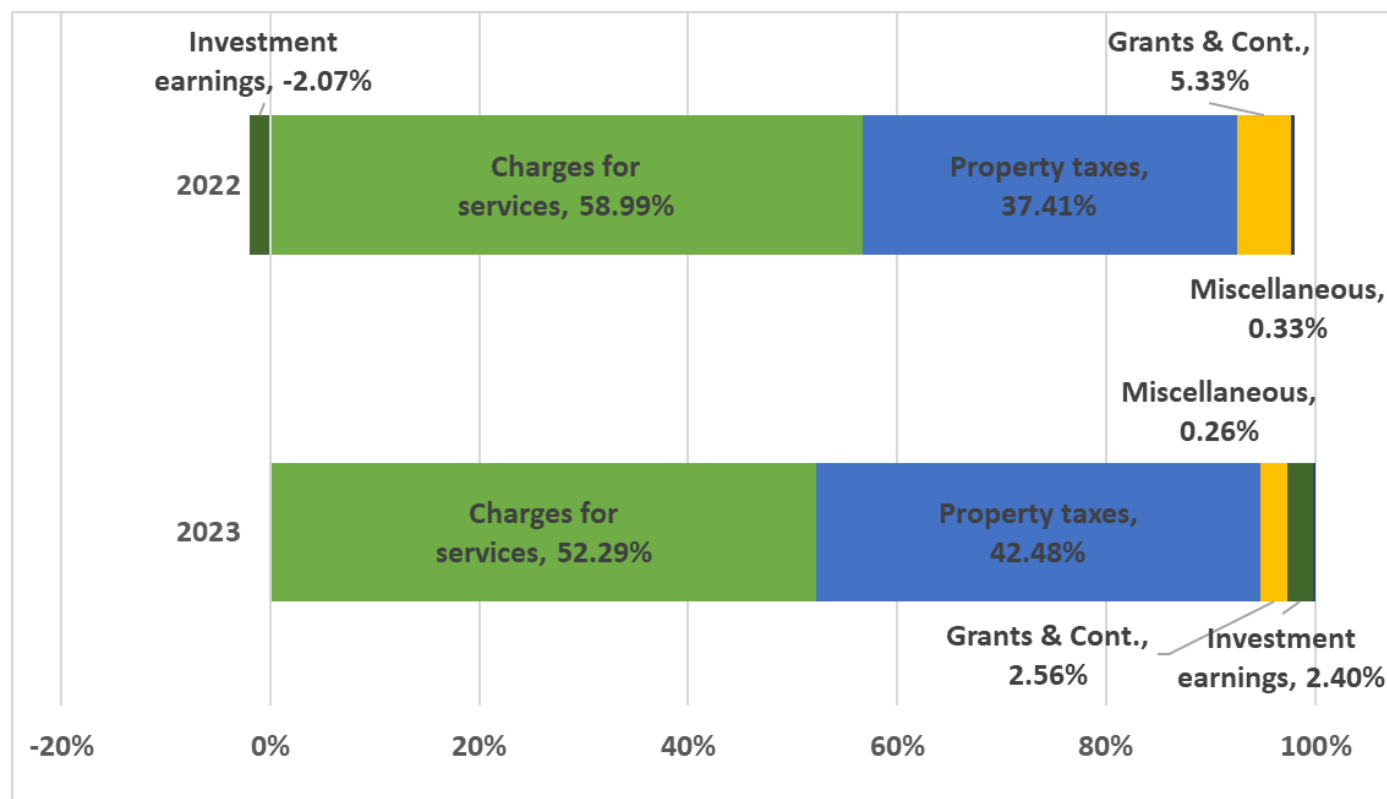
**SAN ANTONIO RIVER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

Program Revenues & Expenses– Governmental Activities



**SAN ANTONIO RIVER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

Revenues by Source – Governmental Activities



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 are supported by rate and fee schedules adopted by the Board of Directors.

The River Authority's Business-type net position increased by \$15,195,481 mainly due to CIP for wastewater treatment plant expansions. With the implementation of GASB 34, the River Authority shows expenses alongside revenues for each program in the Statement of Activities (see page 23). The program in the business-type activities is operations, which are the utility departments. Total revenues decreased almost 8% mainly due to a decrease in connection fee activity. Construction in the SARA Wastewater System area of service has increased significantly driven by the demand for family housing despite interest rate increases. Expenses remained fairly stable from the prior fiscal year.

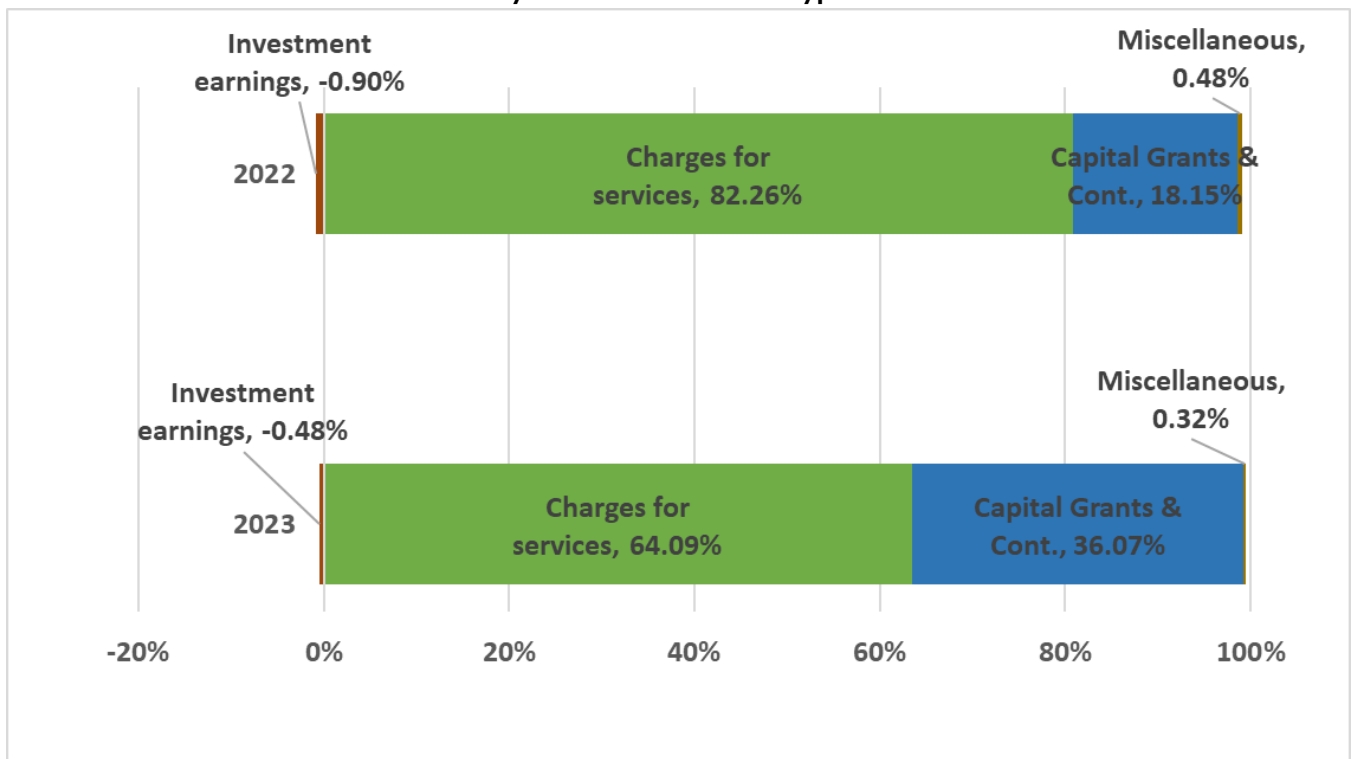
**SAN ANTONIO RIVER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

Program Revenues & Expenses – Business-type Activities



The Utilities revenues decreased by \$2,657,756 in FY 2022-23 compared to the 2022 fiscal year and expenses increased by \$640,079 for the same period. Effective July 1, 2022 the Board of Directors increased the SARA Wastewater Systems sewage rates by 8.01% and 16.51% in the Salitrillo Operating Fund both of which were needed to fund debt service on bond issuances for plant expansions and improvement efforts.

Revenues by Source – Business-type Activities



SAN ANTONIO RIVER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)

FINANCIAL ANALYSIS OF THE AUTHORITY'S MAJOR FUNDS

As noted earlier, the River Authority uses fund accounting to ensure and show 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. 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 2023 fiscal year, the River Authority's governmental funds reported combined ending fund balances of \$41,426,891, an increase of \$6,323,068 in comparison with the prior year. The entire amount is classified as non-spendable, restricted, committed, or assigned to indicate that it is not available for new spending because it has already been obligated to fund capital projects, encumbrances or to pay debt service. The major funds within the Governmental Funds (General Fund, Debt Service Fund, West Side Creek Restoration Funds, Bexar County Capital Projects, and SARA Project Fund) are analyzed in the following paragraphs to aid with understanding the changes noted above.

General Fund: The principal fund of the River Authority is the General Fund. Property taxes, support fees, and charges for services provide the major sources of revenue. At the end of the current fiscal year, assigned fund balance of the General Fund was \$17,590,553 compared to \$12,474,690 in FY 2021-22. The increase was primarily due to an increase in the reserve for future operating costs shown as Assigned Fund Balance on the Governmental Funds Balance Sheet (see pages 24 - 25). In FY 2021-22, the reserve balance was \$10,492,960 and for this fiscal year end the balance is \$15,769,091 an increase of \$5,276,131. The future operating costs number is calculated during the budget process and set at 25 percent, or three months, of the budgeted operating expenses and approved by the Board of Directors annually.

The River Authority receives property valuations from our four county Appraisal Districts which we use to inform our tax rate and budget property tax revenue. Property tax revenue increased \$5,142,338 or 13.68% from FY 2021-22 to FY 2022-23. Along with an increase to Property tax revenue, Investment earnings went from a loss to a gain of \$2,567,937. The adopted tax rate decreased from 1.858 cents per \$100 of appraised valuation to 1.836 cents per \$100 of appraised valuation in FY 2022-23. Taxable values increased an average of 15.8% across all four of our counties with our largest county certifying a 33.13% increase. Property taxes receivable consists of June taxes collected by our four counties but not remitted as well as taxes collected for July and August since they were assessed for FY 2021-22. Expenditures stayed consistent resulting in a \$9,308,109 increase of excess revenue over expenditures allowing Transfers out to increase by 35.3% from FY 2021-22 to FY 2022-23.

**SAN ANTONIO RIVER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

Debt Service Fund: The River Authority entered 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 pledged 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 \$1,236,176 in FY 2022-23 due to payment of principal and interest on outstanding debt issuances.

Westside Creek Restoration: The River Authority works with Bexar County and the City of San Antonio to complete capital improvement projects that address flood control, water quality and recreational opportunities in and around San Antonio. These combined projects are deemed The Westside Creek Restoration projects and are fully funded by Bexar County and the City of San Antonio. The fund balance increased \$142,272 from FY 2021-22 with the primary difference being investment earnings which increased by \$131,955. During FY 2023-24 these projects will be nearing completion.

Bexar County Project Fund: The River Authority works with Bexar County to complete capital improvement projects that address flood control, water quality and recreational opportunities in and around Bexar County. Approximately 79.5% of the funds are supporting the Creeks & Trails projects with a mission to continue or complement previous County capital investment, restore degraded aquatic or riparian ecosystems, improve water quality and flood control, promote trails and other recreational amenities, connect neighborhoods and public institutions, to a linear creek trail network. The fund balance for FY 2022-23 was \$26,721 but anticipating increased activity for FY 2023-24.

SARA Project Fund: The SARA project fund is categorized as a capital project fund where we account for studies and projects that further the mission of the River Authority. The main source of funding for these studies and projects is the General Fund. Completion of these projects and studies may span more than one fiscal year. Funds are transferred from the General Fund to provide needed funding for the projects budgeted in this fund. This fund also includes the Assigned Reserve established by the Board of Directors. This reserve can be used for any purpose including acquisition of facilities, water, water rights or other activities approved by the Board.

Total expenditures increased by \$1,329,755 from FY 2021-22 to FY 2022-23 while transfers-in increased by \$2,615,112. Capital Outlay expenditures account for \$1,198,429 of the increase and is attributable to the substantial completion of some large projects such Mission Reach erosion and facility improvements at 100 E. Guenther.

**SAN ANTONIO RIVER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**



Proprietary funds. The SARA Wastewater Utilities System, Salitrillo Wastewater Treatment Plant and the Randolph AFB Collection System comprise the River Authority's proprietary fund activities. The areas served by these utility systems include residents, businesses, and other local governments in Bexar and Wilson counties. The main source of revenues are charges for services and intergovernmental revenue. Bonds are also utilized as a source of revenue for capital improvements as needed. The unrestricted net position of the business type activities at the end of FY 2022-23 was \$51,853,814 as compared to \$46,893,763 in FY 2021-22. The increase of \$4,960,051 is mainly attributed to a Construction-In-Process asset increase for the Martinez IV and Salitrillo wastewater treatment plant expansions (see note 11 on page 55). This, along with an increase in revenue and a minimal increase in expenses, attributed to the unrestricted net position increase. The Internal Service Fund unrestricted net position increased \$906,868 or 23% going from \$4,277,848 in FY 2021-22 to \$5,184,716 in FY 2022-23 due to additional revenue for new positions and a decrease in claims expense.

**SAN ANTONIO RIVER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

BUDGETARY HIGHLIGHTS

General fund. There was a 3.2% increase between the original adopted budget and the amended budget. The majority of this increase is a result of an adjustment to beginning balances developed during the FY23 budget process as well as the \$6M pass-through from Bexar County to USACE. Additional funds identified were used to cover unanticipated Facilities costs.

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

- Actual revenues compared to amended budgeted revenue had a positive 7.3% variance.
- Across all departments, expenditures were under budget by \$4,365,499.

Externally Funded Capital Projects. The FY 2022-23 Amended Budget includes additional funding from Bexar County totaling \$11,419,150 for various ecosystem restoration projects on the West Side Creeks covered under the new Bexar County Rivers and Creeks program.

CAPITAL ASSETS & DEBT ADMINISTRATION

Long-term Debt. The River Authority had \$74.2 million and \$80.2 million in bonds at the end of 2023 and 2022, respectively, as shown below:

	2023	2022
SACIP Improvement Revenue Bonds	\$ 8,880,000	\$ 11,065,000
Public Facilities Corporation	10,658,000	11,436,000
SARA Wastewater Utilities System Revenue Bonds	32,275,000	34,175,000
Salitrillo Wastewater Utilities System Revenue Bonds	20,705,000	21,235,000
Texas Water Development Bonds	455,000	900,000
Contract Revenue Bonds	1,230,000	1,375,000
Total	\$ 74,203,000	\$ 80,186,000

More detailed information about the River Authority's long-term liabilities is presented in Note 13 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, 2023, was \$752,988,540 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, flood control infrastructures, restoration projects, parks, and sewage treatment facilities.

**SAN ANTONIO RIVER AUTHORITY
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

If more detailed information is desired on capital asset activity, please refer to the notes to the financial statements (Note 11).

