

Fiscal Responsibility POSITION PAPER

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POSITION STATEMENT

As a taxing authority, the San Antonio River Authority (SARA) is entrusted with the fiduciary responsibility to effectively manage public funds in a manner that exemplifies the highest standards of accountability, transparency and integrity to provide the appropriate level of quality public service. Through the oversight of an elected Board of Directors, SARA's financial and business management policies and practices remain compliant with current laws and regulations, reflect the best ethical standards and ensure prudent fiscal stewardship while remaining highly cognizant of the financial impact on the taxpayers and ratepayers of the district.

IMPORTANCE TO THE SAN ANTONIO RIVER WATERSHED

SARA's mission is to sustain and enrich life in the San Antonio River Watershed. Sustaining the public's trust in SARA's fiscal management is a vital component to achieve its mission and accomplish its goals to protect and preserve the resources of the San Antonio River and its tributaries.



HEADQUARTERS:

100 East Guenther
San Antonio, TX 78204

sariverauthority.org
(866) 345-7272

@sanantonioriver



SUMMARY

SARA's extensive portfolio of programs, projects, efforts and departmental activities requires significant resources to implement. With the oversight of the elected Board of Directors and the direction of the general manager, professional staff and financial consultants provide comprehensive fiscal planning, budgeting, analysis, accounting and auditing to meet the fiscal responsibilities of the agency.

A fiscally responsible and conservative approach is taken by staff in recommending, and by the Board of Directors in approving, the annual ad valorem tax rate which is collected by SARA to support planning, maintenance and operations activities. Since the ad valorem maintenance and operations tax funds only about a quarter of the annual budget, SARA continually looks to leverage and optimize existing revenue with funds from external sources. These sources include federal appropriations, interlocal agreements, laboratory and administrative fees, fund balances, conservative investments, grants, private donations and the ad valorem maintenance and operations tax. SARA utility rates are also set conservatively to ensure sufficient funds to meet the service obligations to SARA's water and wastewater customers while making every effort to keep the rates low and comparable to similar sized utilities.

SARA acknowledges that the watershed needs of the district will likely remain greater than the resources available to meet those needs; therefore, reliance upon a strategic plan which prioritizes needs and available resources is critical to successfully attaining the agency's mission and goals. The strategic plan sets both annual and multi-year measurable goals with tangible results. These quarterly results are tracked and reported to assigned board committees for oversight. The annual budget process begins with the review and update of the agency's strategic plan which serves as the foundation for the preparation of the annual budget. This process is completed under the policy and fiscal guidance of the Board of Directors' Fiscal Committee with final approval by the Board of Directors. For public transparency and accountability, the strategic plan is summarized in the annual budget document which is linked in a searchable format on SARA's website.

Within the guidelines of the annual budget, the Board has granted limited flexibility to SARA's executive, management and program leader staff to respond to changing project implementation schedules and expenditure levels on a quarterly basis through a "pooling" process. Through this process, funds can be moved between approved projects, programs and activities to ensure that limited annual funding resources continue to advance efficiently and effectively the initiatives of the agency. Reports on the redistribution of funds that occur through these quarterly pooling meetings are presented to the Board.

State statutes and revenue bond resolutions require an annual audit by independent, certified public accountants. SARA's audit is conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. SARA's Fiscal Committee selects the accounting firm through a solicitation process that encourages a rotation of firms every five years. In addition to meeting the requirements set forth in state statutes, the audits are designed to be in compliance with the federal Single Audit Act of 1984. Additionally, the Government Finance Officers Association of the United States and Canada (GFOA) has awarded a Certificate of Achievement for Excellence in Financial Reporting to SARA for its comprehensive annual financial report (CAFR). The Certificate of Achievement for Excellence in Financial Reporting is a prestigious national award recognizing the highest standards for preparation of state and local government financial reports, and SARA has received this Certificate of Achievement consecutively since the fiscal year ending June 30, 1991. Furthermore, every five years, SARA completes an independent management audit, with the most recent management audit completed in May 2012 and submitted to the Texas Commission on Environmental Quality (TCEQ) as required.

The Directors, as elected officials, are required to follow ethics laws. In addition, SARA staff policies, including a code of ethics, have been created and implemented to provide guidance on various financial issues, thus further promoting fiscal responsibility throughout the agency. SARA currently has 13 finance policies, including, but not limited to: funds balance; investment strategies; obligation and disbursement of funds; purchasing card; purchasing procedures; notes receivable; and fixed assets.

River Authority Executive Committee Approved on May 15, 2013. Revised and Approved January 2020.