

# San Antonio Water System

## *CONDENSED MONTHLY FINANCIAL REPORT February 2016*



San Antonio, Texas

## CONDENSED MONTHLY FINANCIAL REPORT SAN ANTONIO WATER SYSTEM FEBRUARY 29, 2016

Attached is the monthly financial report of the San Antonio Water System (SAWS) for the month ended February 29, 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 \$13.3 million during the month.
- Operating revenues for the month of \$45.6 million were \$.2 million favorable to budget and \$4.3 million more than a year ago.
- Operating expenses before depreciation for the month of \$20.1 million were \$3.7 million favorable to budget and \$.4 million less than the prior year.
- Net interest expense was \$1.5 million favorable to budget for the month and \$.6 million less than the prior year.
- SAWS' net income before capital contributions for the month of \$3.9 million was \$4.5 million favorable to budget and \$5.2 million favorable to the loss in February 2015.
- Capital contributions for the month were \$9.4 million compared to the budget of \$9.5 million and \$11.9 million in February 2015.

### OVERALL FINANCIAL CONDITION

		February 29, 2016
<i>(\$ in thousands)</i>		
Assets	\$	5,586,539
Deferred Outflows of Resources		84,009
Liabilities		(3,232,945)
Deferred Inflows of Resources		(6,784)
Net Position	\$	2,430,819
Net Investment in Capital Assets	\$	2,122,749
Restricted for Debt Service		69,246
Reserve Fund		58,021
Operating Reserve		52,279
Unrestricted		128,523
Net Position	\$	2,430,819

During the month, SAWS' total assets and deferred outflows of resources increased \$24.2 million due to increases in unrestricted cash & investments and deferred outflows of resources associated with the loss on bond refunding. Liabilities and deferred inflows of resources increased \$10.8 million primarily due to increases in deferred revenues associated funds received from the Edwards Aquifer Authority for leak repairs and bond interest payable.

For the month, net income before capital contributions of \$3.9 million was \$4.5 million favorable to budget and \$5.2 million favorable to the loss in February 2015. Capital contributions of \$9.4 million combined with net income resulted in a \$13.3 million increase in net position for the month.

Working capital totaled \$301.7 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 42.9% at February 29, 2016, 42.8% at January 31, 2016 and 40.6% at February 28, 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 in February 2016.

Debt Coverage Ratios			
	2/29/2016	1/31/2016	2/28/2015
Current Year Debt Service - Senior Lien Debt	3.50	2.85	2.79
Current Year Debt Service - Total Debt	1.53	1.47	1.58

As of February 29, 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.