Capital Assets (net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Capital assets, not being depreciated:						
Land	\$ 34,987,459	\$ 34,639,376	\$ 3,403,934	\$ 2,531,651	\$ 38,391,393	\$ 37,171,027
Water Rights	227,447	227,447	-	-	227,447	227,447
Construction in progress	273,834,860	242,939,538	27,728,371	19,529,515	301,563,231	262,469,053
Total capital assets, not being depreciated	<u>309,049,766</u>	<u>277,806,361</u>	<u>31,132,305</u>	<u>22,061,166</u>	<u>340,182,071</u>	<u>299,867,527</u>
Capital assets, being depreciated:						
Subscription asset	959,065	-	-	-	959,065	-
Office furniture, fixtures and equipment	2,949,413	3,150,104	150,791	38,317	3,100,204	3,188,421
Other machinery and equipment	8,293,811	8,079,018	5,547,402	5,405,785	13,841,213	13,484,803
Automobiles and trucks	2,349,587	2,307,931	2,503,480	2,315,817	4,853,067	4,623,748
Buildings	23,715,409	23,715,409	2,300,976	2,300,976	26,016,385	26,016,385
Improvements other than buildings	14,423,235	10,919,742	47,647,510	28,735,615	62,070,745	39,655,357
Sewage treatment facilities	-	-	69,213,838	69,213,838	69,213,838	69,213,838
Flood control projects	339,164,871	339,164,871	-	-	339,164,871	339,164,871
Restoration projects	236,996,307	236,996,307	-	-	236,996,307	236,996,307
Total capital assets, being depreciated	<u>628,851,698</u>	<u>624,333,382</u>	<u>127,363,997</u>	<u>108,010,348</u>	<u>756,215,695</u>	<u>732,343,730</u>
Accumulated depreciation	<u>(284,618,937)</u>	<u>(267,952,653)</u>	<u>(58,790,289)</u>	<u>(55,847,288)</u>	<u>(343,409,226)</u>	<u>(323,799,941)</u>
Capital assets, net	<u>\$ 653,282,527</u>	<u>\$ 634,187,090</u>	<u>\$ 99,706,013</u>	<u>\$ 74,224,226</u>	<u>\$ 752,988,540</u>	<u>\$ 708,411,316</u>

REQUESTS FOR INFORMATION

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 Senior Manager of Finance, 100 East Guenther, San Antonio, Texas 78204



SAN ANTONIO
RIVER AUTHORITY

A POLITICAL SUBDIVISION OF THE STATE OF TEXAS.

Basic Financial Statements

SAN ANTONIO RIVER AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash	\$ 17,587,738	\$ 776,156	\$ 18,363,894
Investments	30,755,485	50,534,410	81,289,895
Accounts receivable	59,097	1,649,702	1,708,799
Intergovernmental receivables	4,457,915	-	4,457,915
Other receivables	205,192	183,111	388,303
Taxes receivable (net of \$412,658 for allowance for uncollectible)	2,304,237	-	2,304,237
Prepaid expenses and other assets	9,989	-	9,989
Restricted assets:			
Accounts receivable	-	889,696	889,696
Investments	6,407,902	3,898,718	10,306,620
Total restricted assets	6,407,902	4,788,414	11,196,316
Total current assets	61,787,555	57,931,793	119,719,348
Noncurrent assets:			
Restricted assets:			
Investments	-	30,131,797	30,131,797
Total restricted assets	-	30,131,797	30,131,797
Capital assets:			
Land	34,987,459	3,403,934	38,391,393
Water rights	227,447	-	227,447
Subscription asset	959,065	-	959,065
Office furniture, fixtures and equipment	2,949,413	150,791	3,100,204
Other machinery and equipment	8,293,811	5,547,402	13,841,213
Automobiles and trucks	2,349,587	2,503,480	4,853,067
Buildings	23,715,409	2,300,976	26,016,385
Improvements other than buildings	14,423,235	47,647,510	62,070,745
Sewage treatment facilities	-	69,213,838	69,213,838
Flood control projects	339,164,871	-	339,164,871
Restoration projects	236,996,307	-	236,996,307
Construction in progress	273,834,860	27,728,371	301,563,231
Less accumulated depreciation	(284,618,937)	(58,790,289)	(343,409,226)
Total capital assets (net of accumulated depreciation)	653,282,527	99,706,013	752,988,540
Lease receivable	-	676,926	676,926
Notes receivable	-	165,268	165,268
Total noncurrent assets	653,282,527	130,680,004	783,962,531
Total assets	715,070,082	188,611,797	903,681,879
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflow for OPEB	28,990	10,186	39,176
Deferred loss of bond refunding	520,683	64,514	585,197
Total deferred outflows of resources	549,673	74,700	624,373

SAN ANTONIO RIVER AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2023

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 4,657,252	\$ 273,213	\$ 4,930,465
Notes payable	-	28,188	28,188
Compensated absences	184,279	40,541	224,820
Other accrued liabilities	824,995	185,108	1,010,103
Current liabilities payable from restricted assets:			
Advance for construction	-	723,528	723,528
Accounts payable	-	1,280,622	1,280,622
Retainage payable	5,304,416	2,071,188	7,375,604
Subscription payable	309,859	-	309,859
Unearned revenue - services	2,877,246	-	2,877,246
Accrued interest payable	55,826	296,733	352,559
Bonds payable within one year	<u>1,372,000</u>	<u>2,255,000</u>	<u>3,627,000</u>
Total current liabilities payable			
from restricted assets	<u>9,919,347</u>	<u>6,627,071</u>	<u>16,546,418</u>
Total current liabilities	<u>15,585,873</u>	<u>7,154,121</u>	<u>22,739,994</u>
Noncurrent liabilities:			
Notes payable	-	824,623	824,623
Subscription payable	357,959	-	357,959
OPEB liability	198,891	69,880	268,771
Compensated absences	737,116	162,163	899,279
Bonds payable after one year	<u>18,683,940</u>	<u>57,546,671</u>	<u>76,230,611</u>
Total noncurrent liabilities	<u>19,977,906</u>	<u>58,603,337</u>	<u>78,581,243</u>
Total liabilities	<u>35,563,779</u>	<u>65,757,458</u>	<u>101,321,237</u>
Deferred inflows of resources:			
Deferred inflows - leases	<u>-</u>	<u>687,512</u>	<u>687,512</u>
NET POSITION			
Net investment in capital assets	631,437,552	38,981,620	670,419,172
Restricted for:			
Debt service	3,442,276	3,601,985	7,044,261
Construction	510,410	27,804,108	28,314,518
Watershed management	333,432	-	333,432
Water management	227,080	-	227,080
Unrestricted	<u>44,105,226</u>	<u>51,853,814</u>	<u>95,959,040</u>
Total net position	<u>\$ 680,055,976</u>	<u>\$ 122,241,527</u>	<u>\$ 802,297,503</u>

**SAN ANTONIO RIVER AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023**

					Net (Expense) Revenue and Changes in Net Position		
		Program Revenues			Primary Government		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 31,030,568	\$ 7,389,934	\$ -	\$ -	\$ (23,640,634)	\$ -	\$ (23,640,634)
Operations	20,243,948	3,945,169	-	-	(16,298,779)	-	(16,298,779)
Technical services	19,193,893	41,240,812	2,576,278	-	24,623,197	-	24,623,197
Interest and other fees	601,580	-	-	-	(601,580)	-	(601,580)
Total governmental activities	71,069,989	52,575,915	2,576,278	-	(15,917,796)	-	(15,917,796)
Business-type activities:							
Operations:							
Utilities	15,625,989	25,355,249	-	5,595,371	-	15,324,631	15,324,631
Total primary government	\$ 86,695,978	\$ 77,931,164	\$ 2,576,278	\$ 5,595,371	(15,917,796)	-	(593,165)
General revenues:							
Property taxes					42,712,708	-	42,712,708
Investment earnings (loss)					2,411,868	(301,173)	2,110,695
Net gain on disposal of capital assets					5,677	23,327	29,004
Miscellaneous					261,465	148,696	410,161
Total general revenues					45,391,718	(129,150)	45,262,568
Change in net position					29,473,922	15,195,481	44,669,403
Net position, beginning					650,582,054	107,046,046	757,628,100
Net position, ending					\$ 680,055,976	\$ 122,241,527	\$ 802,297,503

See accompanying notes to the financial statements.

**SAN ANTONIO RIVER AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Capital Projects Funds			
	Westside Creek Restoration			
	General Fund	Bexar County	City of San Antonio	SARA Project Fund
ASSETS				
Cash	\$ 12,523,271	\$ 2,912,798	\$ -	\$ 144,526
Investments	2,400,197	3,920,795	15,374	19,206,740
Prepays and other assets	9,989	-	-	-
Accounts receivable	-	-	-	-
Intergovernmental receivables	530,344	-	1,041,739	-
Interest receivable	183,762	9,210	2,035	-
Taxes receivable (net of allowance for uncollectible)	2,304,237	-	-	-
Due from other funds of the Authority	3,177,204	1,270,084	-	-
Investments - restricted	-	-	-	-
Total assets	<u>\$ 21,129,004</u>	<u>\$ 8,112,887</u>	<u>\$ 1,059,148</u>	<u>\$ 19,351,266</u>
LIABILITIES				
Accounts payable	\$ 1,090,530	\$ 1,553,558	\$ 388,270	\$ 233,868
Retainage payable	20,944	4,321,154	180,116	214,941
Due to other funds of the Authority	-	-	360,615	-
Other accrued liabilities	824,995	-	-	-
Unearned revenue - services	79,954	1,967,869	91,948	-
Total liabilities	<u>2,016,423</u>	<u>7,842,581</u>	<u>1,020,949</u>	<u>448,809</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>1,512,039</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Nonspendable:				
Prepaid items and other assets	9,989	-	-	-
Restricted:				
Debt service	-	-	-	-
Construction	-	270,306	38,199	-
Watershed management	-	-	-	-
Water management	-	-	-	-
Committed:				
Unrestricted reserve	-	-	-	6,400,181
Parks	-	-	-	-
Assigned:				
Contract commitments	1,821,463	-	-	-
Future operating costs	15,769,090	-	-	-
Projects	-	-	-	12,502,276
Total fund balances (deficit)	<u>17,600,542</u>	<u>270,306</u>	<u>38,199</u>	<u>18,902,457</u>
Total liabilities deferred inflows of resources and fund balances	<u>\$ 21,129,004</u>	<u>\$ 8,112,887</u>	<u>\$ 1,059,148</u>	<u>\$ 19,351,266</u>

SAN ANTONIO RIVER AUTHORITY
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2023

	Capital Projects		Other	Total
	Fund		Governmental	Governmental
	Bexar County	Debt Service	Funds	Funds
	Project Fund			
ASSETS				
Cash	\$ 72,035	\$ -	\$ 1,491,878	\$ 17,144,508
Investments	-	16,214	462,677	26,021,997
Prepays and other assets	-	-	-	9,989
Accounts receivable	-	-	55,770	55,770
Intergovernmental receivables	889,145	60,667	1,936,020	4,457,915
Interest receivable	-	-	5,514	200,521
Taxes receivable (net of allowance for uncollectible)	-	-	-	2,304,237
Due from other funds of the Authority	-	-	-	4,447,288
Investments - restricted	-	2,745,386	3,662,516	6,407,902
Total assets	<u>\$ 961,180</u>	<u>\$ 2,822,267</u>	<u>\$ 7,614,375</u>	<u>\$ 61,050,127</u>
LIABILITIES				
Accounts payable	401,555	\$ -	\$ 989,471	\$ 4,657,252
Retainage payable	78,996	-	488,265	5,304,416
Due to other funds of the Authority	-	3,177,204	909,469	4,447,288
Other accrued liabilities	-	-	-	824,995
Unearned revenue - services	<u>453,908</u>	<u>-</u>	<u>283,567</u>	<u>2,877,246</u>
Total liabilities	<u>934,459</u>	<u>3,177,204</u>	<u>2,670,772</u>	<u>18,111,197</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - property taxes	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,512,039</u>
FUND BALANCES				
Nonspendable:				
Prepaid items and other assets	-	-	-	9,989
Restricted:				
Debt service	-	(354,937)	3,853,039	3,498,102
Construction	26,721	-	175,184	510,410
Watershed management	-	-	333,432	333,432
Water management	-	-	227,080	227,080
Committed:				
Unrestricted reserve	-	-	-	6,400,181
Parks	-	-	354,868	354,868
Assigned:				
Contract commitments	-	-	-	1,821,463
Future operating costs	-	-	-	15,769,090
Projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,502,276</u>
Total fund balances (deficit)	<u>26,721</u>	<u>(354,937)</u>	<u>4,943,603</u>	<u>41,426,891</u>
Total liabilities deferred inflows of resources and fund balances	<u>\$ 961,180</u>	<u>\$ 2,822,267</u>	<u>\$ 7,614,375</u>	<u>\$ 61,050,127</u>

**SAN ANTONIO RIVER AUTHORITY
RECONCILIATION OF THE BALANCE SHEET OF
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2023**

Total fund balances - governmental funds	\$ 41,426,891
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, including subscription assets, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	653,282,527
Other long-term assets (taxes receivable, net of \$412,658 allowance) are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	1,512,039
Other postemployment benefit liabilities and deferred outflows of resources.	(169,901)
Compensated absences are only recognized upon maturing, therefore are not reported in the funds.	(921,395)
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.	5,184,716
Long-term liabilities, such as bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	
Subscription payable	(667,818)
Bonds payable	(19,993,000)
Accrued interest	(55,826)
Issuance premium (to be amortized as interest expense)	(208,582)
Issuance discount (to be amortized as interest expense)	145,642
Deferred loss on bond refunding (to be amortized as interest expense)	<u>520,683</u>
Net position of governmental activities	<u><u>\$680,055,976</u></u>

SAN ANTONIO RIVER AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Capital Projects Funds			
	General	Westside Creek Restoration		SARA Project Fund
		Bexar County	City of San Antonio	
REVENUES				
Taxes	\$42,712,708	\$ -	\$ -	\$ -
Investment earnings (loss)	2,567,937	129,024	13,249	(157,873)
Intergovernmental	363,288	30,432,124	1,982,108	-
Charges for services	389,442	-	-	-
Support fees	1,972,096	-	-	-
Miscellaneous	205,813	-	-	-
Total Revenues	<u>48,211,284</u>	<u>30,561,148</u>	<u>1,995,357</u>	<u>(157,873)</u>
EXPENDITURES				
Current:				
General government	15,109,073	-	-	-
Operations	8,887,182	484,708	1,982,108	2,283,283
Technical services	8,011,693	27,125	-	-
Debt Service:				
Bond principal	-	-	-	-
Interest and fees on bonds	-	-	-	-
Capital Outlay:				
Capital projects	-	-	-	3,542,501
General government	642,353	-	-	-
Operations	263,549	-	-	-
Technical services	53,888	29,920,292	-	-
Total expenditures	<u>32,967,738</u>	<u>30,432,125</u>	<u>1,982,108</u>	<u>5,825,784</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,243,546</u>	<u>129,023</u>	<u>13,249</u>	<u>(5,983,657)</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	63,408	-	-	-
Transfers in	-	-	-	8,427,512
Subscription payment - principal	(291,247)	-	-	-
Subscription payment - interest	(68,803)	-	-	-
Transfers out	(10,024,117)	-	-	-
Total other financing sources and (uses)	<u>(10,320,759)</u>	<u>-</u>	<u>-</u>	<u>8,427,512</u>
Net change in fund balances	<u>4,922,787</u>	<u>129,023</u>	<u>13,249</u>	<u>2,443,855</u>
Fund balances - beginning	<u>12,677,755</u>	<u>141,283</u>	<u>24,950</u>	<u>16,458,602</u>
Fund balances (deficit) - ending	<u>\$17,600,542</u>	<u>\$ 270,306</u>	<u>\$ 38,199</u>	<u>\$18,902,457</u>

