

San Antonio Water System

CONDENSED MONTHLY FINANCIAL REPORT December 2016



San Antonio, Texas

CONDENSED MONTHLY FINANCIAL REPORT SAN ANTONIO WATER SYSTEM DECEMBER 31, 2016

Attached is the monthly financial report of the San Antonio Water System (SAWS) for the month ended December 31, 2016. This report presents financial and management information for all funds, activities, and programs for which the Board of Trustees has been given responsibility to manage and control.

FINANCIAL HIGHLIGHTS

- SAWS' net position increased by \$4.7 million during the month.
- Operating revenues for the month of \$52.6 million were \$4.3 million favorable to budget and \$11.5 million more than a year ago.
- Operating expenses before depreciation for the month of \$38 million were \$10 million unfavorable to budget and \$7.1 million more than the prior year.
- Net interest expense was \$1.2 million favorable to budget for the month and comparable with the prior year.
- SAWS' net loss before capital contributions for the month of \$6.5 million was \$5.1 million unfavorable to budget but \$2.5 million less than December 2015.
- Capital contributions for the month were \$11.2 million compared to the budget of \$9.4 million and \$10.1 million in December 2015.

OVERALL FINANCIAL CONDITION

		December 31, 2016
<i>(\$ in thousands)</i>		
Assets	\$	5,895,423
Deferred Outflows of Resources		95,397
Liabilities		(3,374,679)
Deferred Inflows of Resources		(2,793)
Total Net Position	\$	2,613,349
Net Investment in Capital Assets	\$	2,106,957
Restricted Net Position		318,890
Unrestricted Net Position		187,502
Total Net Position	\$	2,613,349

During the month, SAWS' total assets and deferred outflows increased \$86.2 million primarily due to funds provided by debt issuance, investments in capital assets and increases in accounts receivable and deferred pension outflows. In December 2016, SAWS issued \$26.9 million in junior lien bonds. The proceeds of these bonds will be used for capital expenditures. Liabilities and deferred inflows increased \$81.6 million during the month as a result of the debt issuance as well as increases in accounts payable and the net pension liability.

Working capital totaled \$344.5 million and includes an operating reserve of \$52.3 million in accordance with SAWS' ordinance requirement of a two-month reserve amount based upon the current fiscal year's budget for operating and maintenance expense. SAWS' net position ratio was 43.6% at December 31, 2016, 44.2% at November 30, 2016 and 42.5% at December 31, 2015.

SAWS' bond ordinance requires SAWS to set rates and charges sufficient to maintain a debt coverage ratio of at least 1.25x the current year annual debt service on outstanding senior lien debt. The following chart includes SAWS' current year debt coverage ratios for both senior lien and total bonded debt. The increase in Senior Lien coverage is primarily due to the refunding of Senior Lien debt with subordinate lien debt during 2016.

Debt Coverage Ratios			
	<u>12/31/2016</u>	<u>11/30/2016</u>	<u>12/31/2015</u>
Current Year Debt Service - Senior Lien Debt	3.88	3.91	2.68
Current Year Debt Service - Total Debt	1.74	1.71	1.53

As of December 31, 2016 SAWS is in compliance with the terms and provisions of the ordinances and documents related to its outstanding bonds and tax-exempt commercial paper.

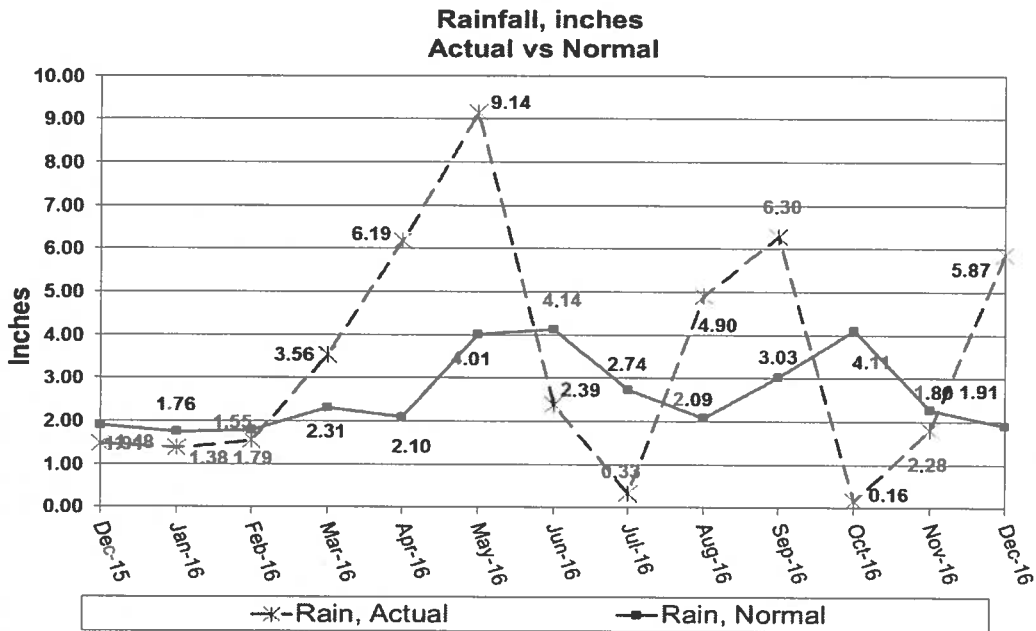
RESULTS OF OPERATIONS

The following table shows a consolidated summary of SAWS' Statement of Revenues, Expenses and Changes in Net Position for the month of December 2016 with comparisons to both the budget and the prior year.

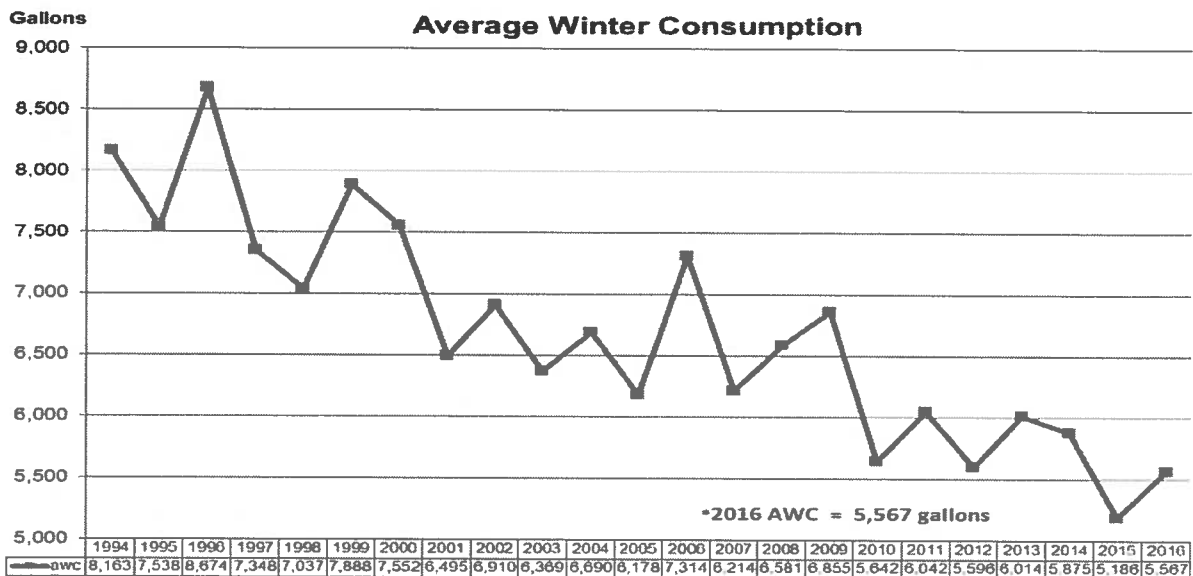
(\$ in thousands)	December-16		Fav (Unfav)	December-15	Fav (Unfav)
	Actual	Budget*	Variance To Budget	Actual	Variance To Prior Year
Operating Revenues					
Water Supply System	\$ 15,233	\$ 13,903	\$ 1,330	\$ 14,766	\$ 466
Water Delivery System	16,536	14,556	1,981	8,861	7,675
Wastewater System	20,029	19,156	873	16,651	3,378
Chilled Water and Steam System	805	732	73	850	(46)
Total operating revenues	<u>52,603</u>	<u>48,347</u>	<u>4,256</u>	<u>41,128</u>	<u>11,474</u>
Operating Expenses Before Depreciation	38,022	28,042	(9,980)	30,964	(7,058)
Depreciation Expense	14,154	13,879	(276)	13,407	(747)
Total operating expenses	<u>52,176</u>	<u>41,921</u>	<u>(10,255)</u>	<u>44,371</u>	<u>(7,805)</u>
Operating Income	426	6,426	(5,999)	(3,243)	3,669
Miscellaneous Revenues	11	-	11	17	(6)
Investment income	453	139	315	141	312
Interest Expense	5,643	6,548	905	5,316	(328)
Payments to the City of San Antonio	1,209	1,045	(164)	973	(237)
Other Non-operating Expense	512	356	(156)	(406)	(918)
Net Income (Loss) Before Capital Contributions	<u>(6,474)</u>	<u>(1,385)</u>	<u>(5,089)</u>	<u>(8,966)</u>	<u>2,492</u>
Grant Revenue	691	-	691	-	691
Capital Recovery Fees	6,462	4,357	2,105	3,694	2,768
Plant Contributions	4,053	5,000	(947)	6,372	(2,319)
Total Contributions	<u>11,206</u>	<u>9,357</u>	<u>1,849</u>	<u>10,066</u>	<u>1,140</u>
Change in Net Position	<u>\$ 4,732</u>	<u>\$ 7,972</u>	<u>\$ (3,240)</u>	<u>\$ 1,100</u>	<u>\$ 3,632</u>

*Budget includes adjustments to certain benefit related costs in order to comply with generally accepted accounting principles. The budget reflected on the Schedule of Sources and Uses reflects these costs on a cash basis.