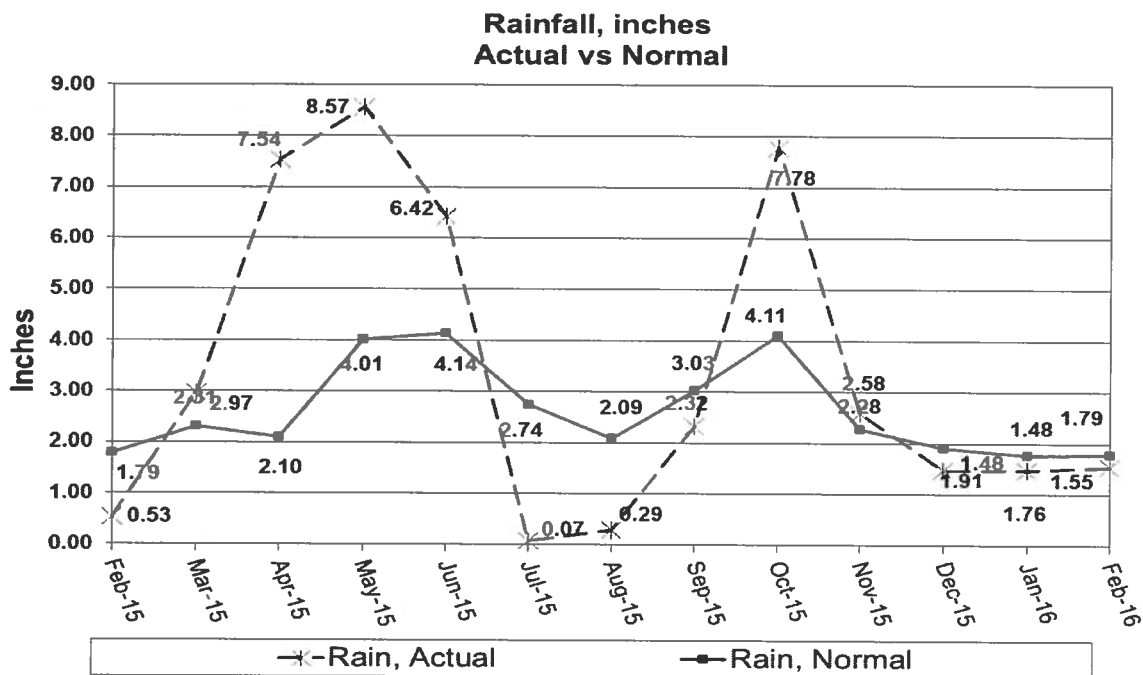
## RESULTS OF OPERATIONS

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

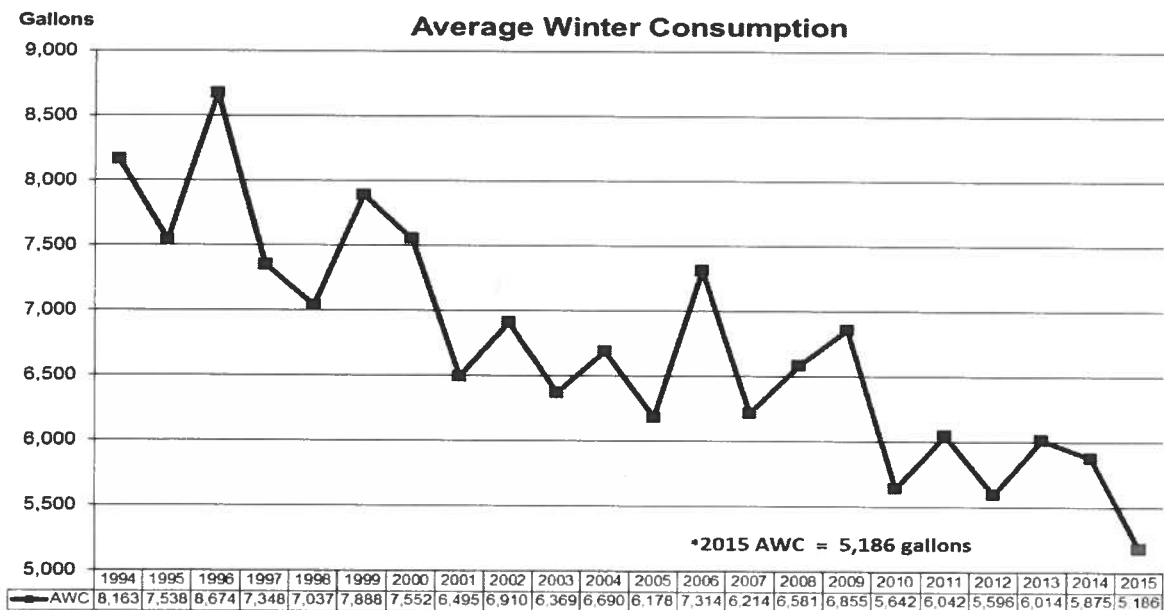
(\$ in thousands)	February-16		Fav (Unfav)	February-15	Fav (Unfav)
	Actual	Budget*	Variance To Budget	Actual	Variance To Prior Year
Operating Revenues					
Water Supply System	\$ 12,550	\$ 12,655	\$ (105)	\$ 11,234	\$ 1,316
Water Delivery System	13,638	13,524	114	11,316	2,322
Wastewater System	18,599	18,418	181	18,001	597
Chilled Water and Steam System	814	775	39	761	53
Total operating revenues	45,601	45,372	229	41,313	4,288
Operating Expenses Before Depreciation	20,080	23,755	3,675	20,460	380
Depreciation Expense	11,388	12,168	780	11,219	(168)
Total operating expenses	31,468	35,923	4,455	31,680	212
Operating Income	14,133	9,449	4,684	9,633	4,500
Miscellaneous Revenues	11	-	11	6	5
Investment income	261	139	122	205	56
Interest Expense	7,429	8,763	1,334	7,987	558
Payments to the City of San Antonio	1,030	1,044	14	953	(77)
Other Non-operating Expense	2,005	356	(1,649)	2,151	146
Net Income (Loss) Before Capital Contributions	3,940	(577)	4,517	(1,247)	5,187
Capital Recovery Fees	4,187	4,497	(310)	4,647	(460)
Plant Contributions	5,207	5,000	207	7,224	(2,017)
Total Contributions	9,394	9,497	(103)	11,871	(2,477)
Change in Net Position	\$ 13,334	\$ 8,920	\$ 4,414	\$ 10,623	\$ 2,710

\*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 February 2016 were \$.2 million favorable to budget and \$4.3 million more than February 2015. Water delivery and supply revenues of \$26.2 million were comparable to budget and \$3.6 million more than February 2015. Billed water usage for the month was approximately 1% more than budget and 8.3% more than a year ago. An average rate adjustment of 9.6% for water charges went into effect on January 1, 2016, contributing to the increase in water related revenues from the prior year. However, water rates were not adjusted for customers in the former District Special Project service area.



Wastewater revenue for the month of \$18.6 million was \$.2 million favorable to budget and \$.6 million more than the prior year. An average rate adjustment of 5.3% for sewer charges went into effect on January 1, 2016. Residential customers are billed for sewer service based on their Average Winter Consumption (AWC). The current AWC for all residential customers of 5,186 gallons is the lowest in SAWS history as a result of rainfall during the winter of 2015. A new AWC will be go into effect in April 2016.



Operating expenses before depreciation were \$3.7 million favorable to budget for the month and \$.4 million less than a year ago. The favorable variance to budget is primarily due the timing of certain contractual services and maintenance expenses as well as favorable variances in utilities. The unfavorable variance to last year is primarily due the timing of certain contractual services.

Investment income for the month was \$.1 million favorable to budget and \$.1 million more than February 2015. The yield on SAWS investment portfolio was .39% for the month compared to the budgeted yield of .35% and .15% earned on the portfolio a year ago. While investment balances are more than budget for the month, balances have decreased 18% from a year ago as a result of capital spending.

Interest expense for the month was \$1.3 million favorable to budget and \$.6 million less than February 2015. The conservative nature of the budgeting process, which ensures that current rates are sufficient to support the current year's construction program, along with savings achieved from bond refinancings contributed to the favorable variance from budget.

In February 2016, capital contributions included \$4.2 million in impact fees and \$5.2 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 (February 2015 - February 2016) and 1.7% for the preceding 12 month period (February 2014 – February 2015).

## CASH FLOWS

Cash and cash equivalents decreased \$17.3 million during February 2016. Cash inflows during the month included \$34.9 million from operations and \$4.2 million in proceeds from developers. Cash outflows for the month consisted primarily of \$43.4 million spent on the acquisition and construction of property, plant and equipment, \$6 million associated with the refunding of District Special Project debt and a portion of SAWS 2007 bonds and \$2.3 million in investment activity.

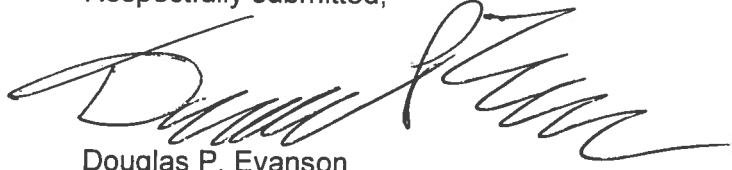
The following table summarizes the Capital Improvement Programs (CIP) from 2014 through 2016. In order to fully execute the planned CIP, SAWS is projected to award \$347.4 million in additional capital contracts. Additionally, outstanding commitments on awarded contracts total \$367.4 million at February 29, 2016.

<i>(\$ in millions)</i>	<b>Original</b>	<b>Revised</b>		<b>%</b>
<b>Plan Year</b>	<b>Plan</b>	<b>Plan</b>	<b>Commitments</b>	<b>Committed</b>
CY2016	\$ 247.2	\$ 247.2	\$ 12.4	5.0%
CY2015	236.2	223.7	150.2	67.1%
CY2014	413.0	358.5	320.6	89.4%
	<u>\$ 896.4</u>	<u>\$ 829.4</u>	<u>\$ 483.2</u>	58.3%

## 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  
February 29, 2016**

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**San Antonio Water System  
STATEMENT OF NET POSITION  
February 29, 2016**