SAN ANTONIO RIVER AUTHORITY
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Capital Project Fund		Other	Total
	Bexar County		Governmental	Governmental
	Capital Projects	Debt Service	Funds	Funds
REVENUES				
Taxes	\$ -	\$ -	\$ -	\$42,712,708
Investment earnings (loss)	-	(85,914)	6,912	2,473,335
Intergovernmental	9,736,961	1,352,676	4,187,882	48,055,039
Charges for services	-	-	74,343	463,785
Support fees	-	-	-	1,972,096
Miscellaneous	-	-	55,652	261,465
Total Revenues	<u>9,736,961</u>	<u>1,266,762</u>	<u>4,324,789</u>	<u>95,938,428</u>
EXPENDITURES				
Current:				
General government	-	-	-	15,109,073
Operations	27,817	-	1,283,199	14,948,297
Technical services	7,761,490	-	2,706,113	18,506,421
Debt Service:				
Bond principal	-	2,630,000	778,000	3,408,000
Interest and fees on bonds	-	470,742	212,321	683,063
Capital Outlay:				
Capital projects	-	-	139,677	3,682,178
General government	-	-	-	642,353
Operations	-	-	48,970	312,519
Technical services	<u>1,975,471</u>	<u>-</u>	<u>77,163</u>	<u>32,026,814</u>
Total expenditures	<u>9,764,778</u>	<u>3,100,742</u>	<u>5,245,443</u>	<u>89,318,718</u>
Excess (deficiency) of revenues over (under)				
expenditures	<u>(27,817)</u>	<u>(1,833,980)</u>	<u>(920,654)</u>	<u>6,619,710</u>
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	-	63,408
Transfers in	-	597,804	998,801	10,024,117
Subscription payment - principal	-	-	-	(291,247)
Subscription payment - interest	-	-	-	(68,803)
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,024,117)</u>
Total other financing sources and (uses)	<u>-</u>	<u>597,804</u>	<u>998,801</u>	<u>(296,642)</u>
Net change in fund balances	<u>(27,817)</u>	<u>(1,236,176)</u>	<u>78,147</u>	<u>6,323,068</u>
Fund balances - beginning	<u>54,538</u>	<u>881,239</u>	<u>4,865,456</u>	<u>35,103,823</u>
Fund balances (deficit) - ending	<u>\$ 26,721</u>	<u>\$ (354,937)</u>	<u>\$4,943,603</u>	<u>\$41,426,891</u>

**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, 2023**

Net change in fund balances - total governmental funds	\$ 6,323,068
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures, however, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide statements	36,663,864
Write-off of construction in progress	(1,492,457)
Depreciation/amortization is reported in the government-wide statements	(16,977,304)
Net book value of assets retired	(57,731)

Other revenues and expenses in the statement of activities that do not provide current financial resources; therefore, not reported as revenues or expenditures in the governmental funds:

Change in unavailable revenue - property taxes	217,175
Change in other postemployment benefit liabilities and deferred inflows of resources.	28,584
Change in compensated absences	12,319

Bond and subscription asset 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.

Bond principal payments	3,408,000
Subscription liability payment	291,247
Accrued interest	203,194
Amortization of bond premium	3,255
Amortization of loss on refunding	(56,160)

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.

906,868

Change in net position of governmental activities	\$ <u><u>29,473,922</u></u>
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SAN ANTONIO RIVER AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	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
ASSETS					
Current assets:					
Cash	\$ 622,421	\$ 57,737	\$ 95,998	\$ 776,156	\$ 443,230
Investments	30,998,425	14,753,082	4,782,903	50,534,410	4,733,488
Accounts receivable	988,658	524,768	136,276	1,649,702	3,327
Other receivables	128,331	54,780	-	183,111	4,671
Restricted assets:					
Accounts receivable	541,449	348,247	-	889,696	-
Investments	2,736,871	1,161,847	-	3,898,718	-
Total restricted assets	3,278,320	1,510,094	-	4,788,414	-
Total current assets	36,016,155	16,900,461	5,015,177	57,931,793	5,184,716
Noncurrent assets:					
Restricted assets:					
Investments	25,840,077	4,291,720	-	30,131,797	-
Total noncurrent restricted assets	25,840,077	4,291,720	-	30,131,797	-
Capital assets:					
Land	3,273,335	130,599	-	3,403,934	-
Office furniture, fixtures, and equipment	110,908	39,883	-	150,791	-
Other machinery and equipment	2,673,243	2,632,657	241,502	5,547,402	-
Automobiles and trucks	1,607,686	895,794	-	2,503,480	-
Buildings	2,249,334	51,642	-	2,300,976	-
Improvements other than buildings	11,644,086	31,006,182	4,997,242	47,647,510	-
Sewage treatment facilities	44,076,191	23,728,123	1,409,524	69,213,838	-
Construction in progress	27,728,371	-	-	27,728,371	-
Less accumulated depreciation	(33,572,694)	(23,533,135)	(1,684,460)	(58,790,289)	-
Total capital assets (net of accumulated depreciation)	59,790,460	34,951,745	4,963,808	99,706,013	-
Lease receivable	676,926	-	-	676,926	-
Notes receivable	165,268	-	-	165,268	-
Total noncurrent assets	86,472,731	39,243,465	4,963,808	130,680,004	-
Total assets	122,488,886	56,143,926	9,978,985	188,611,797	5,184,716
Deferred outflows of resources:					
Deferred outflow for OPEB	7,130	3,056	-	10,186	-
Deferred loss of bond refunding	64,514	-	-	64,514	-
Total deferred outflows of resources:	71,644	3,056	-	74,700	-
Total assets and deferred outflows	\$ 122,560,530	\$ 56,146,982	\$ 9,978,985	\$ 188,686,497	\$ 5,184,716

See accompanying notes to the financial statements.

SAN ANTONIO RIVER AUTHORITY
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2023

	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
LIABILITIES					
Current liabilities:					
Accounts payable	\$ 200,646	\$ 72,330	\$ 237	\$ 273,213	\$ -
Notes payable	-	-	28,188	28,188	-
Compensated absences	28,379	12,162	-	40,541	-
Other accrued liabilities	129,158	55,950	-	185,108	-
Current liabilities payable from restricted assets:					
Advance for construction	723,528	-	-	723,528	-
Accounts payable	848,405	432,217	-	1,280,622	-
Retainage payable	981,588	1,085,946	3,654	2,071,188	-
Accrued interest payable	-	296,733	-	296,733	-
Bonds payable within one year	1,550,000	705,000	-	2,255,000	-
Total current liabilities payable from restricted assets	4,103,521	2,519,896	3,654	6,627,071	-
Total current liabilities	4,461,704	2,660,338	32,079	7,154,121	-
Noncurrent liabilities:					
Notes payable	-	-	824,623	824,623	-
OPEB liability	48,916	20,964	-	69,880	-
Compensated absences	113,514	48,649	-	162,163	-
Revenue bonds payable after one year	33,304,862	24,241,809	-	57,546,671	-
Total noncurrent liabilities	33,467,292	24,311,422	824,623	58,603,337	-
Total liabilities	37,928,996	26,971,760	856,702	65,757,458	-
Deferred inflows of resources:					
Deferred inflows - leases	687,512	-	-	687,512	-
NET POSITION					
Net investment in capital assets	23,944,670	10,929,607	4,107,343	38,981,620	-
Restricted for debt service	2,736,871	865,114	-	3,601,985	-
Restricted for construction	25,606,975	2,197,133	-	27,804,108	-
Unrestricted	31,655,506	15,183,368	5,014,940	51,853,814	5,184,716
Total net position	\$ 83,944,022	\$ 29,175,222	\$ 9,122,283	\$ 122,241,527	\$ 5,184,716

SAN ANTONIO RIVER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGE IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	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	\$ 504,622	\$ 280,172	\$ -	\$ 784,794	\$ -
Utility service charges	16,054,736	8,325,510	28,188	24,408,434	-
Charges for services	162,021	-	-	162,021	-
Premiums	-	-	-	-	4,444,097
Miscellaneous	147,732	964	-	148,696	-
Total operating revenues	<u>16,869,111</u>	<u>8,606,646</u>	<u>28,188</u>	<u>25,503,945</u>	<u>4,444,097</u>
Operating expenses:					
Personnel services	2,758,174	1,574,260	-	4,332,434	-
Supplies	645,565	303,801	2,693	952,059	-
Other services & charges	3,595,011	2,007,844	111,752	5,714,607	3,475,760
Depreciation	1,599,550	1,197,116	168,398	2,965,064	-
Total operating expenses	<u>8,598,300</u>	<u>5,083,021</u>	<u>282,843</u>	<u>13,964,164</u>	<u>3,475,760</u>
Operating income (loss)	<u>8,270,811</u>	<u>3,523,625</u>	<u>(254,655)</u>	<u>11,539,781</u>	<u>968,337</u>
Nonoperating revenues (expenses):					
Investment earnings (loss)	(586,620)	431,236	(145,789)	(301,173)	(61,469)
Net gain (loss) on sale/disposal of capital assets	23,327	-	-	23,327	-
Interest expense and amortization	(863,276)	(794,799)	-	(1,658,075)	-
Bond issuance and agent fees	<u>(2,250)</u>	<u>(1,500)</u>	<u>-</u>	<u>(3,750)</u>	<u>-</u>
Total nonoperating revenues (expenses) before contributions and transfers	<u>(1,428,819)</u>	<u>(365,063)</u>	<u>(145,789)</u>	<u>(1,939,671)</u>	<u>(61,469)</u>
Contributions and Transfers					
Transfers in	215,309	-	-	215,309	-
Transfers out	(215,309)	-	-	(215,309)	-
Contributed capital	<u>3,487,477</u>	<u>520,600</u>	<u>1,587,294</u>	<u>5,595,371</u>	<u>-</u>
Change in net position	10,329,469	3,679,162	1,186,850	15,195,481	906,868
Net position, beginning	<u>73,614,553</u>	<u>25,496,060</u>	<u>7,935,433</u>	<u>107,046,046</u>	<u>4,277,848</u>
Net position, ending	<u>\$ 83,944,022</u>	<u>\$ 29,175,222</u>	<u>\$ 9,122,283</u>	<u>\$ 122,241,527</u>	<u>\$ 5,184,716</u>

**SAN ANTONIO RIVER AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	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
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$ 16,849,234	\$ 8,476,306	\$ 28,188	\$ 25,353,728	\$ 4,439,427
Payments to suppliers	(4,535,350)	(2,714,715)	(14,572)	(7,264,637)	(3,913,050)
Payments to employees	(2,443,818)	(1,222,429)	(99,873)	(3,766,120)	-
Net cash provided (used) by operating activities	9,870,066	4,539,162	(86,257)	14,322,971	526,377
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Advance to other funds	5,505,076	-	-	5,505,076	-
Net cash provided (used) by noncapital financing activities	5,505,076	-	-	5,505,076	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	4,063,231	520,600	1,691,559	6,275,390	-
Principal paid on capital debt	(1,900,000)	(675,000)	(28,188)	(2,603,188)	-
Interest and fees paid on capital debt	(1,501,026)	(956,187)	-	(2,457,213)	-
Purchases of capital assets	(13,628,429)	(13,153,891)	(1,164,997)	(27,947,317)	-
Net cash provided (used) by capital and related financing activities	(12,966,224)	(14,264,478)	498,374	(26,732,328)	-
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales and maturities of investments	350,000	7,825,000	-	8,175,000	-
Purchase of investments	(31,141,020)	(15,898,741)	(4,752,160)	(51,791,921)	(4,092,549)
Interest on investments	(662,476)	403,967	(145,789)	(404,298)	(61,469)
Net cash provided (used) by investing activities	(31,453,496)	(7,669,774)	(4,897,949)	(44,021,219)	(4,154,018)
Net increase (decrease) in cash and cash equivalents	(29,044,578)	(17,395,090)	(4,485,832)	(50,925,500)	(3,627,641)
Cash and cash equivalents - July 1	30,212,972	27,074,887	4,612,573	61,900,432	4,005,549
Cash and cash equivalents - June 30	\$ 1,168,394	\$ 9,679,797	\$ 126,741	\$ 10,974,932	\$ 377,908
Noncash Capital and Related Financing Activities					
Amortization	\$ 124,331	\$ 137,946	\$ -	\$ 262,277	\$ -
Contributed Capital	3,067	-	-	3,067	-

See accompanying notes to the financial statements.

**SAN ANTONIO RIVER AUTHORITY
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2023**

	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
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Net cash provided (used) by operating activities:					
Operating income (loss)	\$ 8,270,811	\$ 3,523,625	\$ (254,655)	\$ 11,539,781	\$ 968,337
Adjustments to reconcile operating income to net cash provided by operating activities:					
Depreciation	1,599,550	1,197,116	168,398	2,965,064	-
Changes in operating assets, deferred outflows of resources and liabilities:					
Receivables	(11,643)	(130,340)	-	(141,983)	(4,670)
Accounts payable	(8,205)	(62,112)	-	(70,317)	(437,290)
Other accrued liabilities	34,816	13,887	-	48,703	-
Deferred inflow of resources	(8,234)	-	-	(8,234)	-
Post employment retirement benefit	(10,033)	(4,301)	-	(14,334)	-
OPEB related deferrals and liabilities	3,004	1,287	-	4,291	-
Net cash provided (used) by operating activities	<u>\$ 9,870,066</u>	<u>\$ 4,539,162</u>	<u>\$ (86,257)</u>	<u>\$ 14,322,971</u>	<u>\$ 526,377</u>
Reconciliation of cash and cash equivalents to Statements of Net Position accounts:					
Cash and Investments	\$ 31,620,708	\$ 14,810,819	\$ 4,878,901	\$ 51,310,428	\$ 5,176,718
Debt service account	2,013,343	1,161,847	-	3,175,190	-
Reserve account	560,137	-	-	560,137	-
Connection fee account	25,065,664	1,848,886	-	26,914,550	-
Construction account	937,942	2,442,834	-	3,380,776	-
Total Cash and Investments	60,197,794	20,264,386	4,878,901	85,341,081	5,176,718
Less: Noncash Equivalents	(59,029,400)	(10,584,589)	(4,752,160)	(74,366,149)	(4,798,810)
Total Cash and Cash Equivalents	<u>\$ 1,168,394</u>	<u>\$ 9,679,797</u>	<u>\$ 126,741</u>	<u>\$ 10,974,932</u>	<u>\$ 377,908</u>

See accompanying notes to the financial statements.