Total operating revenues for December 2016 were \$4.3 million favorable to budget and \$11.5 million more than December 2015. Water delivery and supply revenues of \$31.8 million were \$3.3 million favorable to budget and \$8.1 million more than December 2015. Billed usage for the month was 7.6% more than budget and 5.5% more than December 2015. Billed usage largely reflects actual consumption and rainfall from the previous month. Rainfall totaled 1.8 inches in November 2016 compared to the normal level of 2.3 inches and the 2.6 inches received in November 2015. The increase in billed usage from 2015 combined with the average rate adjustment of 9.6% for water charges which went into effect on January 1, 2016, resulted in an increase in operating revenues from the prior year. Water rates were not adjusted for customers in the former District Special Project service area.



Wastewater revenue for the month of \$20 million was \$0.9 million favorable to budget and \$3.4 million more than the prior year. The Average Winter Consumption (AWC) of 5,567 gallons that went into effect in March was 4.3% favorable to the forecasted AWC of 5,336 gallons and 7.3% more than the previous AWC. The increase in the AWC combined with the 5.3% rate increase implemented in January 2016 contributed to the favorable variance to last year.



Operating expenses before depreciation were \$10 million unfavorable to budget for the month and \$7.1 million more than a year ago. The unfavorable variance to both budget and the prior year was due in part to an adjustment to reduce capitalized costs by \$4.8 million. The timing of certain conservation program expenditure and contractual professional services also contributed to the unfavorable variance during the month.

Investment income for the month was \$.3 million favorable to budget and \$.3 million more than December 2015. The yield on SAWS investment portfolio was .6% for the month compared to the budgeted yield of .35% and .27% earned on the portfolio a year ago.

Interest expense for the month was \$.9 million favorable to budget but \$.3 million more than December 2015. The conservative nature of the budgeting process, which ensures that current rates are sufficient to support the current year's construction program, contributed to the favorable variance from budget. Debt service savings achieved through refinancing debt has contributed to the favorable variance to budget. Additional debt issued in 2016 led to the unfavorable variance to the previous year.

In December 2016, capital contributions included \$.7 million in Edwards Aquifer Authority grant funds earned related to SAWS water leak repair program, \$6.5 million in impact fees and \$4.0 million in plant contributions from developers. Impact fees and plant contributions can vary significantly from month-to-month but are an indication of development activity in the San Antonio region. Growth in the number of customer connections averaged 1.5% over the last 12 months (December 2015 - December 2016) and 1.4% for the preceding 12 month period (December 2014 – December 2015).

CASH FLOWS

Cash and cash equivalents decreased \$10.6 million during December 2016. Cash inflows during the month included \$15.9 million from operations, \$6.5 million in proceeds from developers, \$.7 million in grant revenue and \$26.9 million from the issuance of debt. Cash outflows for the month consisted primarily of \$18.9 million spent on the acquisition and construction of property, plant and equipment and \$39.6 million used for investing activities.

The following table summarizes the Capital Improvement Programs (CIP) from 2014 through 2016. In order to fully execute the planned CIP, SAWS is projected to award \$109.5 million in additional capital contracts. Additionally, outstanding commitments on awarded contracts total \$384.4 million at December 31, 2016.

<i>(\$ in millions)</i>	Original	Revised		%
<u>Plan Year</u>	<u>Plan</u>	<u>Plan</u>	<u>Commitments</u>	<u>Committed</u>
CY2016	\$ 247.2	\$ 287.1	\$ 200.8	69.9%
CY2015	236.2	221.3	204.2	92.3%
CY2014	413.0	344.5	339.6	98.6%
	<u>\$ 896.4</u>	<u>\$ 852.9</u>	<u>\$ 744.6</u>	87.3%

DISTRICT SPECIAL PROJECT CONSOLIDATION

On January 14, 2016, City Council approved the dissolution of SAWS District Special Project (SAWS DSP) upon the refunding of all SAWS DSP debt with SAWS debt. On February 25, 2016, SAWS issued sufficient bonds and commercial paper to retire the outstanding debt of SAWS DSP. SAWS DSP was dissolved and SAWS assumed all assets, liabilities and operations of SAWS DSP effective January 1, 2016 in accordance with *GASB 69 Government Combinations and Disposals of Government Operations*. For comparative purposes, prior year amounts presented in this report have been restated to include the financial results of SAWS DSP.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Douglas P. Evanson', written in a cursive style.

Douglas P. Evanson
Senior Vice President/Chief Financial Officer

**CONDENSED
MONTHLY FINANCIAL REPORT
SAN ANTONIO WATER SYSTEM
December 31, 2016**

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**San Antonio Water System
STATEMENT OF NET POSITION
December 31, 2016**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS	<u>2016</u>	<u>2015¹</u>
Cash and cash equivalents	\$ 54,044,243	\$ 92,566,668
Investments	243,538,245	135,801,130
Accrued interest receivable	1,624,865	1,352,733
Accounts receivable - net of allowance for uncollectable accounts of \$5,868,126 and \$5,391,236 respectively	69,422,015	68,697,804
Inventory - materials and supplies	5,080,531	5,356,206
Prepaid expenses	4,610,276	6,483,255
Total current unrestricted assets	<u>378,320,175</u>	<u>310,257,796</u>
 RESTRICTED ASSETS		
Debt Service Fund		
Cash and Cash Equivalents	2,450,384	9,652,622
Investments	74,335,976	62,938,351
Construction Funds		
Investments	42,549,826	50,774,787
Customers' deposits - System Fund	13,380,965	12,469,776
Operating Reserve - System Fund	52,279,428	45,801,417
Total current restricted assets	<u>184,996,579</u>	<u>181,636,953</u>
Total current assets	<u>563,316,754</u>	<u>491,894,749</u>
 NONCURRENT ASSETS		
Restricted Noncurrent Assets		
Reserve fund:		
Cash and cash equivalents	15,276,208	6,164,927
Investments	73,126,203	87,626,939
Construction funds:		
Cash and cash equivalents	84,965,339	172,417,290
Investments	272,647,181	177,203,259
 CAPITAL ASSETS		
Utility plant in service	6,297,442,052	5,672,093,962
Less allowance for depreciation	1,989,452,610	1,860,034,755
	<u>4,307,989,442</u>	<u>3,812,059,207</u>
Land, water rights and other intangible assets	349,380,975	349,258,578
Construction in Progress	228,721,357	486,469,052
Total capital assets	<u>4,886,091,774</u>	<u>4,647,786,837</u>
 TOTAL ASSETS	 5,895,423,459	 5,583,094,001
 DEFERRED OUTFLOWS OF RESOURCES		
Loss on bond refunding	54,317,272	30,103,045
Deferred outflows pensions	28,115,201	16,081,723
Derivative Instrument	12,964,810	16,393,682
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>95,397,283</u>	<u>62,578,450</u>
 TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	 <u>\$ 5,990,820,742</u>	 <u>\$ 5,645,672,451</u>

¹ Prior year amounts have been restated to include the financial results of the District Special Project.

San Antonio Water System
STATEMENT OF NET POSITION - continued
December 31, 2016

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	2016	2015¹
CURRENT LIABILITIES		
Accounts payable	\$ 40,392,453	\$ 39,251,197
Third party billing collections payable	1,100,763	1,002,119
Accrued vacation pay	5,450,859	5,385,231
Accrued payroll and benefits	4,137,757	3,257,124
Accrued claims payable	4,537,973	2,489,243
Accrued stormwater services	3,444,071	2,907,245
Health Insurance Payable	2,097,699	1,538,836
Sundry payables and deferred income	2,344,239	1,432,865
Total current unrestricted liabilities	63,505,814	57,263,860
 LIABILITIES PAYABLE FROM RESTRICTED FUNDS		
Debt Service Fund		
Accrued interest payable	16,390,067	15,816,063
Construction funds:		
Contract retainage payable	15,586,711	16,230,486
Sundry payables	26,963,115	34,544,301
Customers' deposits	13,380,965	12,469,776
Revenue bonds payable within one year	83,040,000	78,575,000
Total current restricted liabilities	155,360,858	157,635,626
Total current liabilities	218,866,672	214,899,486
 LONG-TERM LIABILITIES		
Accrued vacation payable	3,402,086	3,420,424
Long-term unfunded post-retirement obligations	73,672,739	80,229,989
Net pension liability	63,021,914	42,629,917
Derivative Instrument	16,862,874	20,660,130
Commercial paper notes	241,610,000	224,005,000
Revenue bonds payable after one year	2,547,309,999	2,522,871,621
Unamortized premium	211,847,452	132,969,880
Less unamortized discount	(1,915,079)	(2,703,650)
Total long-term liabilities	3,155,811,985	3,024,083,311
Total Liabilities	3,374,678,657	3,238,982,797
 DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - pensions	2,793,408	6,783,933
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	3,377,472,065	3,245,766,730
 NET POSITION		
Restricted:		
Net investment in capital assets	2,106,956,770	1,939,980,226
Restricted for construction	150,198,376	168,968,465
Restricted for debt service	60,396,293	56,774,910
Restricted for debt service reserve	56,015,652	62,716,064
Restricted for operating reserve	52,279,428	45,801,417
Total Restricted Net Position	2,425,846,519	2,274,241,082
Unrestricted Net Position	187,502,158	125,664,639
TOTAL NET POSITION	\$ 2,613,348,677	\$ 2,399,905,721

¹ Prior year amounts have been restated to include the financial results of the District Special Project.