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

<b>CURRENT ASSETS</b>	<b>2016</b>	<b>2015<sup>1</sup></b>
Cash and cash equivalents	\$ 111,547,720	\$ 89,075,622
Investments	113,290,101	124,345,603
Accrued interest receivable	1,250,134	920,953
Accounts receivable - net of allowance for uncollectable accounts of \$5,655,110 and \$4,169,481 respectively	72,872,869	75,376,735
Inventory - materials and supplies	5,303,074	6,180,193
Prepaid expenses	7,729,834	7,290,578
Interfunds - Other Funds	-	-
Total current unrestricted assets	311,993,732	303,189,684
 <b>RESTRICTED ASSETS</b>		
Debt Service Fund		
Cash and Cash Equivalents	6,099,181	8,367,962
Investments	92,588,924	85,602,757
Construction Funds		
Investments	20,425,383	11,573,499
Customers' deposits - System Fund	12,642,794	11,732,395
Operating Reserve - System Fund	52,279,428	45,799,642
Total current restricted assets	184,035,710	163,076,255
Total current assets	496,029,442	466,265,939
 <b>NONCURRENT ASSETS</b>		
Restricted Noncurrent Assets		
Reserve fund:		
Cash and cash equivalents	214,062	9,763,563
Investments	87,517,491	83,373,002
Construction funds:		
Cash and cash equivalents	151,553,536	231,302,540
Investments	176,960,779	310,655,907
 <b>CAPITAL ASSETS</b>		
Utility plant in service	5,689,216,595	5,414,278,502
Less allowance for depreciation	1,883,248,340	1,744,971,542
	3,805,968,255	3,669,306,960
Land, water rights and other intangible assets	349,250,035	348,613,225
Construction in Progress	519,045,029	366,769,254
Total capital assets	4,674,263,319	4,384,689,439
<b>TOTAL ASSETS</b>	5,586,538,629	5,486,050,390
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Loss on bond refunding	47,622,271	33,285,281
Deferred outflows - pensions	16,081,727	14,474,392
Derivative Instrument	20,304,712	16,872,065
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	84,008,710	64,631,738
<b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	\$ 5,670,547,339	\$ 5,550,682,128



**San Antonio Water System**  
**STATEMENT OF NET POSITION - continued**  
**February 29, 2016**

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION**

	<b>2016</b>	<b>2015<sup>1</sup></b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 27,191,122	\$ 25,372,917
Sewer service collections payable	1,008,154	962,038
Accrued vacation pay	5,332,067	5,386,700
Accrued payroll and benefits	4,247,960	3,727,020
Accrued claims payable	2,489,243	2,979,400
Accrued stormwater services	3,279,209	2,879,543
Health Insurance Payable	1,862,645	4,440,861
Sundry payables and deferred income	7,862,010	3,384,684
Total current unrestricted liabilities	53,272,410	49,133,163
 <b>LIABILITIES PAYABLE FROM RESTRICTED FUNDS</b>		
Debt Service Fund		
Accrued interest payable	29,442,301	29,813,114
Construction funds:		
Contract retainage payable	17,301,543	9,723,212
Sundry payables	3,123,840	1,850,287
Customers' deposits	12,642,794	11,732,395
Revenue bonds payable within one year	78,570,000	71,665,000
Total current restricted liabilities	141,080,478	124,784,008
Total current liabilities	194,352,888	173,917,171
 <b>LONG-TERM LIABILITIES</b>		
Accrued vacation payable	3,420,424	3,727,866
Long-term unfunded post-retirement obligations	79,711,488	83,171,209
Net pension liability	42,585,154	50,240,243
Derivative Instrument	24,509,764	21,450,501
Commercial paper notes	224,005,000	217,250,000
Revenue bonds payable after one year	2,501,894,998	2,600,990,911
Unamortized premium	165,037,631	147,282,771
Less unamortized discount	(2,572,847)	(2,829,337)
Total long-term liabilities	3,038,591,612	3,121,284,164
Total Liabilities	3,232,944,500	3,295,201,335
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows - pensions	6,783,933	-
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS OF RESOURCES</b>	3,239,728,433	3,295,201,335
 <b>NET POSITION</b>		
Restricted:		
Reserved for Debt Service	69,245,804	64,157,605
Reserve Fund	58,021,024	60,833,102
Net Investment in Capital Assets	2,122,749,436	1,967,546,157
Operating Reserve	52,279,428	45,799,642
Total Restricted Equity	2,302,295,692	2,138,336,506
Unrestricted Net Position	128,523,214	117,144,287
<b>TOTAL NET POSITION</b>	\$ 2,430,818,906	\$ 2,255,480,793

<sup>1</sup> 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  
Two months ended February 2016**

	2016 YTD Actual	2016 YTD Budget <sup>1</sup>	2015 YTD Actual <sup>2</sup>	Variance	
				To Budget	To Prior Year
<b>Operating revenues:</b>					
Water Resources - Misc.	\$ 215,517	\$ 228,136	\$ 208,912	\$ (12,619)	\$ 6,605
Water Supply Fee	19,765,201	20,458,072	18,300,472	(692,871)	1,464,729
EAA/TCEQ Fee	4,350,809	3,994,829	3,319,134	355,980	1,031,675
Recycle Water	920,072	786,054	736,524	134,018	183,548
Stormwater	824,390	759,722	799,473	64,668	24,917
Metered Water	27,655,600	28,471,591	25,154,201	(815,991)	2,501,399
Conservation Metered Water	1,375,101	1,409,209	1,228,101	(34,108)	147,000
Wastewater service charges	37,671,020	37,353,976	36,304,479	317,044	1,366,541
Chilled water and steam	1,610,129	1,549,606	1,531,349	60,523	78,780
Less Uncollectible accounts	(805,638)	(639,754)	(665,290)	(165,884)	(140,348)
<b>Total operating revenues</b>	<b>93,582,201</b>	<b>94,371,441</b>	<b>86,917,355</b>	<b>(789,240)</b>	<b>6,664,846</b>
<b>Operating expenses:</b>					
Salaries and fringe benefits	21,908,022	23,196,354	22,273,030	1,288,332	365,008
Contractual services	19,511,400	26,257,453	18,949,202	6,746,053	(562,198)
Materials & supplies	2,520,181	3,714,609	2,827,687	1,194,428	307,506
Other charges	1,583,987	1,800,238	1,830,694	216,251	246,707
Capitalized cost	(5,430,752)	(6,923,772)	(5,807,708)	(1,493,020)	(376,956)
Intercompany transfers	-	-	51,054	-	51,054
Total operating expenses before depreciation	40,092,838	48,044,882	40,123,959	7,952,044	31,121
Depreciation expense	23,213,583	24,165,023	22,155,043	951,440	(1,058,540)
<b>Total operating expenses</b>	<b>63,306,421</b>	<b>72,209,905</b>	<b>62,279,002</b>	<b>8,903,484</b>	<b>(1,027,419)</b>
<b>Operating income (loss)</b>	<b>30,275,780</b>	<b>22,161,536</b>	<b>24,638,353</b>	<b>8,114,244</b>	<b>5,637,427</b>
<b>Non-operating revenues:</b>					
Miscellaneous revenue	28,311	-	18,291	28,311	10,020
Interest earned	507,659	277,083	394,331	230,576	113,328
Gain/(Loss) on Investments	-	-	-	-	-
<b>Total non-operating revenues</b>	<b>535,970</b>	<b>277,083</b>	<b>412,622</b>	<b>258,887</b>	<b>123,348</b>
<b>Non-operating expenses:</b>					
Debt issuance costs	1,749,395	299,275	3,831,133	(1,450,121)	2,081,738
Other financing charges	365,975	393,001	501,518	27,026	135,543
Interest expense:					
Revenue bonds and commercial paper	17,988,168	20,486,354	18,330,793	2,498,186	342,625
Capitalized interest	(860,880)	(776,048)	(578,647)	84,832	282,233
Amortized discount/premiums/Loss on refunding	(2,188,938)	(2,188,937)	(1,953,619)	1	235,319
Loss (gain) on sale of fixed assets	(30,316)	-	(141,756)	30,316	(111,440)
Transfers to GKDA	15,295	20,400	11,194	5,105	(4,101)
Transfers to City of San Antonio	2,113,759	2,160,689	1,985,827	46,930	(127,932)
<b>Total non-operating expenses</b>	<b>19,152,458</b>	<b>20,394,734</b>	<b>21,986,443</b>	<b>1,242,276</b>	<b>2,833,985</b>
<b>Net income (loss) before capital contributions</b>	<b>11,659,292</b>	<b>2,043,885</b>	<b>3,064,532</b>	<b>9,615,406</b>	<b>8,594,760</b>
<b>Capital contributions:</b>					
Capital recovery fees	9,123,209	8,993,319	7,873,480	129,890	1,249,729
Plant contributions	10,130,685	10,000,000	7,308,358	130,685	2,822,327
<b>Total capital contributions</b>	<b>19,253,894</b>	<b>18,993,319</b>	<b>15,181,838</b>	<b>260,575</b>	<b>4,072,056</b>
<b>CHANGE IN NET POSITION</b>	<b>30,913,186</b>	<b>21,037,204</b>	<b>18,246,370</b>	<b>9,875,982</b>	<b>12,666,816</b>
<b>NET POSITION, beginning balances</b>	<b>2,399,905,720</b>	<b>1,960,715,275</b>	<b>2,237,234,423</b>		
<b>NET POSITION, ending balances</b>	<b>\$ 2,430,818,906</b>	<b>\$ 1,981,752,479</b>	<b>\$ 2,255,480,793</b>		