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

1. Reporting Entity and Significant Accounting Policies

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, on 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 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 Directors and the River Authority staff provides the staff support. The PFC is reported as a special revenue fund.

In 2019, the PFC issued bonds and entered into an agreement with the River Authority which occupies the property. The payments from the River Authority to the PFC represent and are equal to the debt service payments on the bonds. The 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.

SAN ANTONIO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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.

Fund Financial Statements

Fund financial statements of the River Authority are organized into funds, each of which is considered separate accounting entities. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflow of resources, liabilities, deferred inflow of resources, fund equity, revenues, and expenditures/ expenses. Funds are organized into two major categories: governmental and proprietary. 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.
- c) In addition, any other governmental or enterprise fund that the River Authority believes is particularly important to financial statement users may be reported as a major fund.

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.

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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 *Bexar County Capital Project Fund* is a capital project fund which accounts for flood control capital improvement projects within the boundaries of Bexar County. Bexar County pays all expenses incurred.

The *Debt Service Fund* accounts for resources to pay principal and interest on long-term debt for non-enterprise system capital improvement projects. Revenues come from the River Authority's portion of the Bexar County flood control property tax revenue and from the General Fund.

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.

SAN ANTONIO RIVER AUTHORITY NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2023

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.

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 or economic asset used, 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.

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 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.

SAN ANTONIO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents have original maturities of three months or less from the date of acquisition.

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.

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.

SAN ANTONIO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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. Most investments in debt securities are valued using Level 2 measurements because the valuation uses interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and consider counter-party credit rating.

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.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified.

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.

Preliminary Survey and Investigation

The balance represents initial project engineering costs related to utility plant construction. The balance will be capitalized upon commencement of the project.

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, net of any premiums and discounts, of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds.

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Capital Assets

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

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

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

Asset Class	Life
Office furniture, fixtures, and equipment	3 – 10 years
Subscription assets 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
Flood control infrastructures	10 – 50 years
Restoration projects	10 – 50 years

SAN ANTONIO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

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 2023 was \$0.01836 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.

Taxes/Accounts receivable

Tax receivables have been shown net of an allowance of uncollectible accounts of \$412,658, based on historical trends. The allowance for uncollectible accounts is established as losses are estimated to have occurred through a provision for bad debt charged to earnings. Losses are charged against the allowance using specific identification method when management believes it is probable the receivable will be recovered. As of June 30, 2023, management determined accounts receivable to be fully collectible.

Accrued Liabilities

Accrued liabilities consist of accrued payroll, compensated absences and other benefit related liabilities.

Long-Term Obligations

Long-term debt and other obligations are reported as the River Authority's liabilities. Bond premiums and discounts are amortized over the life of the bonds using the straight-line method, which approximates the effective interest method. Gains or losses on prior refundings are amortized over the remaining life of the old debt or the life of the new debt, whichever is shorter. The balance at year end for premiums and discounts is shown as an increase or decrease in the liability section of the statement of net position. The balance at year end for the loss on refunding is shown as a deferred outflow in the statement of net position.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the River Authority's plan recognizes benefit payments when due and payable in accordance with benefit terms.

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Budgetary Information

By-laws of the River Authority require the Board of Directors to adopt an annual budget which estimates the amount of funds available from all sources and to allocate the amount of funds which may be expended during the forthcoming fiscal year. The responsibility for such allocations rests in the General Manager of the River Authority. After adoption of the allocations by the Board of Directors, the General Manager has full authority to expend within the fund allocations, which becomes the appropriation level. In practice, the General Manager submits all changes in total by fund to the Board for its approval. The annual budgetary data for governmental fund types included in the financial statements represents the original budget and amendments as adopted by the Board of Directors of the River Authority and is on the same modified accrual basis used to reflect revenues and expenditures of the General Fund and Special Revenue Funds. Provisions of the bond orders and appropriated transfers from the General Fund control the Debt Service Fund. An annual budget has not been formally adopted for the Capital Project Funds as these 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.

Leases

The River Authority is a lessor because it leases capital assets to other entities. As a lessor, the River Authority reports a lease receivable and corresponding deferred inflow of resources at the fund level and entity-wide statements (Note 5). The government continues to report and depreciate the capital assets being leased as capital assets of the primary government and business type activities. The River Authority has a policy to recognize leases by fund group as detailed in the table below:

<u>Fund Description</u>	<u>Amount</u>	<u>Cumulative Amount for Similar Type Leases</u>
General Fund	\$ 400,000	\$ 700,000
SARA Wastewater	50,000	100,000
Salitrillo Wastewater	30,000	50,000
Randolph Air Force Base	6,000	12,000

SAN ANTONIO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

The River Authority is a lessee because it leases capital assets from other entities. As a lessee, the River Authority reports a lease liability and an intangible right-to-use capital asset (known as the lease asset) on the entity-wide statements and proprietary fund statements. In the governmental fund financial statements, the government recognizes lease proceeds and capital outlay at initiation of the lease, and the outflow of resources for the lease liability as a debt service payment. As of June 30, 2023, there were no new lease contracts meeting the Authority's policy. The River Authority has a policy to recognize leases by fund group as detailed in the table below:

<u>Fund Description</u>	<u>Amount</u>	<u>Cumulative Amount for Similar Type Leases</u>
General Fund	\$ 600,000	\$ 1,000,000
SARA Wastewater	75,000	100,000
Salitrillo Wastewater	30,000	50,000
Randolf Air Force Base	6,000	12,000

Subscription Based Information Technology Arrangements (SBITA)

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The River Authority participates in these type of technology arrangements and implemented the guidance as of July 1, 2022 (Note 13) and follows the same thresholds for capitalization as identified in the lessor section of Leases discussed above.

Advance for Construction

The River Authority may receive advances or deposits for capital projects prior to construction commencing. These funds will be included as a liability on the financial statements until construction begins. At that time, funds will be recognized as revenue.

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

SAN ANTONIO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2023

Activities. Accumulated vacation leave of the proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

Fund Balances

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

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

Effect of New Accounting Standards on Future Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following statements:

- Statement No. 100, *Accounting Changes and Error Corrections* - an amendment of GASB Statement No. 62
- Statement No. 101, *Compensated Absences*

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

When they become effective, applications of these standards may restate portions of these financial statements.

2. Cash and Investments

As of June 30, 2023, the carrying amount of the River Authority's cash deposits on the government-wide financial statements is \$18,363,894 and the bank balance was \$18,653,355. 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.

To control custody and safekeeping risk, state law and the Authority's adopted Investment Policy requires 102% fair value on collateral for all time and demand deposits, as well as 102% collateral for repurchase agreements. Investment risk is mitigated by (1) establishing diversification as a major objective in the Investment Policy and (2) setting maximum maturity date of five years as well as a maximum weighted average maturity of two years for the total portfolio.

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

The River Authority's investments at June 30, 2023 are as follows:

	Carrying Amount	Weighted Average Maturities (years)
Commercial Paper	\$ 9,932,115	0.13
Local Government Investment Pools		
TexPool	9,738,464	0.06
TexPool Prime	8,003,788	0.08
U.S. Agencies		
Federal Farm Credit Bank	19,684,053	0.44
Federal Home Loan Bank	29,810,936	2.26
Farmer Mac	4,621,833	3.69
Fannie Mae	4,623,233	1.81
U.S. Treasury Notes	35,313,890	1.83
	<u>\$121,728,312</u>	
Portfolio weighted average maturity		1.39

Investment Reconciliation:

Current Investments	\$ 81,289,895
Restricted Current Investments	10,306,620
Restricted Non-current Investments	<u>30,131,797</u>
Total Investments	<u>\$ 121,728,312</u>

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. FRMAC, FNMA, FFCB and FHLB S&P rating is AA+. By policy and state law commercial paper must be rated A1/P1 or equivalent by two NRSROs and is policy restricted to a maximum maturity of 270 days. Commercial paper rating is A+.

SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

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 8.2% invested in Commercial Paper, 16.2% in Federal Farm Credit Bank and 24.5% invested in Federal Home Loan Bank as of June 30, 2023. The remaining 51.2% of the River Authority's investments are held in external investment pools, other U.S. agencies and U.S. Treasury notes.

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

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, 2023:

GASB 72	June 30, 2023	Level 1	Level 2	Level 3
Investments by Fair Value Level:				
Debt Securities				
Commercial Paper	\$ 9,932,115	\$ -	\$ 9,932,115	\$ -
Federal Farm Credit Bank	19,684,053	-	19,684,053	-
Federal Home Loan Bank	29,810,936	-	29,810,936	-
Farmer Mac	4,621,833	-	4,621,833	-
Fannie Mae	4,623,233	-	4,623,233	-
U.S. Treasury Notes	35,313,890	35,313,890	-	-
Total Debt Securities	<u>\$ 103,986,060</u>	<u>\$ 35,313,890</u>	<u>\$ 68,672,170</u>	<u>\$ -</u>
 Total Investments Measured at Fair Value Level	 <u>\$ 103,986,060</u>	 <u>\$ 35,313,890</u>	 <u>\$ 68,672,170</u>	 <u>\$ -</u>
Investments Measured at Amortized Cost:				
TexPool	9,738,464			
TexPool Prime	8,003,788			
Total Investments Measured at Amortized Costs	<u>17,742,252</u>			
 Total	 <u><u>\$ 121,728,312</u></u>			

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

3. Grants

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, 2023.

4. Notes Receivable

Governmental Activities. 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. In FY 2022-23, the River Authority forgave this debt.

	Balance 7/1/2022	Additions	Reductions	Balance 6/30/2023	Current Portion
Governmental activities:					
GCWSC	\$ 201,202	\$ -	\$ 201,202	\$ -	\$ -
Total notes receivable	<u>\$ 201,202</u>	<u>\$ -</u>	<u>\$ 201,202</u>	<u>\$ -</u>	<u>\$ -</u>

Business-type Activities. 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.

	Balance 7/1/2022	Additions	Reductions	Balance 6/30/2023	Current Portion
Business-type activities:					
City of La Vernia	\$ 237,652	\$ -	\$ 35,399	\$ 202,253	\$ 36,985
Total notes receivable	<u>\$ 237,652</u>	<u>\$ -</u>	<u>\$ 35,399</u>	<u>\$ 202,253</u>	<u>\$ 36,985</u>

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

5. Lease Receivables

Business-Type Activities. As of June 30, 2023, the River Authority had the following lease receivable:

Lease receivables description	Date of Inception	Final Maturity	Interest Rate	Fiscal Year Lease Revenue	Interest Income	Receivable Balance	Current portion
Lease of land to TDS	1/1/2014	12/31/2043	4%	\$ 8,234	\$ 50,578	\$ 687,512	\$ 10,586

Principal and interest requirements to maturity for the lease receivables of the River Authority as of June 30, 2023 is as follows:

Years	Business-type Activities			Total
	Principal	Interest		
2024	\$ 10,586	\$ 48,226	\$	58,812
2025	12,939	45,873		58,812
2026	15,291	43,521		58,812
2027	17,644	41,168		58,812
2028	19,996	38,816		58,812
2029-2033	135,268	158,792		294,060
2034-2038	194,079	99,981		294,060
2039-2043	252,891	41,169		294,060
2044	28,818	588		29,406
Totals	<u>\$ 687,512</u>	<u>\$ 518,134</u>	<u>\$</u>	<u>1,205,646</u>

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

6. 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.

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service Fund	\$ 3,177,204
Bexar County WS Creek Fund	City of San Antonio WS Creek Funds	360,615
Bexar County WS Creek Fund	Non Major Special Revenue Funds	<u>909,469</u>
Total fund financial statements		4,447,288
Less: Fund eliminations		<u>(4,447,288)</u>
Total Internal Balances - Government Wide Statement of Net Position		<u><u>\$ -</u></u>

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

Fund Transferred To	Fund Transferred From	Amount	Purpose
SARA Project Fund	General Fund	\$ 8,427,512	Capital Expenditures
Debt Service Fund	General Fund	597,804	Debt Service
Non Major Special Revenue Funds	General Fund	<u>998,801</u>	Capital Expenditures
Total fund financial statements		10,024,117	
Less: Fund eliminations		<u>(10,024,117)</u>	
Total Transfers - Government Wide Statement of Activities		<u><u>\$ -</u></u>	

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

7. Depreciation

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

<u>Fund</u>	<u>2023</u>
<u>Governmental activities</u>	
General government	\$ 12,479,609
Operations	3,788,591
Technical services	709,104
Total depreciation expense - governmental activities	<u>\$ 16,977,304</u>
 Business-type activities	 <u>\$ 2,965,064</u>

8. Commitments

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

<u>Governmental Activities</u>	
SARA Project Fund	\$ 7,057,771
City of San Antonio Fund	9,559,335
Public Facilities Corporation Fund	3,821,979
Westside Creeks - Bexar County	17,430,712
Other Capital Projects Fund	2,178,629
Bexar County Capital Projects	22,008,203
Westside Creeks-City of San Antonio Fund	1,096,336
	<u>\$ 63,152,965</u>
 <u>Business-type Activities</u>	
SARA Wastewater Utilities System	\$ 29,760,745
Salitrillo Wastewater Treatment Plant	9,107,928
Randolph Air Force Base	1,931,253
	<u>\$ 40,799,926</u>

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

9. Encumbrances

Purchase orders are issued throughout the fiscal year to encumber budgets in the governmental funds. Significant encumbrances as of June 30, 2023, that will be re-appropriated in the subsequent year are as follows:

General Fund:

General Government	\$ 1,353,768
Program Support	6,402
Watershed Park Operations	187,706
Watershed Engineering	273,587
Total Encumbrances	<u>\$ 1,821,463</u>

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

10. Net Position

The following table summarizes net position by purpose at June 30, 2023:

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets:			
Capital assets – net of accumulated depreciation	\$ 653,282,527	\$ 99,706,013	\$ 752,988,540
Deferred loss on bond refunding	520,683	64,514	585,197
Debt	(20,055,940)	(60,654,482)	(80,710,422)
Subscription asset payables	(667,818)	-	(667,818)
Construction payables	(5,304,416)	(3,351,810)	(8,656,226)
Reserve funds (funded w/ bond proceeds)	-	560,137	560,137
Unspent bond proceeds	3,662,516	2,657,248	6,319,764
Net investment in capital assets	<u>\$ 631,437,552</u>	<u>\$ 38,981,620</u>	<u>\$ 670,419,172</u>
Restricted net position:			
Debt service	\$ 3,442,276	\$ 3,601,985	\$ 7,044,261
Watershed management	333,432	-	333,432
Water management	227,080	-	227,080
Construction	510,410	27,804,108	28,314,518
Total restricted net position	<u>\$ 4,513,198</u>	<u>\$ 31,406,093</u>	<u>\$ 35,919,291</u>
Unrestricted net position:			
Total net position	\$ 680,055,976	\$ 122,241,527	\$ 802,297,503
Less: invested in capital assets	(631,437,552)	(38,981,620)	(670,419,172)
Less: restricted net position	(4,513,198)	(31,406,093)	(35,919,291)
Total unrestricted net position	<u>\$ 44,105,226</u>	<u>\$ 51,853,814</u>	<u>\$ 95,959,040</u>

SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023

11. Capital Assets

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

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 34,639,376	\$ 388,164	\$ (40,081)	\$ 34,987,459
Water rights	227,447	-	-	227,447
Construction in progress	242,939,538	32,387,779	(1,492,457)	273,834,860
Total capital assets, not being depreciated	<u>277,806,361</u>	<u>32,775,943</u>	<u>(1,532,538)</u>	<u>309,049,766</u>
Capital assets, being depreciated:				
Subscription asset	-	959,065	-	959,065
Office furniture, fixtures and equipment	3,150,104	-	(200,691)	2,949,413
Other machinery and equipment	8,079,018	342,772	(127,979)	8,293,811
Automobiles and trucks	2,307,931	41,656		2,349,587
Buildings	23,715,409	-		23,715,409
Improvements other than buildings	10,919,742	3,503,493		14,423,235
Flood control projects	339,164,871	-		339,164,871
Restoration projects	236,996,307	-	-	236,996,307
Total capital assets, being depreciated	<u>624,333,382</u>	<u>4,846,986</u>	<u>(328,670)</u>	<u>628,851,698</u>
Accumulated depreciation				
Subscription asset	-	(291,247)	-	(291,247)
Office furniture, fixtures and equipment	(2,470,590)	(100,448)	200,691	(2,370,347)
Other machinery and equipment	(5,594,385)	(368,170)	110,329	(5,852,226)
Automobiles and trucks	(1,671,386)	(124,188)	-	(1,795,574)
Buildings	(11,948,142)	(796,902)	-	(12,745,044)
Improvements other than buildings	(3,640,764)	(773,795)	-	(4,414,559)
Flood control projects	(166,191,893)	(6,634,234)	-	(172,826,127)
Restoration projects	(76,435,493)	(7,888,320)	-	(84,323,813)
Total accumulated depreciation	<u>(267,952,653)</u>	<u>(16,977,304)</u>	<u>311,020</u>	<u>(284,618,937)</u>
Governmental activities capital assets, net	<u>\$ 634,187,090</u>	<u>\$ 20,645,625</u>	<u>\$ (1,550,188)</u>	<u>\$ 653,282,527</u>

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

	Balance June 30, 2022	Additions	Deletions	Transfers	Balance June 30, 2023
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 2,531,651	\$ 912,364	\$ (40,081)	\$ -	\$ 3,403,934
Construction in progress	19,529,515	27,038,640	(247,787)	(18,591,997)	27,728,371
Total capital assets, not being depreciated	<u>22,061,166</u>	<u>27,951,004</u>	<u>(287,868)</u>	<u>(18,591,997)</u>	<u>31,132,305</u>
Capital assets, being depreciated:					
Office furniture, fixtures and equipment	38,317	112,474	-	-	150,791
Other machinery and equipment	5,405,785	163,679	(22,062)	-	5,547,402
Automobiles and trucks	2,315,817	187,663	-	-	2,503,480
Buildings	2,300,976		-	-	2,300,976
Improvements other than buildings	28,735,615	319,898	-	18,591,997	47,647,510
Sewage treatment facilities	69,213,838	-	-	-	69,213,838
Total capital assets, being depreciated	<u>108,010,348</u>	<u>783,714</u>	<u>(22,062)</u>	<u>18,591,997</u>	<u>127,363,997</u>
Accumulated depreciation					
Office furniture, fixtures and equipment	(38,317)	-	-	-	(38,317)
Other machinery and equipment	(3,596,599)	(295,059)	22,063	-	(3,869,595)
Automobiles and trucks	(1,637,861)	(113,897)	-	-	(1,751,758)
Buildings	(1,328,008)	(108,722)	-	-	(1,436,730)
Improvements other than buildings	(5,922,627)	(1,049,571)	-	-	(6,972,198)
Sewage treatment facilities	(43,323,876)	(1,397,815)	-	-	(44,721,691)
Total accumulated depreciation	<u>(55,847,288)</u>	<u>(2,965,064)</u>	<u>22,063</u>	<u>-</u>	<u>(58,790,289)</u>
Business-type activities capital assets, net	<u>\$ 74,224,226</u>	<u>\$ 25,769,654</u>	<u>\$ (287,867)</u>	<u>\$ -</u>	<u>\$ 99,706,013</u>

12. Pension Plan

Defined Contribution Pension Plan

The River Authority has a defined contribution pension plan with MissionSquare 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. MissionSquare is the independent administrator of the plan.

**SAN ANTONIO RIVER AUTHORITY
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The River Authority's total payroll for all employees (full-time and part-time) was \$18,849,276 for the year ended June 30, 2023. Employer contributions to the Plan were \$1,959,155. 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 MissionSquare 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.) MissionSquare is the independent administrator of the plan.

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

MissionSquare Headquarters
777 North Capitol Street, NE
Washington, DC 20002
Telephone: 1-800-326-7272
Website: www.missionsq.org

**SAN ANTONIO RIVER AUTHORITY
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Other Post-Employment 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,
- Age 55 with 7 continuous years of service.

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, 2021, the most recent actuarial valuation date, the following employees were covered by the benefit terms:

Inactive employees currently receiving benefits payments	4
Inactive employees entitled to but not yet receiving benefit payments	0
Active employees	<u>18</u>
Total	<u>22</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 \$268,771 was measured as of June 30, 2022 and was determined by an actuarial valuation as of June 30, 2021.

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
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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, 2022
Actuarial cost method:	Entry-Age Normal
Actuarial valuation date:	June 30, 2021
Actuarial Assumptions:	
Inflation:	2.50%
Salary increases:	0.50%
Discount rate:	3.69%
Prior year discount rate:	1.92%
Healthcare cost trend rate:	6.50%

The discount rate was based on the June 30, 2021 Fidelity Municipal General Obligation AA 20-year yield.

Mortality rates for active employees were based in the PubG.H-2010 Employee Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

Mortality rates for retirees/disabled employees were based on the PubG.H-2010 Healthy Retiree Mortality Table, Generational with Projection Scale MP-2021 for males or females, as appropriate.

The following table shows the changes in the OPEB liability as of the measurement date:

	Changes in Total OPEB Liability
Balance at June 30, 2022	\$ 323,902
Changes for the year:	
Service Cost	2,558
Interest	5,733
Difference Between Expected and Actual Experience	(10,234)
Changes of Assumptions/Inputs	2,492
Benefit Payments	<u>(55,680)</u>
Net Changes	<u>(55,131)</u>
Balance at June 30, 2023	<u>\$ 268,771</u>

**SAN ANTONIO RIVER AUTHORITY
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The following presents the total OPEB liability of the River Authority, as well as what the total liability would be if it were calculated using a discount rate that is 1 percentage-point lower (2.69%) or 1 percentage-point higher (4.69%) than the current discount rate:

	<u>1% Decrease in Discount Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Discount Rate</u>
Total OPEB Liability	<u>\$ 274,345</u>	<u>\$ 268,771</u>	<u>\$ 263,069</u>

The following presents the total OPEB liability of the River Authority, as well as what the total liability would be using if it were calculated using a health care cost trend rate that is 1 percentage-point lower (5.5%) or 1 percentage-point higher (7.5%) than the current health care cost trend rate:

	<u>1% Decrease in Health Trend Rate</u>	<u>Discount Rate</u>	<u>1% Increase in Health Trend Rate</u>
Total OPEB Liability	<u>\$ 259,864</u>	<u>\$ 268,771</u>	<u>\$ 278,004</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the River Authority recognized OPEB expense of \$549. At June 30, 2023, the River Authority reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>
Contributions Subsequent to the Measurement Date	<u>\$ 39,176</u>
Total	<u>\$ 39,176</u>

The \$39,176 reported as deferred outflows of resources resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2024.

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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13. Summary of Long-Term Debt

Long-term liability activity for the year ended June 30, 2023, was as follows:

	Balance			Balance	Current
	July 1, 2022	Additions	Reductions	June 30, 2023	Portion
Governmental activities:					
Bonds payable	\$ 22,501,000	\$ -	\$ 2,963,000	\$ 19,538,000	\$ 917,000
Bonds payable - Direct	900,000	-	445,000	455,000	455,000
Subscription liability	-	959,065	291,247	667,818	309,859
Premiums (Discounts)	66,195	-	3,255	62,940	-
Compensated absences	933,714	174,424	186,743	921,395	184,279
Total long-term liabilities	<u>\$ 24,400,909</u>	<u>\$ 1,133,489</u>	<u>\$ 3,889,245</u>	<u>\$ 21,645,153</u>	<u>\$ 1,866,138</u>
Business-type activities:					
Bonds payable	\$ 56,785,000	\$ -	\$ 2,575,000	\$ 54,210,000	\$ 2,255,000
Premiums (Discounts)	5,862,012	-	270,341	5,591,671	-
Notes payable	880,999	-	28,188	852,811	28,188
Compensated absences	185,203	54,542	37,041	202,704	40,541
Total long-term liabilities	<u>\$ 63,713,214</u>	<u>\$ 54,542</u>	<u>\$ 2,910,570</u>	<u>\$ 60,857,186</u>	<u>\$ 2,323,729</u>

The River Authority liquidates compensated absences during the fiscal year from the General Fund, SARA Wastewater Fund, or Salitrillo Wastewater Fund based on where the employee's pay originates.

**SAN ANTONIO RIVER AUTHORITY
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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, 2023:

Series	Original Amount	Outstanding July 1, 2022	Additions	Deletions	Outstanding June 30, 2023	Amount Due within One Year
SACIP Improvement Revenue Bonds:						
2015	\$ 8,265,000	\$ 1,375,000	\$ -	\$ 445,000	\$ 930,000	\$ -
2016	1,200,000	505,000	-	125,000	380,000	125,000
2019	11,530,000	9,185,000	-	1,615,000	7,570,000	-
	<u>20,995,000</u>	<u>11,065,000</u>	<u>-</u>	<u>2,185,000</u>	<u>8,880,000</u>	<u>125,000</u>
Texas Water Development Board - Direct Borrowing						
2013A	<u>4,300,000</u>	<u>900,000</u>	<u>-</u>	<u>445,000</u>	<u>455,000</u>	<u>455,000</u>
Public Facilities Corp. Lease Revenue Bonds:						
2014	3,100,000	2,076,000	-	138,000	1,938,000	142,000
2019	10,600,000	9,360,000	-	640,000	8,720,000	650,000
	<u>13,700,000</u>	<u>11,436,000</u>	<u>-</u>	<u>778,000</u>	<u>10,658,000</u>	<u>792,000</u>
	<u>\$ 38,995,000</u>	<u>\$ 23,401,000</u>	<u>\$ -</u>	<u>\$ 3,408,000</u>	<u>\$ 19,993,000</u>	<u>\$ 1,372,000</u>

Business-type Activities

The River Authority has pledged future SARA wastewater customer revenue net of specified operating expenses, to repay an initial principal amount of \$44,540,000 in Wastewater system revenue bonds issued in 2013, 2013A, 2017, 2017A and 2021. Proceeds from these bonds have provided financing extensions and improvements to the SARA wastewater system including the expansions/improvements to the Martinez II and IV plants. These bonds are payable solely from SARA Wastewater Utilities System customer net revenues and are payable through 2046. Annual principal and interest payments on the bonds are expected to require approximately 9 percent of operating revenues. The total principal and interest remaining to be paid on the bonds is \$42,769,764. Principal and interest paid for the current year and total customer operating revenues were \$3,867,623 and \$19,769,968 respectively.

The River Authority has pledged future Salitrillo wastewater customer revenue net of specified operating expenses, to repay an initial principal amount of \$23,535,000 in Wastewater system revenue bonds issued in 2019 and 2020. Proceeds from these bonds have provided financing for the expansion and improvements to the Salitrillo Wastewater treatment plant. These bonds are payable solely from Salitrillo Wastewater Utilities System customer net revenues and are payable through 2045. Annual principal and interest payments on the bonds are expected to require approximately 15 percent of operating revenues. The total principal and interest remaining to be paid on the bonds is \$33,282,455. Principal and interest paid for the current year and total customer operating revenues were \$1,629,709 and \$9,558,482, respectively.

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Series		Effective Interest Rate	Range of Maturity	Original Amount	Outstanding 1-Jul-22	Additions	Deletions	Outstanding 30-Jun-23	Amount Due Within One Year
SARA Wastewater Utilities System									
Revenue Refunding Bonds:	2013	3.0000%	2017-2022	\$ 3,120,000	\$ 395,000	\$ -	395,000	\$ -	\$ -
SARA Wastewater Utilities System									
Revenue Refunding Bonds:	2017A	4.0000%	2019-2031	6,855,000	5,385,000	-	520,000	4,865,000	540,000
SARA Wastewater Utilities System									
Revenue Bonds:	2017	0.7200%	2019-2038	9,500,000	7,770,000	-	440,000	7,330,000	445,000
SARA Wastewater Utility System									
Revenue Bonds:	2021	4.0000%	2021-2046	20,765,000	20,625,000	-	545,000	20,080,000	565,000
Salitrillo Wastewater Utilities System									
Revenue Bonds:	2020	5.0000%	2020-2045	21,885,000	21,235,000	-	530,000	20,705,000	560,000
Contract Revenue Bonds:	2019	1.9100%	2020-2031	1,650,000	1,375,000	-	145,000	1,230,000	145,000
				<u>\$ 63,775,000</u>	<u>\$ 56,785,000</u>	<u>\$ -</u>	<u>\$ 2,575,000</u>	<u>\$ 54,210,000</u>	<u>\$ 2,255,000</u>

	Governmental Activities	Business-type Activities
Various issues	\$ 19,993,000	\$ 54,210,000
Unamortized premiums	193,891	5,591,671
Unamortized (discount)	(130,951)	-
Total bonds payable, net	<u>20,055,940</u>	<u>59,801,671</u>
Less bonds payable within one year	<u>1,372,000</u>	<u>2,255,000</u>
Bonds payable after one year, net	<u>\$ 18,683,940</u>	<u>\$ 57,546,671</u>

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Principal and interest requirements to maturity for all long-term debt of the River Authority as of June 30, 2023 are summarized as follows:

<u>Fiscal Year</u>	Governmental Activities			Business-type Activities			<u>Total Debt</u>
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2024	\$ 917,000	\$ 337,833	\$ 1,254,833	\$ 2,255,000	\$ 1,384,308	\$ 3,639,308	\$ 4,894,141
2025	2,008,000	431,200	2,439,200	2,325,000	1,809,610	4,134,610	6,573,810
2026	2,056,000	381,540	2,437,540	2,395,000	1,735,843	4,130,843	6,568,383
2027	1,979,000	330,525	2,309,525	2,485,000	1,649,428	4,134,428	6,443,953
2028	2,032,000	280,417	2,312,417	2,585,000	1,558,916	4,143,916	6,456,333
2029-2033	8,601,000	678,000	9,279,000	12,615,000	6,327,588	18,942,588	28,221,588
2034-2038	1,945,000	38,373	1,983,373	12,060,000	4,241,645	16,301,645	18,285,018
2039-2043	-	-	-	11,210,000	2,295,000	13,505,000	13,505,000
2044-2048	-	-	-	6,280,000	379,900	6,659,900	6,659,900
	<u>\$ 19,538,000</u>	<u>\$ 2,477,888</u>	<u>\$ 22,015,888</u>	<u>\$ 54,210,000</u>	<u>\$ 21,382,238</u>	<u>\$ 75,592,238</u>	<u>\$ 97,608,126</u>

<u>Fiscal Year</u>	Governmental Activities (Direct Borrowings)		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	<u>\$ 455,000</u>	<u>\$ 4,982</u>	<u>\$ 459,982</u>

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

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, 2023, the River Authority has no arbitrage liability for its governmental or proprietary funds.