**San Antonio Water System
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Twelve months ended December 2016**

	2016 YTD Actual	2016 YTD Budget*	2015' YTD Actual	Variance	
				To Budget	To Prior Year
Operating revenues:					
Water Resources - Misc.	\$ 2,063,272	\$ 1,368,821	\$ 1,768,364	\$ 694,451	\$ 294,908
Water Supply Fee	137,469,917	142,606,760	124,973,299	(5,136,843)	12,496,618
EAAT/CEQ Fee	27,420,059	26,431,016	21,384,828	989,043	6,035,231
Recycle Water	5,690,846	5,238,306	5,097,050	452,540	593,796
Stormwater	4,966,660	4,558,326	4,796,830	408,334	169,830
Metered Water	191,012,484	188,866,639	168,711,349	2,145,845	22,301,135
Conservation Metered Water	10,641,931	9,811,858	9,249,990	830,073	1,391,941
Wastewater service charges	236,002,951	228,763,617	215,589,745	7,239,334	20,413,206
Chilled water	11,548,122	10,235,935	11,184,372	1,312,187	363,750
Less: Uncollectible accounts	(4,359,354)	(4,144,344)	(5,721,911)	(215,010)	1,362,557
Total operating revenues	622,456,888	613,736,932	557,033,916	8,719,956	65,422,972
Operating expenses:					
Salaries and fringe benefits	142,320,906	144,169,277	133,595,988	1,848,371	(8,724,918)
Contractual services	170,844,873	175,318,108	163,768,331	4,473,235	(7,076,542)
Materials & supplies	22,028,780	22,306,355	23,490,337	277,575	1,461,557
Other charges	12,701,681	11,022,750	8,129,285	(1,678,931)	(4,572,396)
Capitalized cost	(32,495,643)	(41,883,841)	(37,821,404)	(9,388,198)	(5,325,761)
Intercompany transfers	(5,492)	-	84,994	5,492	90,486
Total operating expenses before depreciation	315,395,105	310,932,648	291,247,531	(4,462,457)	(24,147,574)
Depreciation expense	142,856,072	155,255,226	141,259,204	12,399,154	(1,596,868)
Total operating expenses	458,251,177	466,187,875	432,506,735	7,936,698	(25,744,442)
Operating income (loss)	164,205,711	147,549,058	124,527,181	16,656,653	39,678,530
Non-operating revenues:					
Miscellaneous revenue	4,213,618	3,949,818	3,933,302	263,800	280,316
Interest earned	3,987,409	1,662,500	2,228,584	2,324,909	1,758,825
Gain/(Loss) on Investments	(55,892)	-	(81,688)	(55,892)	25,796
Total non-operating revenues	8,145,135	5,612,318	6,080,198	2,532,817	2,064,937
Non-operating expenses:					
Debt issuance costs	4,715,871	1,795,647	3,831,132	(2,920,224)	(884,739)
Other financing charges	2,120,580	2,357,989	2,041,141	237,409	(79,439)
Interest expense:					
Revenue bonds and commercial paper	106,549,699	121,182,562	109,324,147	14,632,863	2,774,448
Capitalized interest	(7,319,001)	(6,656,288)	(6,394,490)	662,713	924,511
Amortized discount/premiums/Loss on refunding	(12,664,493)	(12,998,357)	(12,958,583)	(333,864)	(294,090)
Loss (gain) on sale of fixed assets	(3,086,707)	-	(4,673,709)	3,086,707	(1,587,002)
Transfers to GKDA	109,155	122,400	106,134	13,245	(3,021)
Transfers to City of San Antonio	14,228,306	13,870,138	12,682,806	(358,168)	(1,545,500)
Total non-operating expenses	104,653,410	119,674,091	103,958,578	15,020,681	(694,832)
Net income (loss) before capital contributions	67,697,436	33,487,285	26,648,801	34,210,151	41,048,635
Capital contributions:					
Grant Revenue	3,865,993	-	-	3,865,993	3,865,993
Capital recovery fees	67,990,776	57,029,165	64,055,898	10,961,611	3,934,878
Plant contributions	73,888,755	60,000,000	71,966,600	13,888,755	1,922,155
Total capital contributions	145,745,524	117,029,165	136,022,498	28,716,359	9,723,026
CHANGE IN NET POSITION	213,442,960	150,516,450	162,671,299	62,926,510	50,771,661
NET POSITION, beginning balances	2,399,905,717	2,237,234,422	2,237,234,422		
NET POSITION, ending balances	\$ 2,613,348,677	\$ 2,387,750,872	\$ 2,399,905,721		

*Budget includes amounts for non-cash items not included in the Board approved Sources & Uses budget

¹ Prior year amounts have been restated to include the financial results of the District Special Project

**San Antonio Water System
STATEMENT OF CASH FLOWS
Twelve months ended December 2016**

	<u>2016</u>	<u>2015¹</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 618,134,179	\$ 555,456,853
Cash paid to vendors for operations	(191,713,093)	(191,512,931)
Cash paid to employees for services	(122,649,056)	(114,307,644)
Net cash provided by operating activities	<u>303,772,030</u>	<u>249,636,278</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payments to the City of San Antonio	(9,749,245)	(8,898,113)
Payments to other entities	(107,870)	(114,262)
Net cash used for noncapital financing activities	<u>(9,857,116)</u>	<u>(9,012,375)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of capital assets	5,314,751	7,652,140
Proceeds from developers for plant construction	67,990,776	64,055,898
Proceeds from grants	3,865,993	-
Payment to employees for construction of plant	(20,930,936)	(23,976,350)
Payment to vendors for construction of plant	(11,564,707)	(13,845,054)
Payments for acquisition of equipment and furniture	(8,584,426)	(18,376,414)
Payments for acquisition of property and plant	(264,299,447)	(245,344,011)
Proceeds from commercial paper	118,700,000	10,000,000
Payment for retirement of commercial paper/flex rate notes	(101,095,000)	(3,245,000)
Proceeds from revenue bonds	719,755,229	415,825,650
Payment for retirement/refunding of revenue bonds	(616,806,387)	(339,800,000)
Payment of interest on commercial paper	(4,336,266)	(3,940,225)
Payment of interest on revenue bonds	(107,774,628)	(105,526,863)
Payment for bond related expenses	(4,715,871)	(3,831,137)
Payment for finance charges	(2,130,163)	(2,240,672)
Net cash used for capital and related financing activities	<u>(226,611,082)</u>	<u>(262,592,038)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(986,499,290)	(764,660,560)
Maturity of investments	787,175,156	786,806,828
Interest income and other	7,954,969	5,995,067
Net cash provided (used) by investing activities	<u>(191,369,165)</u>	<u>28,141,335</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(124,065,333)	6,173,200
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	<u>280,801,507</u>	<u>274,628,307</u>
CASH AND CASH EQUIVALENTS, AT END OF PERIOD	<u>\$ 156,736,174</u>	<u>\$ 280,801,507</u>

¹ Prior year amounts have been restated to include the financial results of the District Special Project.