<sup>1</sup> Budget includes amounts for non-cash items not included in the Board approved Sources & Uses budget

<sup>2</sup> Prior year amounts have been restated to include the financial results of the District Special Project

**San Antonio Water System  
STATEMENT OF CASH FLOWS  
Two months ended February 2016**

	2016	2015 <sup>1</sup>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 95,367,989	\$ 82,246,486
Cash paid to vendors for operations	(36,517,926)	(43,400,093)
Cash paid to employees for services	(17,901,388)	(17,365,036)
Net cash provided by operating activities	40,948,675	21,481,357
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Payments to the City of San Antonio	(1,472,449)	(1,458,062)
Payments to other entities	(26,176)	(34,805)
Net cash used for noncapital financing activities	(1,498,625)	(1,492,867)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of capital assets	30,318	219,613
Proceeds from developers for plant construction	9,123,209	7,873,480
Payment to employees for construction of plant	(3,732,654)	(3,981,831)
Payment to vendors for construction of plant	(1,698,098)	(1,825,877)
Payments for acquisition of equipment and furniture	(1,084,181)	(2,384,791)
Payments for acquisition of property and plant	(60,293,523)	(17,189,095)
Proceeds from revenue bonds	252,499,574	415,825,650
Payment for retirement/refunding of revenue bonds	(256,638,750)	(268,445,000)
Payment of interest on commercial paper	(684,159)	(674,202)
Payment of interest on revenue bonds	(3,687,485)	(3,648,759)
Payment for bond related expenses	(1,749,396)	(3,831,129)
Payment for finance charges	(471,237)	(409,554)
Net cash used for capital and related financing activities	(68,386,382)	121,528,505
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(84,495,902)	(179,470,681)
Maturity of investments	101,406,658	101,213,887
Interest income and other	638,568	621,179
Net cash provided (used) by investing activities	17,549,324	(77,635,615)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(11,387,008)	63,881,380
<b>CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR</b>	280,801,507	274,628,307
<b>CASH AND CASH EQUIVALENTS, AT END OF PERIOD</b>	\$ 269,414,499	\$ 338,509,687

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

**San Antonio Water System  
STATEMENT OF CASH FLOWS  
Two months ended February 2016**

	2016	2015 <sup>1</sup>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET ASSETS</b>		
Cash and Cash Equivalents		
Unrestricted		
System Fund	\$ 111,547,720	\$ 89,075,622
Restricted		
Debt Service Fund	6,099,181	8,367,962
Reserve Fund	214,062	9,763,563
Construction Fund	151,553,536	231,302,540
	\$ 269,414,499	\$ 338,509,687
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 30,275,780	\$ 24,638,353
Adjustments to reconcile operating income to net cash provided by operating activities:		
Non-cash revenues from City of San Antonio	(630,429)	(527,765)
Provision for uncollectible accounts	805,638	665,290
Depreciation expense	23,213,583	22,155,043
Change in assets, deferred outflows, liabilities and deferred inflows:		
(Increase)/Decrease in accounts receivable	(4,980,703)	(5,971,954)
(Increase)/Decrease in inventory	53,132	101,685
(Increase)/Decrease in prepaid expenses	(1,246,581)	(41,120)
(Decrease)/Increase in accounts payable	(14,222,367)	(23,527,261)
(Decrease)/Increase in amount due for sewer collections	6,035	2,481
(Decrease)/Increase in accrued vacation payable	(53,164)	542,291
(Decrease)/Increase in accrued payroll and benefits	990,836	986,478
(Decrease)/Increase in claims payables	-	(100)
(Decrease)/Increase in accrued stormwater services	371,964	(37,556)
(Decrease)/Increase in health claims payables	323,809	1,124,980
(Decrease)/Increase in unfunded post-retirement obligations	(561,021)	(563,266)
(Decrease)/Increase in sundry payables and accruals	6,429,145	1,713,132
(Decrease)/Increase in customers' deposits	173,018	220,646
Total Adjustments	10,672,895	(3,156,996)
Net cash provided by operating activities	\$ 40,948,675	\$ 21,481,357