Notes Payable

Business-type Activities. As of June 30, 2023, 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 \$556,761.

	Interest	Range of	Original	Balance			Balance	Current
	Rate	Maturity	Amount	7/1/2022	Additions	Payments	6/30/2023	Portion
Dept of Defense	0.00%	2004-2054	<u>\$ 1,409,524</u>	<u>\$ 880,999</u>	<u>\$ -</u>	<u>\$ 28,188</u>	<u>\$ 852,811</u>	<u>\$ 28,188</u>

Principal and interest requirements to maturity for all notes payable of the River Authority as of June 30, 2023, are as follows:

Fiscal Year	Business-type Activities		
	Principal	Interest	Total
2024	\$ 28,188	\$ -	\$ 28,188
2025	28,188	-	28,188
2026	28,188	-	28,188
2027	28,188	-	28,188
2028	28,188	-	28,188
2029-2033	140,940	-	140,940
2034-2038	140,940	-	140,940
2039-2043	140,940	-	140,940
2044-2048	140,940	-	140,940
2049-2053	140,940	-	140,940
2054	7,171	-	7,171
	<u>\$ 852,811</u>	<u>\$ -</u>	<u>\$ 852,811</u>

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

Subscription Based Information Technology Arrangements (SBITA)

Governmental Activities. As of June 30, 2023, the River Authority had the following subscription payable as resulting from the implementation of GASB 96.

	Date of Inception	Final Maturity	Interest Rate	Principal payment	Interest payment	Total Payment	Current portion	Long-term portion
Subscription payable	8/1/2022	8/1/2025	6.97%	\$ 291,247	\$ 68,803	\$ 360,050	\$ 309,859	\$ 357,959

Principal and interest requirements to maturity for the subscription payable of the River Authority as of June 30, 2023, are as follows:

Government-wide Activities			
Years	Principal	Interest	Total
2024	\$ 309,859	\$ 50,191	\$ 360,050
2025	357,959	2,091	360,050
Totals	<u>\$ 667,818</u>	<u>\$ 52,282</u>	<u>\$ 720,100</u>

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

14. Risk Management

The River Authority is subject to various litigation and claims arising out of the course of its operations. While the results of the lawsuits cannot be predicted with certainty, management does not believe these matters will have an adverse effect on the River Authority's financial position. However, to be conservative, the River Authority is disclosing there is a reasonable possibility of an unfavorable judgment on a pending matter within the SARA Wastewater system which could result in disbursing up to \$1.8 million. Martinez IV Sewer Plant, Ltd. filed a lawsuit against the River Authority alleging that the River Authority has taken certain positions and actions that would constitute a breach of the Sewer Reimbursement Agreement. Yet should a negative ruling occur, the River Authority intends to appeal such judgment, and has a reasonable belief that the appellate court will rule in favor of the River Authority.

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
2022	\$ 79,302	\$ 4,282,807	\$ 3,924,819	\$ 437,290	\$ 437,290
2023	437,290	2,928,510	3,365,800	-	-

**SAN ANTONIO RIVER AUTHORITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2023**

15. Subsequent Events

On September 6, 2023 the River Authority issued \$18,315,000 in Wastewater System Revenue Improvement Bonds (Series 2023) to construct a gravity sewer line that will connect to the Martinez IV Wastewater Treatment Plant. Construction of this line is necessary to accommodate existing and planned development within the service area and enables more connections in the service area north of Interstate 10. The bonds bear interest rates from 4 to 6 percent and will be redeemed over the next 15 years with proceeds from customer sewer fees.



SAN ANTONIO
RIVER AUTHORITY

A POLITICAL SUBDIVISION OF THE STATE OF TEXAS.

Required Supplementary Information

**SAN ANTONIO RIVER AUTHORITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Taxes	\$ 42,007,664	\$ 42,007,664	\$ 42,712,708	\$ 705,044
Investment earnings (loss)	210,000	210,000	2,567,937	2,357,937
Intergovernmental	230,000	230,000	363,288	133,288
Charges for services	437,450	437,450	389,442	(48,008)
Support Fees	1,972,096	1,972,096	1,972,096	-
Miscellaneous	60,000	60,000	205,813	145,813
Total revenues	<u>44,917,210</u>	<u>44,917,210</u>	<u>48,211,284</u>	<u>3,294,074</u>
EXPENDITURES				
Current:				
General Government:				
Organizational Support:				
Personnel services	1,167,997	542,419	34,356	508,063
Materials and supplies	40,000	40,000	35,575	4,425
Other services and charges	<u>1,145,883</u>	<u>933,826</u>	<u>473,394</u>	<u>460,432</u>
	<u>2,353,880</u>	<u>1,516,245</u>	<u>543,325</u>	<u>972,920</u>
Board of Directors:				
Personnel services	77,000	62,000	54,977	7,023
Materials and supplies	-	-	2,759	(2,759)
Other services and charges	<u>51,200</u>	<u>76,200</u>	<u>69,274</u>	<u>6,926</u>
	<u>128,200</u>	<u>138,200</u>	<u>127,010</u>	<u>11,190</u>
Executive Offices:				
Personnel services	2,710,041	2,710,041	2,447,055	262,986
Materials and supplies	650	650	406	244
Other services and charges	<u>483,454</u>	<u>858,454</u>	<u>630,797</u>	<u>227,657</u>
	<u>3,194,145</u>	<u>3,569,145</u>	<u>3,078,258</u>	<u>490,887</u>
Human Resources:				
Personnel services	504,224	450,681	452,604	(1,923)
Materials and supplies	29,800	14,681	3,856	10,825
Other services and charges	<u>418,958</u>	<u>438,077</u>	<u>398,921</u>	<u>39,156</u>
	<u>952,982</u>	<u>903,439</u>	<u>855,381</u>	<u>48,058</u>

**SAN ANTONIO RIVER AUTHORITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
EXPENDITURES				
Current:				
General Government:				
Facilities:				
Personnel services	\$ 515,713	\$ 586,559	\$ 540,975	\$ 45,584
Materials and supplies	418,400	418,400	387,848	30,552
Other services and charges	729,115	812,844	786,792	26,052
Capital outlay	<u>731,726</u>	<u>872,144</u>	<u>642,353</u>	<u>229,791</u>
	<u>2,394,954</u>	<u>2,689,947</u>	<u>2,357,968</u>	<u>331,979</u>
Finance:				
Personnel services	1,339,112	1,457,581	1,361,544	96,037
Materials and supplies	4,700	4,700	2,155	2,545
Other services and charges	<u>492,478</u>	<u>522,338</u>	<u>166,504</u>	<u>355,834</u>
	<u>1,836,290</u>	<u>1,984,619</u>	<u>1,530,203</u>	<u>454,416</u>
Project Management Office:				
Personnel services	322,764	428,496	378,918	49,578
Materials and supplies	825	825	635	190
Other services and charges	<u>66,166</u>	<u>79,166</u>	<u>67,042</u>	<u>12,124</u>
	<u>389,755</u>	<u>508,487</u>	<u>446,595</u>	<u>61,892</u>
Information Technology:				
Personnel services	1,604,021	1,604,021	1,481,035	122,986
Materials and supplies	297,889	297,889	311,768	(13,879)
Other services and charges	<u>2,175,654</u>	<u>2,254,348</u>	<u>2,007,245</u>	<u>247,103</u>
	<u>4,077,564</u>	<u>4,156,258</u>	<u>3,800,048</u>	<u>356,210</u>

**SAN ANTONIO RIVER AUTHORITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
General Government (Continued):				
Intergovernmental & Community Relations:				
Personnel services	\$ 1,439,454	\$ 1,387,132	\$ 1,376,088	\$ 11,044
Materials and supplies	55,450	50,450	59,208	(8,758)
Other services and charges	1,915,148	1,952,148	1,845,988	106,160
	<u>3,410,052</u>	<u>3,389,730</u>	<u>3,281,284</u>	<u>108,446</u>
Total Cost Allocations:	<u>(1,077,000)</u>	<u>(1,077,000)</u>	<u>(268,646)</u>	<u>(808,354)</u>
 Total General Government	 <u>17,660,822</u>	 <u>17,779,070</u>	 <u>15,751,426</u>	 <u>2,027,644</u>
 Operations:				
Watershed and Parks Operations:				
Personnel services	5,989,502	6,165,840	6,067,234	98,606
Materials and supplies	836,125	811,266	805,314	5,952
Other services and charges	2,290,947	2,365,947	2,014,634	351,313
Capital outlay	250,000	294,000	263,549	30,451
	<u>9,366,574</u>	<u>9,637,053</u>	<u>9,150,731</u>	<u>486,322</u>
 Total Operations	 <u>9,366,574</u>	 <u>9,637,053</u>	 <u>9,150,731</u>	 <u>486,322</u>
 Technical Services:				
Ecological Engineering:				
Personnel services	2,681,881	2,495,150	2,502,025	(6,875)
Materials and supplies	5,840	2,376	2,237	139
Other services and charges	1,056,021	1,050,720	679,692	371,028
	<u>3,743,742</u>	<u>3,548,246</u>	<u>3,183,954</u>	<u>364,292</u>

**SAN ANTONIO RIVER AUTHORITY
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023
(UNAUDITED)**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
General Government (Continued):				
Technical Services:				
Environmental Sciences:				
Personnel services	\$ 2,761,502	\$ 2,820,866	\$ 2,813,330	\$ 7,536
Materials and supplies	235,685	237,019	182,020	54,999
Other services and charges	446,867	407,914	367,378	40,536
Capital outlay	38,100	75,718	53,888	21,830
	<u>3,482,154</u>	<u>3,541,517</u>	<u>3,416,616</u>	<u>124,901</u>
Design and Construction:				
Personnel services	2,023,112	2,207,196	2,164,714	42,482
Materials and supplies	3,775	7,239	7,681	(442)
Other services and charges	147,608	152,909	55,239	97,670
	<u>2,174,495</u>	<u>2,367,344</u>	<u>2,227,634</u>	<u>139,710</u>
Real Estate:				
Personnel services	354,756	354,756	281,814	72,942
Materials and supplies	250	250	280	(30)
Other services and charges	228,000	228,001	83,509	144,492
	<u>583,006</u>	<u>583,007</u>	<u>365,603</u>	<u>217,404</u>
Total Cost Allocations:	<u>(123,000)</u>	<u>(123,000)</u>	<u>(1,128,226)</u>	<u>1,005,226</u>
 Total Technical Services	<u>9,860,397</u>	<u>9,917,114</u>	<u>8,065,581</u>	<u>1,851,533</u>
 Total expenditures	<u>36,887,793</u>	<u>37,333,237</u>	<u>32,967,738</u>	<u>4,365,499</u>
Excess (deficiency) of revenues over (under) expenditures	<u>8,029,417</u>	<u>7,583,973</u>	<u>15,243,546</u>	<u>7,659,573</u>
 OTHER FINANCING SOURCES (USES)				
Sale of capital assets	-	-	63,408	63,408
Subscription payment - principal	-	-	(291,247)	(291,247)
Subscription payment - interest	-	-	(68,803)	(68,803)
Transfers out	(8,906,691)	(10,024,117)	(10,024,117)	-
Total other financing sources and (uses)	<u>(8,906,691)</u>	<u>(10,024,117)</u>	<u>(10,320,759)</u>	<u>(296,642)</u>
Net change in fund balances	<u>(877,274)</u>	<u>(2,440,144)</u>	<u>4,922,787</u>	<u>7,362,931</u>
Fund balance - beginning	<u>12,677,755</u>	<u>12,677,755</u>	<u>12,677,755</u>	<u>-</u>
Fund balances, end of year	<u>\$ 11,800,481</u>	<u>\$ 10,237,611</u>	<u>\$ 17,600,542</u>	<u>\$ 7,362,931</u>

SAN ANTONIO RIVER AUTHORITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2023

1. Budgeting

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
(UNAUDITED)**

	Fiscal year ending June 30,					
	2018	2019	2020	2021	2022	2023
Total OPEB Liability:						
Service Cost	\$ 2,936	\$ 2,951	\$ 3,109	\$ 3,886	\$ 4,780	\$ 2,558
Interest	16,567	16,626	16,486	19,514	15,297	5,733
Difference Btwn Expected and Actual Experience	(30,663)	(16,590)	197,129	(31,645)	(286,704)	(10,234)
Changes in assumptions	-	(2,116)	(23,728)	64,560	16,392	2,492
Benefit Payments	5,149	4,530	(29,841)	(21,626)	(90,924)	(55,680)
Net Change in Total OPEB Liability	(6,011)	5,401	163,155	34,689	(341,159)	(55,131)
Total OPEB Liability - Beginning	467,827	461,816	467,217	630,372	665,061	323,902
Total OPEB Liability - Ending	<u>\$ 461,816</u>	<u>\$ 467,217</u>	<u>\$ 630,372</u>	<u>\$ 665,061</u>	<u>\$ 323,902</u>	<u>\$ 268,771</u>
Covered - Employee Payroll	\$ 3,101,526	\$3,117,034	\$2,714,671	\$ 2,728,244	\$1,536,498	\$ 1,544,180
Total OPEB Liability as a						
Percentage of Covered - Employee Payroll	14.9%	15.0%	23.2%	24.4%	21.1%	17.4%

Notes to Schedule:

Changes of Benefit Terms: None

Changes of Assumptions: In 2020, mortality tables were updated from using the RPH-2014 tables with a generational projection using Projection Scale MP-2018, to using the PubG.H-2010 mortality tables using MP-2019 generational projection. In 2021, mortality tables were updated to using mortality improvement Scale MP-2020. In 2022, mortality tables were updated to using Scale MP-2021.

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:

June 30, 2018	3.56%	June 30, 2021	2.45%
June 30, 2019	3.62%	June 30, 2022	1.92%
June 30, 2020	3.13%	June 30, 2023	3.69%

There are no assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75 to pay related benefits.

GASB Statement No. 75 requires 10 years of data to be provided in the Schedule of Changes of Total Liability. As the Authority adopted GASB 75 in fiscal year 2018, only six years of data is available. A full 10 years of data will be presented by 2028.



SAN ANTONIO
RIVER AUTHORITY

A POLITICAL SUBDIVISION OF THE STATE OF TEXAS.