**San Antonio Water System
STATEMENT OF CASH FLOWS
Twelve months ended December 2016**

	2016	2015 ¹
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET ASSETS		
Cash and Cash Equivalents		
Unrestricted		
System Fund	\$ 54,044,243	\$ 92,566,668
Restricted		
Debt Service Fund	2,450,384	9,652,622
Reserve Fund	15,276,208	6,164,927
Construction Fund	84,965,339	172,417,290
	\$ 156,736,174	\$ 280,801,507
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 164,205,711	\$ 124,527,181
Adjustments to reconcile operating income to net cash provided by operating activities:		
Non-cash revenues from City of San Antonio	(4,480,345)	(3,776,566)
Provision for uncollectible accounts	4,359,354	5,721,911
Charge-off prior year construction expenditures to operating expense	2,143,644	-
Depreciation expense	142,856,072	141,259,204
Change in assets, deferred outflows, liabilities and deferred inflows:		
(Increase)/Decrease in accounts receivable	(5,083,565)	(5,085,387)
(Increase)/Decrease in inventory	275,675	925,672
(Increase)/Decrease in prepaid expenses	1,872,972	766,203
Decrease/(Increase) in deferred outflows - pension	(12,033,474)	(1,665,804)
(Decrease)/Increase in accounts payable	(5,242,027)	(7,939,967)
(Decrease)/Increase in amount due for third party collections	98,644	42,562
(Decrease)/Increase in accrued vacation payable	47,290	233,380
(Decrease)/Increase in accrued payroll and benefits	880,631	516,584
(Decrease)/Increase in claims payables	2,048,731	(490,257)
(Decrease)/Increase in accrued stormwater services	536,826	(9,854)
(Decrease)/Increase in health claims payables	558,863	(1,777,045)
(Decrease)/Increase in unfunded post-retirement obligations	13,836,990	(11,114,812)
(Decrease)/Increase in sundry payables and accruals	(30,626)	(238,687)
(Decrease)/Increase in customers' deposits	911,189	958,027
(Decrease)/Increase in deferred inflows - pension	(3,990,525)	6,783,933
Total Adjustments	139,566,319	125,109,097
Net cash provided by operating activities	\$ 303,772,030	\$ 249,636,278

¹ Prior year amounts have been restated to include the financial results of the District Special Project.

San Antonio Water System
CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS
 Month ended December 2016

SOURCES OF FUNDS	Water Supply System		Water Delivery System		Wastewater System		Chilled Water System		Total System		Budget Current Allocations		Favorable (Unfavorable)		Variance		
	\$		\$		\$		\$		\$		\$						
OPERATING REVENUES																	
Water Resources - Misc.	412,850								412,850			114,073		298,777		261,92%	
Water Supply Fee	10,740,021								10,740,021			10,112,110		627,911		6.21%	
EAA/TECO Pass Through Fees	2,165,061					39,650			2,331,919			2,032,886		299,033		14.71%	
Recycled water system	429,476								429,476			401,724		27,752		6.91%	
Stormwater	412,347								412,347			379,855		32,492		8.55%	
Metered Water - Conservation	834,801								834,801			729,609		105,192		14.42%	
Metered Water - Water Delivery									17,129,864			15,078,911		2,050,953		13.60%	
Affordability Discount Program	(101,563)								(392,030)			(228,040)		(163,990)		-71.91%	
Wastewater System						(181,887)			19,764,790			18,905,935		858,855		5.10%	
Wastewater Surcharge						560,593			560,593			516,561		44,032		8.52%	
Chilled water							804,722		804,722			732,154		72,568		9.91%	
Operating Transfer	469,167								(469,167)			-		-		0.00%	
Less: Uncollectible Accounts	(129,235)								(143,006)			(329,201)		(97,355)		29.57%	
Total operating revenues	15,232,925					20,028,831		804,722	52,602,797			48,346,577		4,256,220		8.80%	
NON-OPERATING REVENUES																	
Interest earned and miscellaneous	136,043					33,488		11,778	272,578			126,666		145,912		115.19%	
Interest earned on Project Fund & R&R Funds	4,274					68,450			98,456			11,875		86,581		729.10%	
Total non-operating revenues	140,317					101,938		11,778	371,034			138,541		232,493		167.82%	
CAPITAL CONTRIBUTIONS																	
Capital Recovery and Service Extension Fees	2,517,554					2,113,450			6,462,278			4,357,153		2,105,125		48.31%	
Grant revenue						690,509			690,509			690,509		690,509			
Total capital contributions	2,517,554					2,113,450			7,152,787			4,357,153		2,795,634		64.16%	
TOTAL SOURCES OF FUNDS	\$ 17,890,796				\$ 19,175,103	\$ 22,244,219		\$ 816,500	\$ 60,126,618			\$ 52,842,271		\$ 7,284,347		13.79%	
USES OF FUNDS																	
OPERATION AND MAINTENANCE*																	
Salaries and fringe benefits	2,241,855					4,818,276			11,195,564			12,877,648		1,682,084		13.06%	
Contractual services	8,341,851					8,747,930		427,016	21,734,103			16,148,144		(5,585,959)		-34.59%	
Materials and supplies	314,492					1,197,472			2,364,443			1,788,276		(576,167)		-32.22%	
Other charges	487,713					1,162,125		63,895	2,513,829			869,688		(1,644,141)		-189.05%	
Capitalized cost	75,199					(268,482)			(369,778)			(3,412,974)		(3,782,752)		-110.83%	
Total operation and maintenance	11,461,110					16,487,613		637,613	38,169,278			28,270,783		(9,898,495)		-35.01%	
OPERATING RESERVE REQUIREMENT																	
DEBT REQUIREMENTS																	
Revenue Bonds:																	
Interest costs	1,878,030					3,793,763		78,185	8,842,783			9,463,588		620,805		6.56%	
Retirement of bonds	1,986,972					2,648,422		56,339	6,890,834			7,002,062		111,228		1.59%	
Subordinate lien debt:																	
Interest costs	168,821					62,381		39,502	297,217			494,104		196,887		39.85%	
Retirement of bonds	168,034					62,091		39,318	295,832			356,248		60,416		16.96%	
Net variable interest - swap	(1,497)					(554)		(350)	21,980			-		(21,980)		0.00%	
Commercial paper notes	12,138					16,453			96,339			59,014		(37,325)		-63.25%	
Other Debt Expense	45,524					(379,620)		5,027	114,470			195,488		82,018		41.74%	
Total debt requirements	4,258,022					6,202,936		218,021	16,559,455			17,571,504		1,012,049		5.76%	
TRANSFER TO THE CITY'S GENERAL FUND																	
AMOUNT AVAILABLE FOR R&R FUNDS:																	
INTEREST ON PROJECT & R&R FUNDS	293,999					547,656		22,035	1,209,258			1,045,197		(164,061)		-15.70%	
CAPITAL RECOVERY AND SERVICE EXT. FEES																	
GRANT REVENUE																	
GENERAL	4,274					68,450			98,456			11,875		86,581		729.10%	
Total amount available for R&R Funds	2,517,554					2,113,450		(61,169)	6,462,278			4,357,153		2,105,125		48.31%	
TOTAL USES OF FUNDS	\$ 17,890,796				\$ 19,175,103	\$ 22,244,219		\$ 816,500	\$ 60,126,618			\$ 52,842,271		\$ 7,284,347		13.79%	

*Excludes non-cash portion of GASB 45 expense.

San Antonio Water System
CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS
 Twelve months ended December 2016