<sup>1</sup> 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 February 2016

SOURCES OF FUNDS	Water Supply System	Water Delivery System	Wastewater System	Chilled Water System	Total System	Current Allotments	Budget Favorable (Unfavorable)	Variance
	\$	\$	\$	\$	\$	\$		
<b>OPERATING REVENUES</b>								
Water Resources - Misc	92,696	-	-	-	92,696	114,068	(21,372)	-18.74%
Water Supply Fee	8,811,797	-	-	-	8,811,797	9,086,692	(286,895)	-3.15%
EAAT/CEO Pass Through Fees	1,795,923	120,465	36,924	-	1,953,312	1,888,524	64,788	3.43%
Recycled water system	471,086	-	-	-	471,086	370,590	100,506	27.12%
Stormwater	412,192	-	-	-	412,192	379,861	32,331	8.51%
Metered Water - Conservation	676,186	-	-	-	676,186	665,457	10,729	1.61%
Metered Water - Water Delivery	-	14,191,085	-	-	14,191,085	14,031,895	159,190	1.13%
Affordability Discount Program	(57,533)	(63,345)	(95,247)	-	(216,125)	(228,037)	11,912	5.22%
Wastewater System	-	-	18,292,785	-	18,292,785	18,087,853	204,932	1.13%
Wastewater Surcharge	-	-	502,741	-	502,741	496,196	6,545	1.32%
Chilled water and steam	-	-	-	813,951	813,951	774,803	39,148	5.05%
Operating Transfer	489,167	(469,167)	-	-	-	(308,357)	(92,515)	30.00%
Less: Uncollectible Accounts	(121,647)	(140,659)	(138,566)	-	(400,872)	-	-	0.00%
Total operating revenues	12,549,877	13,638,379	18,598,637	813,951	45,600,844	45,371,546	229,299	0.51%
<b>NON-OPERATING REVENUES</b>								
Interest earned and miscellaneous	68,083	59,612	71,857	11,287	210,839	126,667	84,172	66.45%
Interest earned on Project Fund & R&R Funds	14,152	17,596	28,312	814	60,864	11,875	48,989	412.54%
Total non-operating revenues	82,235	77,198	100,169	12,101	271,703	138,542	133,161	96.12%
<b>CAPITAL CONTRIBUTIONS</b>								
Capital Recovery and Service Extension Fees	1,485,892	1,231,538	1,469,572	-	4,187,002	4,496,658	(309,656)	-6.89%
Total capital contributions	1,485,892	1,231,538	1,469,572	-	4,187,002	4,496,658	(309,656)	-6.89%
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 14,118,004</b>	<b>\$ 14,947,115</b>	<b>\$ 20,168,378</b>	<b>\$ 826,052</b>	<b>\$ 50,059,549</b>	<b>\$ 50,006,746</b>	<b>\$ 52,803</b>	<b>0.11%</b>
<b>USES OF FUNDS</b>								
<b>OPERATION AND MAINTENANCE*</b>								
Salaries and fringe benefits	2,266,907	3,987,873	4,787,662	116,384	11,568,727	11,568,727	410,101	3.54%
Contractual services	6,328,793	2,003,342	1,269,428	242,416	9,843,979	9,843,979	3,342,803	25.35%
Materials and supplies	100,829	561,960	708,466	31,356	1,402,611	1,824,902	422,290	23.14%
Other charges	144,224	238,901	343,603	19,382	746,110	818,458	72,348	8.84%
Capitalized cost	(465,638)	(1,183,520)	(1,133,387)	(17,530)	(2,820,075)	(3,415,316)	(595,241)	17.43%
Total operation and maintenance	8,355,115	5,608,356	5,975,772	392,008	20,331,251	23,983,554	3,652,303	15.23%
<b>OPERATING RESERVE REQUIREMENT</b>								
<b>DEBT REQUIREMENTS</b>								
Revenue Bonds	-	-	-	-	-	236,383	236,383	100.00%
Interest costs	1,899,654	3,150,574	3,510,562	83,753	8,644,543	9,663,503	1,018,960	10.54%
Retirement of bonds	2,036,435	832,480	2,435,687	54,063	5,358,665	6,685,002	1,326,337	19.84%
Subordinate lien debt	-	-	-	-	-	-	-	-
Interest costs	163,897	25,740	60,562	38,350	288,549	509,875	221,126	43.39%
Retirement of bonds	160,699	(41,845)	59,380	37,601	215,835	349,998	134,163	38.33%
Net variable interest - swap	413	13,021	152	96	13,682	-	(13,682)	0.00%
Commercial paper notes	100	1,691	1,916	-	3,707	59,016	55,309	93.72%
Other Debt Expense	46,638	58,839	71,733	5,027	182,237	196,500	14,263	7.26%
Total debt requirements	4,307,836	4,040,500	6,139,992	218,690	14,707,218	17,463,694	2,756,476	15.78%
<b>TRANSFER TO THE CITY'S GENERAL FUND</b>	227,852	278,672	501,610	22,310	1,030,444	1,044,475	14,031	1.34%
<b>AMOUNT AVAILABLE FOR R&amp;R FUNDS:</b>								
INTEREST ON PROJECT & R&R FUNDS	14,152	17,596	28,312	814	60,864	11,875	48,989	412.54%
<b>CAPITAL RECOVERY AND SERVICE EXT. FEES</b>	1,485,892	1,231,538	1,469,572	814	4,187,002	4,496,658	(309,656)	-6.89%
<b>GENERAL</b>	(272,843)	3,770,463	6,053,120	192,030	7,720,770	2,770,107	6,972,663	251.71%
Total amount available for R&R Funds	1,227,201	5,019,587	7,551,004	192,844	13,990,636	7,278,640	6,711,996	92.21%
<b>TOTAL USES OF FUNDS</b>	<b>\$ 14,118,004</b>	<b>\$ 14,947,115</b>	<b>\$ 20,168,378</b>	<b>\$ 826,052</b>	<b>\$ 50,059,549</b>	<b>\$ 50,006,746</b>	<b>\$ 52,803</b>	<b>0.11%</b>

\*Excludes non-cash portion of employee benefit expense

**San Antonio Water System**  
**CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS**  
 Two months ended February 2016