Supplemental Statements & Schedules

**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, 2023**

	Budgeted Amounts			Variance -- Positive (Negative)
	Original	Final	Actual	
REVENUES				
Investment earnings (loss)	\$ -	\$ -	\$ (85,914)	\$ (85,914)
Intergovernmental	<u>1,315,841</u>	<u>1,315,841</u>	<u>1,352,676</u>	<u>36,835</u>
Total revenues	<u>1,315,841</u>	<u>1,315,841</u>	<u>1,266,762</u>	<u>(49,079)</u>
EXPENDITURES				
Debt service:				
Bond principal	1,585,000	1,585,000	2,630,000	(1,045,000)
Interest and fees on bonds	<u>329,045</u>	<u>329,045</u>	<u>470,742</u>	<u>(141,697)</u>
Total expenditures	<u>1,914,045</u>	<u>1,914,045</u>	<u>3,100,742</u>	<u>(1,186,697)</u>
Deficiency of revenues under expenditures	<u>(598,204)</u>	<u>(598,204)</u>	<u>(1,833,980)</u>	<u>(1,235,776)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>598,204</u>	<u>598,204</u>	<u>597,804</u>	<u>(400)</u>
Total other financing sources	<u>598,204</u>	<u>598,204</u>	<u>597,804</u>	<u>-</u>
Net change in fund balance	-	-	(1,236,176)	(1,235,776)
Fund balance, beginning of year	<u>881,239</u>	<u>881,239</u>	<u>881,239</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ 881,239</u>	<u>\$ 881,239</u>	<u>\$ (354,937)</u>	<u>\$ (1,235,776)</u>

**SAN ANTONIO RIVER AUTHORITY
COMBINING BALANCE SHEET –
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
ASSETS			
Cash	\$ 663,623	\$ 828,255	\$ 1,491,878
Investments	462,515	162	462,677
Accounts receivable	-	55,770	55,770
Intergovernmental receivables	1,744,626	191,394	1,936,020
Interest receivables	5,514	-	5,514
Investments - restricted	3,662,516	-	3,662,516
Total assets	<u>\$ 6,538,794</u>	<u>\$ 1,075,581</u>	<u>\$ 7,614,375</u>
LIABILITIES			
Accounts payable	\$ 489,501	\$ 499,970	\$ 989,471
Retainage payable	87,838	400,427	488,265
Unearned revenue - services	283,567	-	283,567
Due to other funds of the Authority	909,469	-	909,469
Total liabilities	<u>1,770,375</u>	<u>900,397</u>	<u>2,670,772</u>
FUND BALANCES			
Restricted:			
Debt Service	3,853,039	-	3,853,039
Construction	-	175,184	175,184
Watershed management	333,432	-	333,432
Water management	227,080	-	227,080
Committed:			
Parks	354,868	-	354,868
Total fund balances	<u>4,768,419</u>	<u>175,184</u>	<u>4,943,603</u>
Total liabilities and fund balances	<u>\$ 6,538,794</u>	<u>\$ 1,075,581</u>	<u>\$ 7,614,375</u>

SAN ANTONIO RIVER AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES –NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2023

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds
REVENUES			
Investment earnings	\$ 6,912	\$ -	\$ 6,912
Intergovernmental	2,776,868	1,411,014	4,187,882
Charges for services	74,343	-	74,343
Miscellaneous	55,652	-	55,652
Total revenues	<u>2,913,775</u>	<u>1,411,014</u>	<u>4,324,789</u>
EXPENDITURES			
Current:			
Operations	11,862	1,271,337	1,283,199
Technical services	2,706,113	-	2,706,113
Debt Service:			
Bond principal	778,000	-	778,000
Interest and fees on bonds	212,321	-	212,321
Capital outlay:			
Capital projects	-	139,677	139,677
Operations	48,970	-	48,970
Technical Services	77,163	-	77,163
Total expenditures	<u>3,834,429</u>	<u>1,411,014</u>	<u>5,245,443</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(920,654)</u>	<u>-</u>	<u>(920,654)</u>
OTHER FINANCING SOURCES			
Transfers in	998,801	-	998,801
Total other financing sources	<u>998,801</u>	<u>-</u>	<u>998,801</u>
Net change in fund balances	78,147	-	78,147
Fund balances, beginning of year	4,690,272	175,184	4,865,456
Fund balances, end of year	<u>\$ 4,768,419</u>	<u>\$ 175,184</u>	<u>\$ 4,943,603</u>

**SAN ANTONIO RIVER AUTHORITY
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

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 all grants funded by local, state, and federal agencies.

Edwards Water Acquisition – Works to collectively purchase Edwards Aquifer water for the area. Revenue comes from water lease and purchase payments from entities that are using the water rights. Additional operating revenue comes from an administrative fee, which is a percentage of the water lease or purchase amount, along with an annual participation fee. Expenditures relate to water rights acquisition and administrative services provided by San Antonio River Authority staff as well as some outside resources that work together to manage the water rights program.

Regional Water Alliance – Used to promote and facilitate the sharing of ideas, knowledge, experience, and resources of twenty-one water purveyors and regional water entities that have joined together to form the Regional Water Alliance. This group seeks out and implements collaborative solutions to effectively meet the region's diverse water needs. Revenue comes from membership dues. Expenditures mainly relate to San Antonio River Authority staff and some outside resources to support the group's activities.

San Antonio River Public Facility Corporation (PFC) – Accounts costs associated with the San Antonio River Authority Public Facilities Corporation's activities. The corporation can act on behalf of the River Authority to finance and provide public facilities.

San Antonio Capital Improvement Project (SACIP) Land Sales – Accounts for revenue received for land use activities as authorized in the 1999 amendatory contract with Bexar County. Funds are used to support flood control capital improvement projects.

Park Resources Development Fund – Accounts for revenues received from the sale of nonessential lands or revenues from leases, license agreements and easements. The 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 plans.

**SAN ANTONIO RIVER AUTHORITY
COMBINING BALANCE SHEET –
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023, WITH COMPARATIVE TOTALS FOR 2022**

	Grants Fund	Edwards Water Acquisition	Regional Water Alliance	San Antonio River Public Facility Corp.
ASSETS				
Cash	\$ 8	\$ 155,441	\$ 36,179	\$ 8,747
Investments	3,396	42,723	1,376	190,776
Cash - restricted	-	-	-	-
Investments - restricted	-	-	-	3,662,516
Intergovernmental receivables	1,744,626	-	-	-
Interest receivable	320	-	46	4,340
Due from other funds of the Authority	-	-	-	-
Total assets	<u>\$ 1,748,350</u>	<u>\$ 198,164</u>	<u>\$ 37,601</u>	<u>\$ 3,866,379</u>
LIABILITIES				
Accounts payable	\$ 476,161	\$ -	\$ -	\$ 13,340
Retainage payable	87,838	-	-	-
Due to other funds of the Authority	909,469	-	-	-
Unearned revenue - services	<u>259,414</u>	<u>24,153</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,732,882</u>	<u>24,153</u>	<u>-</u>	<u>13,340</u>
FUND BALANCES				
Restricted:				
Debt Service	-	-	-	3,853,039
Watershed management	-	-	-	-
Water management	15,468	174,011	37,601	-
Committed:				
Parks	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>15,468</u>	<u>174,011</u>	<u>37,601</u>	<u>3,853,039</u>
Total liabilities and fund balances	<u>\$ 1,748,350</u>	<u>\$ 198,164</u>	<u>\$ 37,601</u>	<u>\$ 3,866,379</u>

**SAN ANTONIO RIVER AUTHORITY
COMBINING BALANCE SHEET –
NONMAJOR SPECIAL REVENUE FUNDS
JUNE 30, 2023, WITH COMPARATIVE TOTALS FOR 2022**

	SACIP Land Sales	Park Resources Development	Total Nonmajor Special Revenue Funds 2023	2022
ASSETS				
Cash	\$ 317,197	\$ 146,051	\$ 663,623	\$ 538,551
Investments	15,822	208,422	462,515	268,113
Cash - restricted	-	-	-	182,204
Investments - restricted	-	-	3,662,516	3,725,229
Intergovernmental receivables	-	-	1,744,626	1,775,061
Interest receivable	413	395	5,514	-
Due from other funds of the Authority	-	-	-	6,483
Total assets	<u>\$ 333,432</u>	<u>\$ 354,868</u>	<u>\$6,538,794</u>	<u>\$6,495,641</u>
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 489,501	\$1,014,823
Retainage payable	-	-	87,838	56,996
Due to other funds of the Authority	-	-	909,469	449,984
Unearned revenue - services	-	-	283,567	283,567
Total liabilities	<u>-</u>	<u>-</u>	<u>1,770,375</u>	<u>1,805,370</u>
FUND BALANCES				
Restricted:				
Debt Service	-	-	3,853,039	3,907,433
Watershed management	333,432	-	333,432	334,440
Water management	-	-	227,080	218,606
Committed:				
Parks	-	354,868	354,868	229,792
Total fund balances	<u>333,432</u>	<u>354,868</u>	<u>4,768,419</u>	<u>4,690,271</u>
Total liabilities and fund balances	<u>\$ 333,432</u>	<u>\$ 354,868</u>	<u>\$6,538,794</u>	<u>\$6,495,641</u>

SAN ANTONIO RIVER AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023, WITH COMPARATIVE TOTALS FOR 2022

	<u>Grants</u> <u>Fund</u>	<u>Edwards</u> <u>Water</u> <u>Acquisition</u>	<u>Regional</u> <u>Water</u> <u>Alliance</u>	<u>San Antonio</u> <u>River Public</u> <u>Facility Corp.</u>
REVENUES				
Investment earnings (loss)	\$ 4,710	\$ (836)	\$ 702	\$ (3,175)
Intergovernmental	2,576,278	200,590	-	-
Charges for services	-	4,209	-	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>2,580,988</u>	<u>203,963</u>	<u>702</u>	<u>(3,175)</u>
EXPENDITURES				
Current:				
Operations	1,133	-	-	10,729
Technical Services	2,497,981	200,902	-	-
Debt Service:				
Bond principal	-	-	-	778,000
Interest and fees on bonds	-	-	-	212,321
Capital Outlay				
Operations	-	-	-	48,970
Technical services	<u>77,163</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>2,576,277</u>	<u>200,902</u>	<u>-</u>	<u>1,050,020</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,711</u>	<u>3,061</u>	<u>702</u>	<u>(1,053,195)</u>
OTHER FINANCING SOURCES				
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>998,801</u>
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>998,801</u>
Net change in fund balances	<u>4,711</u>	<u>3,061</u>	<u>702</u>	<u>(54,394)</u>
Fund balances, beginning	<u>10,757</u>	<u>170,950</u>	<u>36,899</u>	<u>3,907,433</u>
Fund balances, end of year	<u>\$ 15,468</u>	<u>\$ 174,011</u>	<u>\$ 37,601</u>	<u>\$ 3,853,039</u>

SAN ANTONIO RIVER AUTHORITY
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2023, WITH COMPARATIVE TOTALS FOR 2022

	SACIP Land Sales	Park Resources Development	Total Nonmajor Special Revenue Funds 2023	2022
REVENUES				
Investment earnings (loss)	\$ 6,221	\$ (710)	\$ 6,912	\$ 6,822
Intergovernmental	-	-	2,776,868	2,612,478
Charges for services	-	70,134	74,343	300,641
Miscellaneous	-	55,652	55,652	101,693
Total revenues	<u>6,221</u>	<u>125,076</u>	<u>2,913,775</u>	<u>3,021,634</u>
EXPENDITURES				
Current:				
Operations	-	-	11,862	26,359
Technical Services	7,230	-	2,706,113	2,795,559
Debt Service:				
Bond principal	-	-	778,000	758,000
Interest and fees on bonds	-	-	212,321	229,023
Capital Outlay				
Operations	-	-	48,970	98,581
Technical services	-	-	77,163	-
Total expenditures	<u>7,230</u>	<u>-</u>	<u>3,834,429</u>	<u>3,907,522</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,009)</u>	<u>125,076</u>	<u>(920,654)</u>	<u>(885,888)</u>
OTHER FINANCING SOURCES				
Transfers in	-	-	998,801	995,777
Total other financing sources	<u>-</u>	<u>-</u>	<u>998,801</u>	<u>995,777</u>
Net change in fund balances	<u>(1,009)</u>	<u>125,076</u>	<u>78,147</u>	<u>109,889</u>
Fund balances, beginning	<u>334,441</u>	<u>229,792</u>	<u>4,690,272</u>	<u>4,580,382</u>
Fund balances, end of year	<u>\$ 333,432</u>	<u>\$ 354,868</u>	<u>\$ 4,768,419</u>	<u>\$ 4,690,271</u>

**SAN ANTONIO RIVER AUTHORITY
GRANTS SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES – BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance --</u>
	<u>Original</u>	<u>Final</u>		<u>Positive (Negative)</u>
REVENUES				
Investment earnings	\$ -	\$ -	\$ 4,710	\$ 4,710
Intergovernmental	<u>6,665,982</u>	<u>8,973,503</u>	<u>2,576,278</u>	<u>(6,397,225)</u>
 Total revenues	<u>6,665,982</u>	<u>8,973,503</u>	<u>2,580,988</u>	<u>(6,392,515)</u>
 EXPENDITURES				
Current:				
Operations	2,644	2,644	1,133	1,511
Technical services	6,634,416	8,870,727	2,497,981	6,372,746
Capital outlay:				
Technical services	<u>53,495</u>	<u>100,132</u>	<u>77,163</u>	<u>22,969</u>
Total expenditures	<u>6,690,555</u>	<u>8,973,503</u>	<u>2,576,277</u>	<u>6,397,226</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(24,573)</u>	<u>-</u>	<u>4,711</u>	<u>4,711</u>
 Net change in fund balances	(24,573)	-	4,711	4,711
 Fund balance, beginning of year	<u>10,757</u>	<u>10,757</u>	<u>10,757</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (13,816)</u>	<u>\$ 10,757</u>	<u>\$ 15,468</u>	<u>\$ 4,711</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, 2023**

	<u>Budgeted Amounts</u>			Variance -- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment earnings (loss)	\$ -	\$ -	\$ (836)	\$ (836)
Intergovernmental	252,660	252,660	200,590	(52,070)
Charges for services	<u>1,200</u>	<u>1,200</u>	<u>4,209</u>	<u>3,009</u>
Total revenues	<u>253,860</u>	<u>253,860</u>	<u>203,963</u>	<u>(49,897)</u>
EXPENDITURES				
Current:				
Technical Services	<u>427,091</u>	<u>427,091</u>	<u>200,902</u>	<u>226,189</u>
Net change in fund balances	(173,231)	(173,231)	3,061	176,292
Fund balance, beginning of year	<u>170,950</u>	<u>170,950</u>	<u>170,950</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (2,281)</u>	<u>\$ (2,281)</u>	<u>\$ 174,011</u>	<u>\$ 176,292</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, 2023

	<u>Budgeted Amounts</u>			Variance -- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment earnings	\$ 50	\$ 50	\$ 702	\$ 652
Intergovernmental	<u>4,400</u>	<u>4,400</u>	<u>-</u>	<u>(4,400)</u>
Total revenues	<u>4,450</u>	<u>4,450</u>	<u>702</u>	<u>(3,748)</u>
EXPENDITURES				
Current:				
Technical Services	<u>3,000</u>	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Net change in fund balances	1,450	1,450	702	(748)
Fund balance, beginning of year	<u>36,899</u>	<u>36,899</u>	<u>36,899</u>	<u>-</u>
Fund balance, end of year	<u>\$ 38,349</u>	<u>\$ 38,349</u>	<u>\$ 37,601</u>	<u>\$ (748)</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, 2023