	SOURCES OF FUNDS				Budget			
	Water Supply System	Water Delivery System	Wastewater System	Chilled Water System	Total System	Current Allocations	Favorable (Unfavorable)	Variance
OPERATING REVENUES	\$ 2,063,272	\$ -	\$ -	\$ -	\$ 2,063,272	\$ 1,368,821	\$ 694,451	50.73%
Water Resources - Misc.	132,568,448	-	-	-	132,568,448	137,725,006	(5,156,558)	-3.74%
Water Supply Fee	25,512,679	1,459,670	447,710	-	27,420,059	26,431,016	989,043	3.74%
EAA/TCEQ Pass Through Fees	5,690,846	-	-	-	5,690,846	5,238,306	452,540	8.64%
Recycled water system	4,966,660	-	-	-	4,966,660	4,558,326	408,334	8.96%
Stormwater	10,641,931	-	-	-	10,641,931	9,811,858	830,073	8.46%
Metered Water - Conservation	-	197,446,549	-	-	197,446,549	195,244,887	2,201,662	1.13%
Metered Water - Water Delivery	(728,535)	(804,061)	(1,219,881)	-	(2,752,477)	(2,736,448)	(16,029)	-0.59%
Affordability Discount Program	-	-	230,930,769	-	230,930,769	223,856,324	7,074,445	3.16%
Wastewater System	-	-	6,292,062	-	6,292,062	6,147,245	144,817	2.36%
Wastewater Surcharge	-	-	-	11,548,122	11,548,122	10,235,935	1,312,187	12.82%
Chilled water	-	-	-	(7,123)	(7,123)	(4,144,344)	(215,010)	0.00%
Operating Transfer	5,630,004	(5,630,004)	-	-	-	-	-	0.00%
Less: Uncollectible Accounts	(1,307,713)	(1,559,004)	(1,485,514)	-	(4,359,354)	(4,144,344)	(215,010)	5.19%
Total operating revenues	185,037,592	190,913,150	234,965,146	11,540,999	622,456,887	613,736,930	8,719,955	1.42%
NON-OPERATING REVENUES								
Interest earned and miscellaneous	2,384,243	2,264,094	2,708,920	162,590	7,519,847	5,469,820	2,050,027	37.48%
Interest earned on Project Fund	108,776	145,324	366,736	4,453	625,289	142,500	482,789	338.80%
Other financing sources (draw on equity)	1,400,000	-	-	-	1,400,000	1,400,000	-	0.00%
Total non-operating revenues	3,893,019	2,409,418	3,075,656	167,043	9,545,136	7,012,320	2,532,816	36.12%
CAPITAL CONTRIBUTIONS								
Capital Recovery and Service Extension Fees	24,719,043	19,892,742	23,378,991	-	67,990,776	57,029,165	10,961,611	19.22%
Grant revenue	-	3,865,993	-	-	3,865,993	-	3,865,993	0.00%
Total capital contributions	24,719,043	23,758,735	23,378,991	-	71,856,769	57,029,165	14,827,604	26.00%
TOTAL SOURCES OF FUNDS	\$ 213,649,654	\$ 217,081,303	\$ 261,419,793	\$ 11,708,042	\$ 703,858,792	\$ 677,778,415	\$ 26,080,377	3.85%
USES OF FUNDS								
OPERATION AND MAINTENANCE*								
Salaries and fringe benefits	28,628,114	51,282,882	61,410,648	1,477,060	142,798,704	147,992,273	5,193,569	3.51%
Contractual services	84,751,498	33,917,046	46,627,304	5,549,025	170,844,873	175,318,108	4,473,235	2.55%
Materials and supplies	1,519,073	8,212,903	11,941,705	355,098	22,028,779	22,306,355	277,576	1.24%
Other charges	2,363,951	3,897,920	5,710,007	297,617	12,269,495	10,310,766	(1,958,729)	-19.00%
Capitalized cost	(5,227,226)	(12,926,652)	(14,356,207)	(187,621)	(32,697,706)	(42,250,945)	(9,553,239)	22.61%
Intercompany transfers	2,947	(6,830)	(1,609)	-	(5,492)	-	5,492	0.00%
Total operation and maintenance	112,038,357	84,377,269	111,331,848	7,491,179	315,238,653	313,676,556	(1,562,097)	-0.50%
OPERATING RESERVE REQUIREMENT								
Debt Requirements	370,982	593,042	(398,218)	(46,940)	518,866	2,836,605	2,317,739	81.71%
Revenue Bonds:								
Interest costs	22,630,035	36,254,957	42,379,639	961,122	102,225,753	114,482,813	12,257,060	10.71%
Retirement of bonds	24,041,513	25,647,330	30,930,123	666,967	81,285,933	82,756,665	1,470,732	1.78%
Subordinate lien debt:								
Interest cost	1,906,766	299,454	704,566	446,157	3,356,943	5,991,559	2,634,616	43.97%
Retirement of bonds	1,987,074	312,065	734,248	464,946	3,498,333	4,250,002	751,669	17.69%
Net variable interest - swap	4,640	162,967	1,716	1,085	170,408	-	(170,408)	100.00%
Commercial paper notes	69,640	605,522	95,616	-	770,778	708,190	(62,588)	-8.84%
Other Debt Expense	558,543	1,092,268	409,449	60,321	2,120,581	2,357,989	237,408	10.07%
Total debt requirements	51,198,211	64,374,563	75,255,357	2,600,598	193,428,729	210,547,218	17,118,489	8.13%
TRANSFER TO THE CITY'S GENERAL FUND								
AMOUNT AVAILABLE FOR R&R FUNDS:	3,591,902	3,942,905	6,377,807	315,692	14,228,306	13,870,138	(358,168)	-2.58%
INTEREST ON PROJECT & R&R FUNDS								
CAPITAL RECOVERY AND SERVICE EXT. FEES	108,776	145,324	366,736	4,453	625,289	142,500	482,789	338.80%
GRANT REVENUE	24,719,043	19,692,742	23,378,991	-	67,990,776	57,029,165	10,961,611	19.22%
GENERAL	21,622,383	39,889,465	45,107,272	1,343,060	107,962,180	79,676,233	3,865,993	100.00%
Total amount available for R&R Funds	46,450,202	63,793,524	68,652,989	1,347,513	180,444,238	136,847,898	28,285,947	35.50%
TOTAL USES OF FUNDS	\$ 213,649,654	\$ 217,081,303	\$ 261,419,793	\$ 11,708,042	\$ 703,858,792	\$ 677,778,415	\$ 26,080,377	3.85%

*Excludes non-cash portion of GASB 45 expense

San Antonio Water System
CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS - WATER SUPPLY
 Month ended December 2016

	Water Resources		Recycle Water System		Conservation		Stormwater System		Total System		Budget Current Allotments		Favorable (Unfavorable)		Variance		
	\$		\$		\$		\$		\$		\$						
SOURCES OF FUNDS																	
OPERATING REVENUES																	
Water Resources - Misc.	412,850								412,850		114,073		298,777		261,92%		
Water Supply Fee	10,740,021							10,740,021		10,112,110		627,911		6.21%			
EAA Fee	2,165,061		429,476					2,165,061		1,969,269		295,792		15.82%			
Recycled water system										401,724		27,752		6.91%			
Stormwater							412,347		412,347		379,855		32,492		8.55%		
Metered Water - Conservation	(101,563)				834,801				834,801		729,609		105,192		14.42%		
Affordability Discount Program	469,167							(101,563)		(62,354)		(39,209)		-62.88%			
Operating Transfer	(119,240)		(3,547)					(119,240)		469,167		4		0.00%			
Less: Uncollectible Accounts					(6,448)				(6,448)		(110,816)		(18,419)		16.62%		
Total operating revenues	13,566,296		429,929		828,353		412,347		15,232,925		13,902,633		1,330,292		9.57%		
NON-OPERATING REVENUES																	
Interest earned and miscellaneous	132,420		3,623						136,043		170,724		(34,681)		-20.31%		
Interest earned on Project Fund & R&R Funds	4,274							4,274		7,090		(2,816)		-38.72%			
Total non-operating revenues	136,694		3,623					140,317				(37,497)		-21.09%			
CAPITAL CONTRIBUTIONS																	
Capital Recovery Fees	2,517,554								2,517,554		1,162,050		1,355,504		116.65%		
Total capital contributions	2,517,554								2,517,554		1,162,050		1,355,504		116.65%		
TOTAL SOURCES OF FUNDS	\$ 16,220,544		\$ 429,552		\$ 828,353		\$ 412,347		\$ 17,890,796		\$ 15,242,497		\$ 2,648,299		17.37%		
USES OF FUNDS																	
OPERATION AND MAINTENANCE*																	
Salaries and fringe benefits	1,554,248		72,593		357,639		257,375		2,241,855		2,588,030		346,175		13.38%		
Contractual services	6,292,399		86,478		1,819,687		143,287		8,341,851		8,527,838		185,987		2.18%		
Materials and supplies	255,626		21,440		9,374		28,052		314,492		198,925		(115,567)		-58.10%		
Other charges	330,367		19,678		91,534		46,134		487,713		168,098		(319,615)		0.00%		
Capitalized cost	31,664		44,734		(152)		(1,047)		75,199		(590,562)		(665,761)		112.73%		
Total operation and maintenance	8,464,304		244,923		2,278,082		473,801		11,461,110		10,892,329		(568,781)		-5.22%		
OPERATING RESERVE REQUIREMENT																	
DEBT REQUIREMENTS																	
Revenue Bonds											184,497		184,497		100.00%		
Interest costs	1,592,849		285,181						1,878,030		1,952,364		74,334		3.81%		
Retirement of bonds	1,308,574		678,398						1,986,972		1,986,993		21		0.00%		
Subordinate lien debt																	
Interest costs	152,775		16,046						168,821		174,617		5,796		3.32%		
Retirement of bonds	152,063		15,971						168,034		168,038		4		0.00%		
Net variable interest - swap	(1,355)		(142)						(1,497)				1,497		100.00%		
Commercial Paper Notes	12,138												(2,405)		-24.71%		
Other Debt Expense	27,319		16,205						45,524		46,639		1,115		2.39%		
Total debt requirements	3,244,363		1,013,659						4,258,022		4,338,384		80,362		1.85%		
TRANSFER TO THE CITY'S GENERAL FUND																	
AMOUNT AVAILABLE FOR R&R FUNDS:																	
INTEREST ON PROJECT & R&R FUNDS	4,274								4,274		7,090		(2,816)		-39.72%		
CAPITAL RECOVERY FEES	2,517,554								2,517,554		1,162,050		1,355,504		116.65%		
General	1,722,262		(832,876)		(1,472,095)		(61,454)		(644,163)		(1,614,261)		970,098		-60.10%		
Total amount available for R&R Funds	4,244,090		(832,876)		(1,472,095)		(61,454)		1,877,665		(445,121)		2,322,786		-521.83%		
TOTAL USES OF FUNDS	\$ 16,220,544		\$ 429,552		\$ 828,353		\$ 412,347		\$ 17,890,796		\$ 15,242,497		\$ 2,648,299		17.37%		

*Excludes non-cash portion of GASB 45 expense

San Antonio Water System
CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS - WATER SUPPLY
 Twelve months ended December 2016