SOURCES OF FUNDS	Water Supply System		Water Delivery System		Wastewater System		Chilled Water System		Total System		Budget		Variance
	\$		\$		\$		\$		\$		Current Allocations	Favorable (Unfavorable)	
<b>OPERATING REVENUES</b>	215,517	\$		\$		\$			215,517	\$	228,136	\$	(12,619)
Water Supply Fee	18,931,090								18,931,090		19,644,446		(713,356)
EAA/TCEQ Pass Through Fees	4,036,347		240,914		73,548				4,350,809		3,994,829		355,980
Recycled water system	920,072								920,072		786,054		134,018
Stormwater	824,390								824,390		759,722		64,668
Metered Water - Conservation	1,375,101								1,375,101		1,409,209		(34,108)
Metered Water - Water Delivery			28,709,820						28,709,820		29,534,633		(824,813)
Metered Water - Water Delivery			(115,885)						(392,653)		(456,075)		63,422
Affordability Discount Program	(104,223)				(172,545)				(36,808,233)		36,557,418		250,815
Wastewater System					36,808,233				36,808,233		1,035,331		32,114
Wastewater Surcharge					1,035,331				1,035,331		1,549,606		60,523
Chilled water and steam							1,610,129		1,610,129				0,00%
Operating Transfer	938,334		(938,334)								(639,754)		(165,884)
Less - Uncollectible Accounts	(225,688)		(278,799)		(294,028)		(7,123)		(805,638)		94,371,441		(789,240)
Total operating revenues	26,910,940		27,617,716		37,450,539		1,603,006		93,582,201		253,334		66,42%
<b>NON-OPERATING REVENUES</b>	136,910		111,988		143,802		28,902		421,602		23,750		90,618
Interest earned and miscellaneous	27,514		31,723		53,502		1,629		114,368		277,084		258,886
Interest earned on Project Fund	164,424		143,711		197,304		30,531		535,970		8,993,319		1,44%
Total non-operating revenues	30,263,980		30,387,732		40,956,131		1,633,537		103,241,380		8,993,319		1,44%
<b>TOTAL SOURCES OF FUNDS</b>	30,263,980	\$	30,387,732	\$	40,956,131	\$	1,633,537	\$	103,241,380	\$	103,641,844	\$	(400,464)
<b>USES OF FUNDS</b>													
<b>OPERATION AND MAINTENANCE*</b>	4,563,993	\$	8,116,795	\$	9,674,816	\$	234,348	\$	22,589,952	\$	23,833,520	\$	1,243,568
Salaries and fringe benefits	12,701,010		3,411,457		2,935,998		462,934		19,511,399		26,257,453		6,746,054
Contractual services	191,109		895,063		1,372,050		61,959		2,520,181		3,714,609		1,194,428
Materials and supplies	283,560		468,809		674,688		38,265		1,465,322		1,681,574		216,252
Other charges	(973,138)		(2,309,346)		(2,172,842)		(36,609)		(5,491,935)		(6,984,956)		(1,493,021)
Capitalized cost	16,766,534		10,582,778		12,484,710		760,897		40,594,919		48,502,200		7,907,281
Total operation and maintenance	370,982		593,042		(398,218)		(46,940)		518,866		472,763		(46,103)
<b>OPERATING RESERVE REQUIREMENT</b>													
<b>DEBT REQUIREMENTS</b>	3,796,515		6,334,802		7,019,487		165,007		17,315,811		19,346,972		2,033,161
Revenue Bonds	4,072,871		2,787,127		4,871,374		108,127		11,839,499		13,370,004		1,530,505
Interest costs	309,662		48,632		114,423		73,457		545,174		1,013,350		474,176
Retirement of bonds	321,397		50,475		118,760		75,202		565,834		699,998		134,164
Subordinate lien debt	954		26,013		352		223		27,542		-		(27,542)
Interest cost	199		70,272		3,352		73,823		118,032		118,032		44,209
Retirement of bonds	93,276		119,178		143,467		10,054		365,975		393,001		27,026
Net variable interest - swap	8,594,874		9,436,499		12,271,215		431,070		30,733,658		34,943,357		4,215,699
Commercial paper notes	499,150		557,965		1,012,554		44,090		2,113,759		2,160,689		46,930
Other Debt Expense	27,514		31,723		53,502		1,629		114,368		23,750		90,618
Total debt requirements	3,189,616		2,626,305		3,308,298		-		8,993,319		8,993,319		129,890
<b>TRANSFER TO THE CITY'S GENERAL FUND</b>	816,310		6,559,420		12,224,080		442,791		20,042,601		8,539,766		11,502,835
<b>AMOUNT AVAILABLE FOR R&amp;R FUNDS:</b>	4,032,440		9,217,448		15,585,870		444,420		29,280,178		17,556,835		11,723,343
<b>INTEREST ON PROJECT &amp; R&amp;R FUNDS</b>	30,263,980	\$	30,387,732	\$	40,956,131	\$	1,633,537	\$	103,241,380	\$	103,641,844	\$	(400,464)
<b>CAPITAL RECOVERY AND SERVICE EXT. FEES</b>													
<b>GENERAL</b>													
Total amount available for R&R Funds													
<b>TOTAL USES OF FUNDS</b>	30,263,980	\$	30,387,732	\$	40,956,131	\$	1,633,537	\$	103,241,380	\$	103,641,844	\$	(400,464)

\*Excludes non-cash portion of employee benefit expense

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

**SOURCES OF FUNDS**

	Water Resources	Recycle Water System	Conservation	Stormwater System	Total System	Current Allowments	Budget Favorable (Unfavorable)	Variance
<b>OPERATING REVENUES</b>	\$ 92,686	\$ -	\$ -	\$ -	\$ 92,686	\$ 114,068	\$ (21,372)	\$ -18.74%
Water Resources - Misc.	8,811,797	-	-	-	8,811,797	9,098,692	(286,895)	-3.15%
Water Supply Fee	1,795,923	-	-	-	1,795,923	1,724,891	71,032	4.12%
EAA Fee	-	471,096	-	-	471,096	370,590	100,506	27.12%
Recycled water system	-	-	-	-	-	379,861	32,331	8.51%
Stormwater	-	-	-	412,192	412,192	665,457	10,729	1.61%
Metered Water - Conservation	-	-	676,186	-	676,186	665,457	4,821	7.73%
Affordability Discount Program	(57,533)	-	-	-	(57,533)	469,167	-	0.00%
Operating Transfer	469,167	-	-	-	469,167	(105,278)	(16,369)	-15.55%
Less Uncollectible Accounts	(112,672)	(3,185)	(5,790)	-	(121,647)	(105,278)	(16,369)	-15.55%
Total operating revenues	10,999,378	467,911	670,396	412,192	12,549,877	12,655,095	(105,218)	-0.83%
<b>NON-OPERATING REVENUES</b>								
Interest earned and miscellaneous	66,975	1,108	-	-	68,083	170,716	(102,633)	-60.12%
Interest earned on Project Fund & R&R Funds	14,152	-	-	-	14,152	7,095	7,057	99.46%
Total non-operating revenues	81,127	1,108	-	-	82,235	177,811	(95,576)	-53.75%
<b>CAPITAL CONTRIBUTIONS</b>								
Capital Recovery Fees	1,485,892	-	-	-	1,485,892	1,229,732	256,160	20.83%
Total capital contributions	1,485,892	-	-	-	1,485,892	1,229,732	256,160	20.83%
<b>TOTAL SOURCES OF FUNDS</b>	\$ 12,566,397	\$ 469,019	\$ 670,396	\$ 412,192	\$ 14,118,004	\$ 14,062,638	\$ 55,366	\$ 0.39%