	<u>Budgeted Amounts</u>			Variance -- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment earnings (loss)	\$ 5,000	\$ 5,000	\$ (3,175)	\$ (8,175)
Total revenues	<u>5,000</u>	<u>5,000</u>	<u>(3,175)</u>	<u>(8,175)</u>
EXPENDITURES				
Current:				
Operations	12,277	12,277	10,729	1,548
Debt service:				
Bond principal	778,000	778,000	778,000	-
Interest on bonds	221,301	221,301	212,321	8,980
Capital Outlay				
Operations	<u>6,747,270</u>	<u>6,747,270</u>	<u>48,970</u>	<u>6,698,300</u>
Total expenditures	<u>7,758,848</u>	<u>7,758,848</u>	<u>1,050,020</u>	<u>6,708,828</u>
Excess (Deficiency) of revenues over (under) expenditures	<u>(7,753,848)</u>	<u>(7,753,848)</u>	<u>(1,053,195)</u>	<u>6,700,653</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	<u>999,301</u>	<u>999,301</u>	<u>998,801</u>	<u>(500)</u>
Net change in fund balance	(6,754,547)	(6,754,547)	(54,394)	6,700,153
Fund balance, beginning of year	<u>3,907,433</u>	<u>3,907,433</u>	<u>3,907,433</u>	<u>-</u>
Fund balance (deficit), end of year	<u>\$ (2,847,114)</u>	<u>\$ (2,847,114)</u>	<u>\$ 3,853,039</u>	<u>\$ 6,700,153</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, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance --</u>
	<u>Original</u>	<u>Final</u>		<u>Positive</u> <u>(Negative)</u>
REVENUES				
Investment earnings	\$ 200	\$ 200	\$ 6,221	\$ 6,021
Charges for services	<u>51,100</u>	<u>51,100</u>	<u>-</u>	<u>(51,100)</u>
Total revenues	<u>51,300</u>	<u>51,300</u>	<u>6,221</u>	<u>(45,079)</u>
EXPENDITURES				
Current:				
Technical services	<u>14,124</u>	<u>14,124</u>	<u>7,230</u>	<u>6,894</u>
Net change in fund balances	37,176	37,176	(1,009)	(38,185)
Fund balance, beginning of year	<u>334,441</u>	<u>334,441</u>	<u>334,441</u>	<u>-</u>
Fund balance, end of year	<u>\$ 371,617</u>	<u>\$ 371,617</u>	<u>\$ 333,432</u>	<u>\$ (38,185)</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, 2023**

	<u>Budgeted Amounts</u>			Variance -- Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
REVENUES				
Investment earnings (loss)	\$ 350	\$ 350	\$ (710)	\$ (1,060)
Charges for services	-	-	70,134	70,134
Miscellaneous	-	-	55,652	55,652
Total revenues	<u>350</u>	<u>350</u>	<u>125,076</u>	<u>124,726</u>
EXPENDITURES				
Capital Outlay				
Operations	<u>84,500</u>	<u>84,500</u>	<u>-</u>	<u>84,500</u>
Total expenditures	<u>84,500</u>	<u>84,500</u>	<u>-</u>	<u>84,500</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(84,150)</u>	<u>(84,150)</u>	<u>125,076</u>	<u>209,226</u>
OTHER FINANCING SOURCES				
Sale of capital assets	<u>30,000</u>	<u>30,000</u>	<u>-</u>	<u>(30,000)</u>
Net change in fund balances over (under) expenditures	<u>(54,150)</u>	<u>(54,150)</u>	<u>125,076</u>	<u>179,226</u>
Fund balance, beginning of year	<u>229,792</u>	<u>229,792</u>	<u>229,792</u>	<u>-</u>
Fund balance, end of year	<u>\$ 175,642</u>	<u>\$ 175,642</u>	<u>\$ 354,868</u>	<u>\$ 179,226</u>

**SAN ANTONIO RIVER AUTHORITY
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2023**

Capital Project Funds

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

City of San Antonio Fund – Accounts for expenses incurred in assisting the City of San Antonio with San Antonio River Improvement Projects. The City of San Antonio pays all expenses incurred.

Other Capital Projects Fund – Accounts for projects funded by entities other than the City of San Antonio and Bexar County. The River Authority is reimbursed for all expenses incurred for projects in this fund.



Project Highlight: San Pedro Creek Culture Park – In collaboration with Bexar County and the City of San Antonio, the River Authority is restoring San Pedro Creek's natural environment, creating a world-class linear park, and reducing flooding to this highly urban area. The San Pedro Creek Culture Park will encompass a total of four phases. Phases 1 was complete October 2022. Phases 2 and 4 will be complete September 2023 and Phase 3 is expected to be complete spring of 2024.

**SAN ANTONIO RIVER AUTHORITY
COMBINING BALANCE SHEET –
NONMAJOR CAPITAL PROJECT FUNDS
JUNE 30, 2023, WITH COMPARATIVE TOTALS FOR 2022**

	San Antonio River Improvement Project		Total Nonmajor Capital Project Funds	
	City of San Antonio	Other Capital Projects	2023	2022
ASSETS				
Cash	\$ 482,854	\$ 345,401	\$ 828,255	\$ 754,596
Investments	-	162	162	162
Intergovernmental receivables	191,394	-	191,394	854,911
Accounts receivable	-	55,770	55,770	59,245
Total assets	<u>\$ 674,248</u>	<u>\$ 401,333</u>	<u>\$ 1,075,581</u>	<u>\$1,668,914</u>
LIABILITIES				
Accounts payable	\$ 489,529	\$ 10,441	\$ 499,970	\$ 510,130
Retainage payable	12,840	387,587	400,427	646,049
Due to other funds of the Authority	-	-	-	283,012
Total liabilities	<u>502,369</u>	<u>398,028</u>	<u>900,397</u>	<u>1,439,191</u>
FUND BALANCES				
Restricted:				
Construction	<u>171,879</u>	<u>3,305</u>	<u>175,184</u>	<u>229,723</u>
Total fund balances	<u>171,879</u>	<u>3,305</u>	<u>175,184</u>	<u>229,723</u>
Total liabilities and fund balances	<u>\$ 674,248</u>	<u>\$ 401,333</u>	<u>\$ 1,075,581</u>	<u>\$1,668,914</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, 2023, WITH COMPARATIVE TOTALS FOR 2022

	San Antonio River Improvement Project		Total Nonmajor Capital Project Funds	
	City of San Antonio	Other Capital Projects	2023	2022
REVENUES				
Investment earnings	\$ -	\$ -	\$ -	\$ 15
Intergovernmental	<u>1,260,897</u>	<u>150,117</u>	<u>1,411,014</u>	<u>3,151,353</u>
 Total revenues	 <u>1,260,897</u>	 <u>150,117</u>	 <u>1,411,014</u>	 <u>3,151,368</u>
EXPENDITURES				
Current:				
Operations	1,260,897	10,440	1,271,337	1,977,980
Technical services	-	-	-	(5,999)
Capital projects	<u>-</u>	<u>139,677</u>	<u>139,677</u>	<u>1,312,651</u>
Total expenditures	<u>1,260,897</u>	<u>150,117</u>	<u>1,411,014</u>	<u>3,284,632</u>
Excess (deficiency) of revenues over (under) expenditures	 <u>-</u>	 <u>-</u>	 <u>-</u>	 <u>(133,264)</u>
 OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,569)</u>
Total other financing sources and (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(20,569)</u>
Net change in fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>(153,833)</u>
 Fund balances, beginning	 <u>171,879</u>	 <u>3,305</u>	 <u>175,184</u>	 <u>383,556</u>
Fund balances, end of year	<u>\$ 171,879</u>	<u>\$ 3,305</u>	<u>\$ 175,184</u>	<u>\$ 229,723</u>

**Report on Internal Control
Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of
Financial Statements Performed in Accordance
With *Government Auditing Standards***

Independent Auditors' Report

To the Board of Directors of
San Antonio River Authority

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the San Antonio River Authority (the River Authority), as of and for the year ended June 30, 2023, 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 6, 2023. Our report includes an emphasis of matter paragraph relative to the adoption of the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective July 1, 2022. Our opinions are not modified with respect to this matter.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Austin, Texas
October 6, 2023

**Report on Compliance
for Each Major Federal and Major State Program and
Report on Internal Control Over Compliance
Required by the Uniform Guidance and the *Texas Grant Management Standards***

Independent Auditors' Report

To the Board of Directors of
San Antonio River Authority

Report on Compliance for Each Major Federal and Major State Program

Opinion on Each Major Federal and Major State Program

We have audited the San Antonio River Authority's (the River Authority) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* and the *Texas Grant Management Standards* (the *TGMS*) that could have a direct and material effect on each of the River Authority's major federal and major state programs for the year ended June 30, 2023. The River Authority's major federal and major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, the River Authority complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and major state programs for the year ended June 30, 2023.

Basis for Opinion on Each Major Federal and Major State Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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); and the *TGMS*. Our responsibilities under those standards, the Uniform Guidance, and the *TGMS* are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the River Authority and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and major state program. Our audit does not provide a legal determination of the River Authority's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the River Authority's federal and state programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the River Authority's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, the Uniform Guidance, and the *TGMS* will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the River Authority's compliance with the requirements of each major federal and major state program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the River Authority's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the River Authority's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance and the *TGMS*, but not for the purpose of expressing an opinion on the effectiveness of the River Authority's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 and the *TGMS*. Accordingly, this report is not suitable for any other purpose.

Baker Tilly US, LLP

San Antonio River Authority
Schedule of Expenditures of Federal and State Awards

Year Ended June 30, 2023

Federal Grantor/Pass-Through Grantor/Program Title Grantor/Program Title	Federal Assistance Listing Number	Grant/Contract Number	Disbursements/ Expenditures
United States Department of Homeland Security/Federal Emergency Management Agency/Cooperating Technical Partners (LOMR)	97.045	EMT-2019-CA-00049	\$ 119,447
United States Department of Homeland Security/Federal Emergency Management Agency/Cooperating Technical Partners (LOMR)	97.045	EMT-2020-CA-00002	150,000
United States Department of Homeland Security/Federal Emergency Management Agency/Cooperating Technical Partners (LOMR)	97.045	EMT-2021-CA-00027	5,065
United States Department of Homeland Security/Federal Emergency Management Agency/Cooperating Technical Partners (CTP Risk Map)-Cibola Risk Map Phase II	97.045	EMT-2018-CA-00014	50,373
United States Department of Homeland Security/Federal Emergency Management Agency/Cooperating Technical Partners (CTP Risk Map)-Lower SA Watershed II	97.045	EMT-2022-CA-00026	4,398
United States Department of Homeland Security/Federal Emergency Management Agency/Cooperating Technical Partners (CTP Risk Map)-Special Project/Westside Creek FFRD	97.045	EMT-2022-CA-00027	20,137
United States Department of Homeland Security/Federal Emergency Management Agency/Cooperating Technical Partners (CTP Risk Map)-Lower Cibola and Lower Medina	97.045	EMT-2020-CA-00022	406,368
United States Department of Homeland Security/Federal Emergency Management Agency/Cooperating Technical Partners (CTP Risk Map)-Upper SA River Risk Map	97.045	EMT-2019-CA-00022-S01	42,991
United States Department of Homeland Security/Federal Emergency Management Agency/Cooperating Technical Partners (CTP Risk Map)-Lower SA Watershed	97.045	EMT-2021-CA-00024	169,908
Total Assistance Listing Number 97.045			<u>968,687</u>
United States Department of Agriculture/Natural Resources Conservation Service/Water Rehabilitation/Escondido Creek Site 1 Retarding Structure	10.916	NR237442XXXXC002	60,029
United States Department of Agriculture/Natural Resources Conservation Service/Water Rehabilitation/Escondido Creek Site 4 Retarding Structure	10.916	NR237442XXXXC003	33,603
United States Department of Agriculture/Natural Resources Conservation Service/Water Rehabilitation/Escondido Creek Site 12 Retarding Structure	10.916	NR237442XXXXC003	64,691
Total Assistance Listing Number 10.916			<u>158,323</u>
United States Department of the Interior/National Park Service Conservation, Protection, Outreach, and Education/San Antonio Missions World Heritage Site FY21	15.954	P21AC12110-00	14,476
Total Assistance Listing Number 15.954			<u>14,476</u>
Total federal expenditures			<u><u>\$ 1,141,486</u></u>
State Grantor/Grantor Program Title	Assistance Listing Number	Grant Number	Disbursements/ Expenditures
Texas Commission on Environmental Quality/Texas Clean Rivers Program (CRP)	N/A	582-22-30076	\$ 487,968
Total TCEQ			<u>487,968</u>
Texas Water Development Board/South Central Texas Regional Water Planning Group (SCTRWPG)	N/A	512-475-1852	160,532
Texas Water Development Board/San Antonio Regional Flood Planning Group (SARFPG)	N/A	512-475-1590	786,292
Total TWDB			<u>946,824</u>
Total state expenditures			<u><u>\$ 1,434,792</u></u>

See notes to schedule of expenditures of federal and state awards

San Antonio River Authority

Notes to Schedules of Expenditures of Federal and State Awards
Year Ended June 30, 2023

1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal and State Awards (the Schedule) includes the federal award activity of the River Authority under programs of the federal government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the 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). The Schedule also includes the state grant activity of the River Authority under programs of the state government for the year ended June 30, 2023. The information in this Schedule is presented in accordance with the requirements of the *Texas Grant Management Standards*.

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 position or cash flows of the River Authority.

2. Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual or modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

The underlying accounting records for some grant programs are maintained on the modified accrual basis of accounting. Under the modified accrual basis, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the liability is incurred. The accounting records for other grant programs are maintained on the accrual basis, i.e., when the revenue has been earned and the liability is incurred.

3. Indirect Cost Rate

The River Authority has elected to use the 10% de minimis indirect cost rate as covered in 2 CFR section 200.714 for grant submissions starting in 2022.

4. Subrecipients

Of the expenditures presented in the Schedule, the River Authority did not provide any awards to subrecipients.

San Antonio River Authority

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Material weakness(es) identified?

_____ yes

X no

Significant deficiency(ies) identified?

_____ yes

X none reported

Noncompliance material to financial statements noted?

_____ yes

X no

Federal and State Awards

Internal control over major programs:

Federal Programs

State Programs

Material weakness(es) identified?

_____ yes X no

_____ yes X no

Significant deficiencies identified that are not considered to be material weakness(es)?

_____ yes X none reported

_____ yes X none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a) of the Uniform Guidance or the *Texas Grant Management Standards*?

_____ yes X no

_____ yes X no

Auditee qualified as low-risk auditee?

X yes _____ no

_____ yes X no

Dollar threshold used to distinguish between type A and type B programs:

\$750,000

\$750,000

Identification of major federal programs:

Assistance Listing Number

Name of Federal Program or Cluster

97.045

Cooperating Technical Partners

Identification of major state programs:

State Number

Name of State Program

512-475-1590

San Antonio Regional Flood Planning Group

San Antonio River Authority

Schedule of Findings and Questioned Costs
Year Ended June 30, 2023

Section II - Financial Statement Findings Required to be Reported in Accordance with *Government Auditing Standards*

No matters were reported

Section III - Federal and State Awards Findings and Questioned Costs

No matters were reported

Section IV - Other Issues

No matters reported