SOURCES OF FUNDS	Water Resources		Recycle Water System		Conservation		Stormwater System		Total System		Budget		Variance
											Current Allotments	Favorable (Unfavorable)	
OPERATING REVENUES													
Water Resources - Misc.	2,063,272	\$	-	\$	-	-	-	-	2,063,272	\$	1,368,821	\$ 694,451	50.73%
Water Supply Fee	132,568,448	-	-	-	-	-	-	-	132,568,448	-	137,725,006	(5,156,558)	-3.74%
EAA Fee	25,512,679	-	-	-	-	-	-	-	25,512,679	-	24,467,436	1,045,243	4.27%
Recycled water system	-	5,690,846	-	-	-	-	-	-	5,690,846	-	5,238,306	452,540	8.64%
Stormwater	-	-	-	4,966,660	-	-	-	4,966,660	4,966,660	-	4,558,326	408,334	8.96%
Metered Water - Conservation	(728,535)	-	-	-	10,641,931	-	-	-	10,641,931	-	9,811,858	830,073	8.46%
Metered Discount Program	5,630,004	-	-	-	-	-	-	-	(728,535)	-	5,630,000	4	0.00%
Operating Transfer	(1,210,956)	-	(34,202)	-	(62,555)	-	-	-	(1,307,713)	-	(1,381,326)	73,613	5.33%
Less - Uncollectible Accounts													
Total operating revenues	163,834,912		5,656,644		10,579,376		4,966,660		185,037,592		186,670,179	(1,632,587)	-0.87%
NON-OPERATING REVENUES													
Interest earned and miscellaneous	2,330,887		35,375		12,214		5,767		2,384,243		2,048,600	335,643	16.38%
Interest earned on Project Fund & R&R Funds	108,776		-		-		-		108,776		85,135	23,641	100.00%
Other financing sources (draw on equity)	1,400,000		-		-		-		1,400,000		1,400,000	-	0.00%
Total non-operating revenues	3,839,663		35,375		12,214		5,767		3,893,019		3,533,735	359,284	10.17%
CAPITAL CONTRIBUTIONS													
Capital Recovery Fees	24,719,043		-		-		-		24,719,043		16,246,016	8,473,027	52.15%
Total capital contributions	24,719,043		-		-		-		24,719,043		16,246,016	8,473,027	52.15%
TOTAL SOURCES OF FUNDS	\$ 192,393,618	\$	5,692,019	\$	10,591,590	\$	4,972,427	\$	213,649,654	\$	206,449,930	\$ 7,199,724	3.49%
USES OF FUNDS													
OPERATION AND MAINTENANCE*													
Salaries and fringe benefits	20,708,760		1,023,327		4,000,115		2,895,912		28,628,114		30,118,959	(1,490,845)	4.95%
Contractual services	78,741,555		899,405		4,001,024		1,109,514		84,751,498		91,253,058	6,501,560	7.12%
Materials and supplies	1,180,487		122,820		79,576		136,180		1,519,073		2,105,745	586,672	27.86%
Other charges	1,636,676		114,212		400,267		212,796		2,363,951		1,992,987	(370,964)	100.00%
Capitalized cost	(4,974,863)		(235,139)		(2,288)		(14,936)		(5,227,226)		(7,367,964)	(2,140,738)	29.05%
Intercenter transfers	2,947		-		-		-		2,947		-	(2,947)	100.00%
Total operation and maintenance	97,295,572		1,924,625		8,478,694		4,339,466		112,038,357		118,102,784	6,064,427	5.13%
OPERATING RESERVE REQUIREMENT													
Revenue Bonds	406,939		4,388		(71,048)		30,703		370,982		2,213,968	1,842,986	83.24%
Interest costs	18,991,915		3,638,120		-		-		22,630,035		23,664,116	1,034,081	4.37%
Retirement of bonds	15,900,811		8,140,702		-		-		24,041,513		24,041,710	197	0.00%
Subordinate lien debt													
Interest costs	1,725,532		181,234		-		-		1,906,766		2,122,276	215,510	10.15%
Retirement of bonds	1,798,202		189,872		-		-		1,987,074		1,987,075	1	0.00%
Net variable interest - swap	4,199		441		-		-		4,640		-	(4,640)	100.00%
Commercial paper notes	69,640		-		-		-		69,640		116,741	47,101	40.35%
Other Debt Expense	518,614		39,929		-		-		558,543		559,657	1,114	0.20%
Total debt requirements	39,008,913		12,189,298		-		-		51,198,211		52,491,575	1,293,364	2.46%
TRANSFER TO THE CITY'S GENERAL FUND													
AMOUNT AVAILABLE FOR R&R FUNDS:	3,244,892		61,037		285,973		-		3,591,902		3,609,011	17,109	0.47%
INTEREST ON PROJECT & R&R FUNDS													
CAPITAL RECOVERY FEES	108,776		-		-		-		108,776		85,135	23,641	100.00%
GENERAL	27,609,483		(8,487,329)		1,897,971		602,258		21,622,383		16,246,016	8,473,027	52.15%
Total amount available for R&R Funds	52,437,302		(8,487,329)		1,897,971		602,258		46,450,202		30,032,592	16,417,610	54.67%
TOTAL USES OF FUNDS	\$ 192,393,618	\$	5,692,019	\$	10,591,590	\$	4,972,427	\$	213,649,654	\$	206,449,930	\$ 7,199,724	3.49%

*Excludes non-cash portion of GASB 45 expense

San Antonio Water System
OPERATION AND MAINTENANCE EXPENSE BY ACCOUNT
For the Twelve Months Ended December 31, 2016

Classification	Annual Budget	Current Month		Year to Date		Variance (Over)/Under	%
		Actual	Budget	Actual	Budget		
SALARIES AND FRINGE BENEFITS							
511100 Salaries	\$ 96,450,493	\$ 7,844,686	\$ 8,559,194	\$ 91,187,362	\$ 96,450,493	5,263,132	5.5%
511140 Overtime Pay	3,701,481	784,572	324,502	5,225,519	3,701,481	(1,524,038)	-41.2%
511150 On-Call Pay	511,201	90,567	42,904	617,133	511,201	(105,932)	-20.7%
511160 Employee Insurance	17,509,952	845,948	1,823,937	17,683,624	17,509,952	(173,672)	-1.0%
511162 Retirement	20,022,346	1,236,930	1,394,908	19,003,855	20,022,346	1,018,492	5.1%
511164 Unused Sick Leave Buyback	70,000	19,276	5,870	(21,586)	70,000	91,586	130.8%
511166 Personal Leave Buyback	950,000	0	-	846,432	950,000	103,568	10.9%
511168 Accrued Vacation leave	1,200,000	(251,415)	100,000	673,794	1,200,000	526,206	43.9%
511170 Incentive Pay	76,799	-	1,333	82,571	76,799	(5,772)	-7.5%
511175 Other Post Employment Benefits	7,500,000	625,000	625,000	7,500,001	7,500,000	(0)	0.0%
Salaries and Fringe Benefits Total	147,992,273	11,195,564	12,877,648	142,798,704	147,992,273	5,193,570	3.5%
CONTRACTUAL SERVICES							
511210 Operating Expense	1,976,338	225,696	174,290	2,119,787	1,976,338	(143,450)	-7.3%
511211 Rental of Facilities	322,406	16,007	26,867	241,558	322,406	80,848	25.1%
511212 Alarm and Security	1,133,949	614,436	94,469	1,666,210	1,133,949	(532,261)	-46.9%
511214 Uniforms and Shoe Allowance	329,493	20,826	20,993	245,809	329,493	83,684	25.4%
511216 Catering Svcs & Luncheons	92,382	10,429	7,250	94,214	92,382	(1,833)	-2.0%
511219 Conservation Programs	3,677,305	1,605,100	544,300	2,686,627	3,677,305	990,678	26.9%
511220 Maintenance Expense	13,435,223	1,732,618	1,182,875	15,870,039	13,435,223	(2,434,816)	-18.1%
511221 Street Cut Permit Admin Fee	750,629	58,120	90,590	847,171	750,629	(96,542)	-12.9%
511222 St Pave/Repair Fee	1,703,984	332,081	141,967	1,775,736	1,703,984	(71,752)	-4.2%
511223 Preventive Maintenance	76,611	5,820	6,384	135,226	76,611	(58,615)	-76.5%
511224 Corrective Maintenance	1,477,431	161,135	123,113	1,803,562	1,477,431	(326,131)	-22.1%
511225 Damage Repair	178,739	31,059	14,894	285,720	178,739	(106,981)	-59.9%
511230 Equipment Rental Charges	677,264	83,396	54,726	621,404	677,264	55,860	8.3%
511240 Travel	201,417	16,292	49,717	108,594	201,417	92,823	46.1%
511245 Training	617,710	171,127	147,442	602,321	617,710	15,389	2.5%
511247 Conferences	85,481	1,240	4,278	60,224	85,481	25,257	29.6%
511250 Memberships and Subscriptions	386,440	36,885	15,638	495,131	386,440	(108,692)	-28.1%
511260 Utilities	31,480,688	758,854	2,206,826	26,662,105	31,480,688	4,818,583	15.3%
511261 Water Options	43,231,445	3,936,695	3,684,072	46,616,170	43,231,445	(3,384,725)	-7.8%
511265 Ground Water District Pay	24,998,571	2,105,166	2,143,541	24,447,738	24,998,571	550,833	2.2%
511270 Mail and Parcel Post	2,298,376	161,354	191,301	2,112,917	2,298,376	185,459	8.1%
511280 Telemetering Charges	3,360	446	280	3,083	3,360	277	8.2%
511309 Educational Assist-Books	15,000	1,315	1,250	4,799	15,000	10,201	68.0%
511310 Educational Assistance	209,992	23,143	19,166	105,767	209,992	104,225	49.6%
511312 Contractual Prof Svcs	33,695,244	8,070,120	3,256,515	31,293,721	33,695,244	2,401,523	7.1%
511313 Inspect & Assessment Fees	1,821,599	192,215	152,605	1,790,939	1,821,599	30,660	1.7%
511314 Water Treatment Plant Svcs.	300,000	-	25,000	4,807	300,000	295,193	98.4%
511315 Temporary Employees	1,012,101	110,815	71,216	642,088	1,012,101	370,014	36.6%
511320 Legal Services	3,155,000	464,194	679,571	1,480,770	3,155,000	1,674,230	53.1%
511370 Communications	1,433,145	125,057	118,031	1,376,357	1,433,145	56,789	4.0%
511381 Software and Hardware Maintenance	4,540,783	662,461	898,975	4,644,277	4,540,783	(103,495)	-2.3%
Contractual services Total	175,318,108	21,734,103	16,148,144	170,844,872	175,318,108	4,473,236	2.6%