**USES OF FUNDS**

<b>OPERATION AND MAINTENANCE*</b>	\$ 1,659,438	\$ 83,961	\$ 302,134	\$ 221,374	\$ 2,266,907	\$ 2,385,193	\$ 118,286	\$ 4.96%
Salaries and fringe benefits	6,161,970	76,003	(1,824)	92,644	6,328,793	7,077,519	748,726	10.58%
Contractual services	63,688	5,954	18,291	12,896	100,829	140,570	39,841	28.32%
Materials and supplies	10,061	7,857	22,880	12,426	53,224	158,266	14,042	0.00%
Other charges	(459,349)	(25,347)	(124)	(818)	(485,638)	(631,365)	(145,727)	23.08%
Capitalized cost	7,526,808	148,428	341,357	338,522	8,355,115	9,130,284	775,169	8.49%
Total operation and maintenance	-	-	-	-	-	184,497	184,497	100.00%
<b>OPERATING RESERVE REQUIREMENT</b>								
<b>DEBT REQUIREMENTS</b>								
Revenue Bonds	1,568,810	330,844	-	-	1,899,654	2,001,879	102,225	5.11%
Interest costs	1,358,056	678,379	-	-	2,036,435	2,036,435	-	0.00%
Retirement of bonds	-	-	-	-	-	-	-	-
Subordinate lien debt	148,319	15,578	-	-	163,897	181,335	17,438	9.62%
Interest costs	145,424	15,275	-	-	160,699	160,698	(1)	0.00%
Retirement of bonds	373	40	-	-	413	(413)	-	100.00%
Net variable interest - swap	100	-	-	-	100	9,728	9,628	98.97%
Commercial Paper Notes	44,663	1,975	-	-	46,638	46,638	-	0.00%
Other Debt Expense	3,265,745	1,042,091	-	-	4,307,836	4,436,713	128,877	2.90%
Total debt requirements	204,952	4,799	18,101	-	227,852	241,495	13,643	5.65%
<b>TRANSFER TO THE CITY'S GENERAL FUND</b>								
AMOUNT AVAILABLE FOR R&R FUNDS:	14,152	-	-	-	14,152	7,095	7,057	99.46%
INTEREST ON PROJECT & R&R FUNDS	1,485,892	-	-	-	1,485,892	1,229,732	256,160	20.83%
<b>CAPITAL RECOVERY FEES</b>								
GENERAL	68,848	(726,299)	310,938	73,670	(272,843)	(1,167,178)	894,335	-76.62%
Total amount available for R&R Funds	1,568,892	(726,299)	310,938	73,670	1,227,201	69,649	1,157,552	1661.97%
<b>TOTAL USES OF FUNDS</b>	\$ 12,566,397	\$ 469,019	\$ 670,396	\$ 412,192	\$ 14,118,004	\$ 14,062,638	\$ 55,366	\$ 0.39%

\*Excludes non-cash portion of employee benefit expense

San Antonio Water System  
**CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS - WATER SUPPLY**  
 Two months ended February 2016

**SOURCES OF FUNDS**

	Water Resources	Recycle Water System	Conservation	Stormwater System	Total System	Budget		Variance
						Current Allotments	Favorable (Unfavorable)	
<b>OPERATING REVENUES</b>	\$ 215,517	\$ -	\$ -	\$ -	\$ 215,517	\$ 228,136	(12,619)	-5.53%
Water Resources - Misc.	18,931,090	-	-	-	18,931,090	19,644,446	(713,356)	-3.63%
Water Supply Fee	4,036,347	-	-	-	4,036,347	3,667,563	368,784	10.05%
EAA Fee	-	920,072	-	-	920,072	786,054	134,018	17.05%
Recycled water system	-	-	-	824,390	824,390	759,722	64,668	8.51%
Stormwater	-	-	1,375,101	-	1,375,101	(1,409,209)	(34,108)	-2.42%
Metered Water - Conservation	(104,223)	-	-	-	(104,223)	(124,708)	20,485	16.43%
Metered Discount Program	938,334	-	-	-	938,334	938,334	-	0.00%
Operating Transfer	(206,102)	(6,819)	(12,767)	-	(225,688)	(216,678)	(9,010)	-4.16%
Less: Uncollectible Accounts	23,810,963	913,253	1,362,334	824,390	26,910,940	27,092,079	(181,139)	-0.67%
Total operating revenues								
<b>NON-OPERATING REVENUES</b>								
Interest earned and miscellaneous	134,735	2,175	-	-	136,910	341,432	(204,522)	-59.80%
Interest earned on Project Fund & R&R Funds	27,514	-	-	-	27,514	14,190	13,324	100.00%
Total non-operating revenues	162,249	2,175	-	-	164,424	355,622	(191,198)	-53.76%
<b>CAPITAL CONTRIBUTIONS</b>								
Capital Recovery Fees	3,188,616	-	-	-	3,188,616	2,459,464	729,152	29.65%
Total capital contributions	3,188,616	-	-	-	3,188,616	2,459,464	729,152	29.65%
<b>TOTAL SOURCES OF FUNDS</b>	\$ 27,161,828	\$ 915,428	\$ 1,362,334	\$ 824,390	\$ 30,263,980	\$ 29,907,165	\$ 356,815	1.19%

**USES OF FUNDS**

<b>OPERATION AND MAINTENANCE*</b>	\$ 3,354,888	\$ 170,868	\$ 596,691	\$ 441,546	\$ 4,563,993	\$ 4,906,998	\$ 343,005	6.99%
Salaries and fringe benefits	12,162,666	131,589	247,611	159,114	12,701,010	14,114,294	1,413,284	10.01%
Contractual services	136,955	10,190	23,950	20,014	191,109	276,165	85,056	30.80%
Materials and supplies	199,108	15,562	44,517	24,373	283,560	324,894	41,334	100.00%
Other charges	(919,205)	(52,122)	(248)	(1,563)	(973,138)	(1,273,180)	(300,042)	23.57%
Capitalized cost	14,934,442	276,087	912,521	643,484	16,766,534	18,349,171	1,582,637	8.63%
Total operation and maintenance	406,939	4,388	(71,048)	30,703	370,982	368,998	(1,984)	-0.54%
<b>OPERATING RESERVE REQUIREMENT</b>								
<b>DEBT REQUIREMENTS</b>								
Revenue Bonds	3,136,051	660,464	-	-	3,796,515	4,012,379	215,864	5.38%
Interest costs	2,716,112	1,356,759	-	-	4,072,871	4,072,872	1	0.00%
Retirement of bonds	-	-	-	-	-	-	-	-
Subordinate lien debt	280,229	29,433	-	-	309,662	362,670	53,008	14.62%
Interest costs	290,848	30,549	-	-	321,397	321,396	(1)	0.00%
Retirement of bonds	863	91	-	-	954	-	(954)	100.00%
Net variable interest - swap	199	-	-	-	199	19,456	19,257	98.98%
Commercial paper notes	89,326	3,950	-	-	93,276	-	-	0.00%
Other: Debt Expense	6,513,628	2,081,246	-	-	8,594,874	8,882,049	287,175	3.23%
Total debt requirements	452,816	9,551	36,783	-	499,150	518,593	19,443	3.75%
<b>TRANSFER TO THE CITY'S GENERAL FUND</b>								
<b>AMOUNT AVAILABLE FOR R&amp;R FUNDS:</b>								
INTEREST ON PROJECT & R&R FUNDS	27,514	-	-	-	27,514	14,190	13,324	100.00%
<b>CAPITAL RECOVERY FEES</b>								
<b>GENERAL</b>	3,188,616	(1,455,844)	484,078	150,203	3,188,616	2,459,464	729,152	29.65%
Total amount available for R&R Funds	1,637,873	(1,455,844)	484,078	150,203	816,310	(685,300)	1,501,610	-219.12%
	4,854,003	(1,455,844)	484,078	150,203	4,032,440	1,788,354	2,244,086	125.48%
<b>TOTAL USES OF FUNDS</b>	\$ 27,161,828	\$ 915,428	\$ 1,362,334	\$ 824,390	\$ 30,263,980	\$ 29,907,165	\$ 356,815	1.19%