San Antonio Water System
OPERATION AND MAINTENANCE EXPENSE BY ACCOUNT
For the Twelve Months Ended December 31, 2016

Classification	Annual Budget	Current Month		Year to Date			%
		Actual	Budget	Actual	Budget	Variance (Over)/Under	
MATERIALS AND SUPPLIES							
511410 Small Tools	730,774	125,773	58,549	695,634	730,774	35,140	4.8%
511417 Copy and Printing Expense	41,631	7,458	4,263	17,687	41,631	23,944	57.5%
511420 Operating Materials	2,300,653	286,791	177,769	2,623,607	2,300,653	(322,954)	-14.0%
511421 Heating Fuel	50,501	3,132	4,167	15,754	50,501	34,747	68.8%
511422 Chemicals	6,407,264	640,043	564,206	6,191,853	6,407,264	215,411	3.4%
511425 Education of School Children	30,000	-	2,500	30,213	30,000	(213)	-0.7%
511426 Public Awareness-WQEE	1,000	-	85	-	1,000	1,000	100.0%
511427 Enforcement	20,000	-	5,000	-	20,000	20,000	100.0%
511428 Program Materials	1,000	-	85	12	1,000	988	98.8%
511430 Maintenance Materials	8,296,076	871,912	660,194	8,886,993	8,296,076	(590,917)	-7.1%
511440 Safety Materials & Supplies	835,211	75,283	68,873	791,755	835,211	43,455	5.2%
511441 Inventory Variances	35,000	(6,983)	-	(7,259)	35,000	42,259	120.7%
511450 Tires and Tubes	632,507	73,597	52,709	733,333	632,507	(100,825)	-15.9%
511451 Motor Fuel & Lubricants	2,924,736	287,439	189,876	2,049,184	2,924,736	875,553	29.9%
511460 Freight	-	-	-	14	-	(14)	0.0%
Materials and supplies Total	22,306,355	2,364,445	1,788,276	22,028,780	22,306,355	277,574	1.2%
OTHER CHARGES							
511510 Judgements and Claims	1,030,000	213,415	85,835	918,832	1,030,000	111,168	10.8%
511511 AL & GL Claims - Cont. Liab.	75,000	-	6,250	-	75,000	75,000	100.0%
511520 Bank Charges	20,000	18	-	2,056	20,000	17,944	89.7%
511525 Cash Short/(Over)	-	4,975	-	6,096	-	(6,096)	0.0%
511530 Employee Relations	171,049	41,864	32,534	170,100	171,049	950	0.6%
511540 Retiree Insurance	6,498,111	2,145,470	541,487	8,095,663	6,498,111	(1,597,551)	-24.6%
511570 Casualty Insurance	1,366,603	76,660	114,420	997,175	1,366,603	369,428	27.0%
511580 Unemployment Compensation	80,000	(0)	-	44,193	80,000	35,808	44.8%
511590 Workers Comp Medical	900,000	17,866	75,000	1,772,729	900,000	(872,729)	-97.0%
511610 Workers Comp Benefits	125,000	12,255	10,413	230,623	125,000	(105,623)	-84.5%
511620 WC-Misc Claims Expense	45,000	1,306	3,750	32,028	45,000	12,972	28.8%
Other charges Total	10,310,766	2,513,829	869,688	12,269,495	10,310,766	(1,958,729)	-19.0%
O&M Expense Before Capitalized Cost	355,927,501	37,807,941	31,683,757	347,941,851	355,927,501	7,985,651	2.2%
Capitalized Cost	(42,250,945)	369,779	(3,412,974)	(32,697,706)	(42,250,945)	(9,553,239)	22.6%
Intercenter Transfers	-	(8,438)	-	(5,491)	-	5,491	0.0%
Total O&M Expense	\$ 313,676,556	\$ 38,169,282	\$ 28,270,783	\$ 315,238,653	\$ 313,676,556	\$ (1,562,097)	-0.5%

SAWS INVESTMENT PORTFOLIO

December 31, 2016

Investment Type	Market Value	Book Value	Average Yield	Average Days to Maturity
Money Market Funds	118,777,468	118,777,468	0.322	1
Government Agency Securities:				
Federal Agricultural Mtg Corp	50,030,987	50,038,802	0.585	40
Federal Farm Credit Bank	23,257,690	23,271,940	0.790	285
Federal Home Loan Bank	266,265,405	266,378,603	0.635	169
Federal Home Loan Mtg. Corp.	156,495,949	156,579,653	0.578	162
Federal National Mtg. Assn.	83,463,746	83,498,736	0.673	136
Total Government Agencies	579,513,776	579,767,734	0.627	156
U. S. Treasury Securities	198,202,119	198,274,906	0.668	219
Total Investments	\$ 896,493,363	\$ 896,820,108	0.597	149

San Antonio Water System
KEY FINANCIAL RATIOS
For the Period Ended December 31, 2016

	Dec-16	Dec-15
Total Long-term Debt (a)	\$ 2,998,852,372	\$ 2,877,142,851
Total Water & Sewer Customer Connections (b)	926,165	912,430
Long-term Debt Per Connection (a)/(b)	\$3,238	\$3,153
Total Net Position	\$ 2,613,348,677	\$ 2,399,905,721
Total Liabilities & Net Position	\$ 5,990,820,742	\$ 5,645,672,451
Net Position Ratio	43.6%	42.5%
YTD Operating Revenues (c)	\$ 622,456,888	\$ 557,033,916
YTD Operating Expenses before Depreciation (d)	\$ 315,395,105	\$ 291,247,531
Cash Operating Margin ((c)-(d))/(c)	49.3%	47.7%
Rolling 12 Months		
Operating Revenues	\$ 622,456,887	\$ 557,033,915
Non-operating Revenues	8,059,483	6,079,920
Less: Revenues from CPS contract	(3,245,004)	(3,245,004)
Interest earned on Project Fund Investments	(539,636)	(465,140)
Build America Bond Subsidy	(3,785,873)	(3,689,115)
Gross Revenues	\$ 622,945,857	\$ 555,714,576
O&M Expense before Depreciation	\$ 315,395,105	\$ 291,247,261
Pledged Revenue	\$ 307,550,752	\$ 264,467,315
Debt Service - net of Build America Bond Subsidy:		
Current Year Senior Lien	\$ 79,345,504	\$ 98,588,727
Current Year Total Bonded Debt	\$ 176,727,840	\$ 172,418,520
Senior Lien Debt Coverage Ratio	3.88 x	2.68 x
Total Bonded Debt Coverage Ratio	1.74 x	1.53 x
Unrestricted Cash, including Operating Reserve	\$ 349,861,916	\$ 274,169,215
Days Cash on Hand - Rolling 12 Months of O&M	405	344
Unrestricted Working Capital, including Operating Reserve	\$ 367,093,789	\$ 298,795,353
Days Working Capital on Hand - Rolling 12 Months of O&M	425	374

San Antonio Water System
CONSTRUCTION IN PROGRESS SUMMARY - TOTAL
December 31, 2016

	<i>CIP</i> <i>Plan</i>	<i>Revised CIP</i> <i>Plan</i>	<i>Commitments</i>	<i>Commit/Plan</i> <i>Variance</i>	<i>Open Job</i> <i>Charges</i>	<i>Closed Job</i> <i>Charges</i>	<i>Commit/Charges</i> <i>Variance</i>
CIP Year: 2016							
Collection	4,432,201	3,521,071	2,614,735	906,337	1,163,348	684	1,450,703
Corporate	23,223,816	25,879,131	1,456,823	24,422,309	651,805	33,269	771,749
Governmental	52,117,030	53,099,625	40,403,577	12,696,048	27,855,459	197,744	12,350,374
Heating and Cooling	4,903,375	5,028,423	3,716,015	1,312,408	768,476	-	2,947,539
Main Replacements	103,468,163	133,791,094	118,351,200	15,439,894	9,618,789	20,217,515	88,514,896
Production	25,215,160	29,022,249	28,485,731	536,518	1,416,314	-	27,069,417
Treatment	4,687,680	7,204,054	1,131,410	6,072,643	416,520	-	714,891
Water Resources	29,140,512	29,537,512	4,600,108	24,937,404	254,001	2,270	4,343,837
Plant Contributions	-	-	-	-	15,675	75,735,976	(75,751,651)
Less Contributions - Plant	-	-	-	-	-	(75,735,976)	75,735,976
Subtotal	247,187,939	287,083,160	200,759,599	86,323,561	42,160,387	20,451,482	138,147,730
CIP Year: 2015							
Collection	1,424,640	2,348,228	2,348,228	-	391,385	1,391,899	564,944
Corporate	2,932,604	4,100,943	1,675,164	2,425,780	1,384,915	261,914	28,335
Governmental	54,942,932	56,672,617	56,672,577	40	31,972,067	11,686,675	13,013,835
Heating and Cooling	2,585,000	2,129,756	2,129,206	550	53,987	2,007,124	68,095
Main Replacements	106,176,875	89,393,485	89,361,648	31,837	12,323,792	35,049,637	41,988,219
Production	24,007,372	23,211,209	17,321,605	5,889,605	3,532,830	-	13,788,775
Recycle	1,500,000	206,872	206,872	-	27,900	-	178,972
Treatment	26,740,000	27,180,590	25,541,098	1,639,492	3,532,570	1,533,592	20,474,935
Water Resources	15,919,200	16,057,046	8,983,852	7,073,195	3,545,477	3,622	5,434,753
Plant Contributions	-	-	-	-	-	78,942,508	(78,942,508)
Less Contributions - Plant	-	-	-	-	-	(78,942,508)	78,942,508
Subtotal	236,228,623	221,300,747	204,240,249	17,060,498	56,764,923	51,934,464	95,540,863
CIP Year: 2014							
Collection	2,291,286	2,488,393	2,488,393	-	405,561	1,432,419	650,414
Corporate	14,932,117	16,276,731	15,063,077	1,213,654	14,051,297	-	1,011,780
Distribution	11,751,106	7,558,818	7,558,818	-	2,641,880	332,478	4,584,460
Governmental	49,111,947	36,918,055	36,918,055	-	11,601,724	14,182,227	11,134,104
Heating and Cooling	2,837,500	3,319,964	3,319,964	-	232,176	2,493,494	594,294
Main Replacements	116,162,835	95,168,914	91,533,921	3,634,993	20,727,292	36,775,726	34,030,903
Production	40,397,274	46,301,167	46,301,167	-	36,285,895	92,457	9,922,815
Recycle	3,661,505	22,372	22,372	-	17,203	1,384	3,784
Treatment	14,826,674	17,866,750	17,866,750	-	5,967,469	2,287,733	9,611,548
Water Resources	157,029,479	118,545,322	118,545,322	-	29,105,598	77,983,109	11,456,615
Plant Contributions	-	-	-	-	-	49,755,661	(49,755,661)
Less Contributions - Plant	-	-	-	-	-	(49,755,661)	49,755,661
Subtotal	413,001,723	344,466,486	339,617,840	4,848,647	121,036,095	135,581,027	83,000,717
CIP Year: 2013							
Collection	18,318,945	15,201,372	15,201,372	-	452,095	7,771,754	6,977,522
Corporate	17,740,525	21,007,046	19,730,450	1,276,596	14,058,040	3,158,960	2,513,450
Distribution	6,959,628	9,065,726	9,065,726	-	1,692,342	5,892,612	1,480,771
Governmental	40,488,064	47,762,749	47,762,749	-	21,299,789	19,830,446	6,632,515
Heating and Cooling	6,170,296	8,796,242	8,796,242	-	31,966	8,764,276	-
Main Replacements	109,676,441	99,751,657	99,751,657	-	20,835,281	75,227,433	3,688,943
Production	29,017,588	44,033,849	44,033,849	-	29,619,472	11,907,053	2,507,324
Recycle	2,749,583	489,351	489,351	-	299,503	81,037	108,811
Treatment	16,901,070	18,851,103	18,851,103	-	645,604	16,080,312	2,125,187
Water Resources	116,151,842	144,847,692	144,847,692	-	130,945,175	19,843,992	(5,941,475)
Plant Contributions	-	-	-	-	1,368	36,776,404	(36,777,772)
Less Contributions - Plant	-	-	-	-	-	(36,776,404)	36,776,404
Subtotal	364,173,981	409,806,787	408,530,192	1,276,596	219,880,636	168,557,875	20,091,681

Thursday, January 26, 2017

8:29:07AM

All 2012 to current year construction in progress budgets, commitments and charges for the former SAWS - DSP are now combined with SAWS Water Delivery and Summary reports

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San Antonio Water System
CONSTRUCTION IN PROGRESS SUMMARY - TOTAL
December 31, 2016

	<i>CIP</i>	<i>Revised CIP</i>	<i>Commit/Plan</i>	<i>Open Job</i>	<i>Closed Job</i>	<i>Commit/Charges</i>
	<i>Plan</i>	<i>Plan</i>	<i>Commitments</i>	<i>Variance</i>	<i>Charges</i>	<i>Charges</i>
						<i>Variance</i>
CIP Year: 2012						
Collection	62,364,897	66,560,365	66,560,365	-	953,503	2,078,924
Corporate	9,717,570	12,940,012	12,940,012	-	9,367,901	230,181
Distribution	13,877,809	12,075,280	12,075,280	-	2,199,369	345,770
Governmental	40,376,635	37,314,574	37,314,574	-	824,966	5,010,963
Heating and Cooling	115,000	1,043,202	1,043,202	-	33,661	30,683
Main Replacements	34,943,446	29,990,460	29,990,460	-	711,583	672,239
Production	17,571,549	20,394,529	20,394,529	-	5,645,879	4,119
Recycle	3,631,496	2,725,575	2,725,575	-	12,354	59,175
Treatment	21,802,396	10,068,068	10,068,068	-	156,834	96,823
Water Resources	35,616,325	33,402,778	33,402,778	-	9,541,470	12,453,561
Plant Contributions	-	-	-	-	-	(47,132,197)
Less Contributions - Plant	-	-	-	-	-	(47,132,197)
Subtotal	240,017,124	226,514,844	226,514,844	-	29,447,519	20,982,438
Carryover Program						
South Bexar County	1,680,096	-	-	-	-	-
Building	7,795,937	55,490,425	55,490,425	-	-	(1)
Collection	291,017,820	214,891,944	214,891,944	-	7,130,231	1,537,700
Corporate	88,189,690	43,759,304	43,759,303	-	4,392,495	389,663
Distribution	139,317,610	142,343,822	142,343,822	-	1,096,164	2,312,217
Governmental	461,834,468	380,214,357	380,214,358	-	1,395,750	10,909,463
Heating and Cooling	22,412,505	13,985,917	13,985,917	-	-	-
Land	2,200,000	-	-	-	-	-
Main Replacements	375,920,421	358,289,080	358,289,080	-	9,279,966	1,562,746
Miscellaneous	5,743,107	2,317,152	2,317,152	-	-	-
Production	143,206,855	175,278,035	175,278,035	-	829,975	1,054,255
Recycle	134,585,455	150,183,582	150,183,582	-	516,402	385,815
Treatment	257,333,945	248,434,527	248,434,527	-	19,549,530	613,807
Water Resources	975,300,282	725,759,158	725,759,158	-	58,436,476	7,906,480
Plant Contributions	-	-	-	-	-	(613,984,681)
Less Contributions - Plant	-	-	-	-	-	(613,984,681)
Subtotal	2,906,538,191	2,510,947,304	2,510,947,304	-	102,626,990	26,672,145
Total	4,407,147,581	4,000,119,329	3,890,610,028	109,509,301	571,916,549	384,435,573

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All 2012 to current year construction in progress budgets, commitments and charges for the former SAWS - DSP are now combined with SAWS Water Delivery and Summary reports

**SAN ANTONIO WATER SYSTEM
STATISTICAL DATA**

		December	
		2016	2015
Rainfall-Inches			
Current Month			
	Actual	6.2	1.5
	Normal	1.9	1.9
	Percent Above(Below) Normal	Over 100 %	(23) %
Year to Date			
	Actual	43.9	44.2
	Normal	32.3	32.3
	Percent Above(Below) Normal	36 %	37 %
	Number of days with rain	10	3
SAWS Pumping Data (Million Gallons)			
SAWS Total Water Pumpage - Month		5,678	7,047
	Water Pumpage for injection to Twin Oaks ASR	-	1,222
	Water Pumpage for Consumption (includes water produced from ASR)	5,678	5,825
SAWS Billed Water Usage (Domestic and Irrigation)*		5,213	4,943
Customers			
SAWS			
Number of connections (billed accounts) - WATER		488,705	482,821
Number of connections (billed accounts) - WASTEWATER		437,460	429,609
Infrastructure In Service, Cumulative			
Water - Miles of Main		6,951	6,831
Wastewater - Miles of Main		5,375	5,322
Manholes		105,346	103,874
Fire Hydrants		39,921	38,460
Edwards Reservoir Level			
High		687.5	666.9
Low		679.4	664.9
End of Month		685.4	666.7

* Represents customers' metered usage. Billed water usage lags water pumped each month by an average of 2 -3 weeks.