\*Excludes non-cash portion of employee benefit expense



**San Antonio Water System**  
**OPERATION AND MAINTENANCE EXPENSE BY ACCOUNT**  
For the Two Months Ended February 29, 2016

Classification	Annual Budget	Current Month		Year to Date		Variance (Over)/Under	%
		Actual	Budget	Actual	Budget		
<b>SALARIES AND FRINGE BENEFITS</b>							
511100 Salaries	\$ 96,450,494	\$ 7,028,105	\$ 7,470,680	\$ 14,547,886	\$ 15,453,882	905,997	5.9%
511140 Overtime Pay	3,701,482	325,565	293,294	801,550	655,608	(145,943)	-22.3%
511150 On-Call Pay	511,201	41,020	41,166	95,643	82,081	(13,562)	-16.5%
511160 Employee Insurance	17,509,951	1,428,264	1,424,891	2,859,763	2,852,777	(6,985)	-0.2%
511162 Retirement	20,022,346	1,468,836	1,606,534	3,090,487	3,324,845	234,358	7.1%
511164 Unused Sick Leave Buyback	70,000	-	5,830	(40,863)	11,660	52,523	450.5%
511166 Personal Leave Buyback	950,000	-	-	-	-	-	0.0%
511168 Accrued Vacation leave	1,200,000	241,835	100,000	(14,514)	200,000	214,514	107.3%
511170 Incentive Pay	76,799	-	1,333	-	2,666	2,666	100.0%
511175 Other Post Employment Benefits	7,500,000	625,000	625,000	1,250,000	1,250,000	(0)	0.0%
<b>Salaries and Fringe Benefits Total</b>	<b>147,992,274</b>	<b>11,158,627</b>	<b>11,568,727</b>	<b>22,589,952</b>	<b>23,833,520</b>	<b>1,243,568</b>	<b>5.2%</b>
<b>CONTRACTUAL SERVICES</b>							
511210 Operating Expense	1,976,338	(197,952)	174,396	286,688	359,158	72,470	20.2%
511211 Rental of Facilities	322,406	41,022	26,867	13,630	53,734	40,104	74.6%
511212 Alarm and Security	1,133,949	111,468	94,471	205,822	189,242	(16,580)	-8.8%
511214 Uniforms and Shoe Allowance	329,493	23,499	25,626	34,670	78,056	43,386	55.6%
511216 Catering Svcs & Luncheons	92,382	18,592	5,853	23,478	15,056	(8,423)	-55.9%
511219 Conservation Programs	3,677,305	(102,785)	107,271	96,522	225,070	128,547	57.1%
511220 Maintenance Expense	13,435,223	345,390	1,077,921	870,745	2,149,143	1,278,397	59.5%
511221 Street Cut Permit Admin Fee	750,629	29,728	63,014	115,888	92,913	(22,975)	-24.7%
511222 St Pave/Repair Fee	1,703,984	73,169	142,002	(123,437)	284,003	407,440	143.5%
511223 Preventive Maintenance	76,611	14,716	6,384	22,221	12,768	(9,453)	-74.0%
511224 Corrective Maintenance	1,477,431	126,716	123,120	260,482	246,240	(14,242)	-5.8%
511225 Damage Repair	178,739	10,821	14,895	26,142	29,790	3,648	12.3%
511230 Equipment Rental Charges	677,264	32,184	54,722	33,815	114,093	80,278	70.4%
511240 Travel	201,417	8,961	8,905	13,765	20,401	6,637	32.5%
511245 Training	617,710	19,878	29,876	50,791	47,864	(2,927)	-6.1%
511247 Conferences	85,481	3,322	5,894	9,402	15,020	5,619	37.4%
511250 Memberships and Subscriptions	386,440	64,502	13,008	112,769	82,773	(29,996)	-36.2%
511260 Utilities	31,480,688	1,849,872	2,122,115	3,648,902	4,253,869	604,967	14.2%
511261 Water Options	43,231,445	3,942,067	3,565,173	7,459,373	7,130,346	(329,026)	-4.6%
511265 Ground Water District Pay	24,998,571	2,011,238	2,077,300	3,815,732	4,155,088	339,356	8.2%
511270 Mail and Parcel Post	2,298,376	162,856	191,453	349,551	382,947	33,397	8.7%
511280 Telemetering Charges	3,360	280	280	280	560	280	50.0%
511309 Educational Assist-Books	15,000	-	1,250	52	2,500	2,448	97.9%
511310 Educational Assistance	209,992	-	19,166	2,297	35,832	33,535	93.6%
511312 Contractual Prof Svcs	33,695,244	519,188	2,408,744	1,015,735	4,473,133	3,457,399	77.3%
511313 Inspect & Assessment Fees	1,821,599	225,243	149,975	365,665	302,029	(63,636)	-21.1%
511314 United Water Contractual Fees	300,000	4,755	25,000	4,807	50,000	45,193	90.4%
511315 Temporary Employees	1,012,101	33,233	108,867	55,029	217,734	162,705	74.7%
511320 Legal Services	3,155,000	36,611	179,583	37,151	359,166	322,015	69.7%
511370 Communications	1,433,145	87,109	121,919	169,414	249,629	80,215	32.1%
511381 Software and Hardware Maintenan	4,540,783	348,299	241,734	534,019	629,295	95,276	15.1%
<b>Contractual services Total</b>	<b>175,318,108</b>	<b>9,843,980</b>	<b>13,186,782</b>	<b>19,511,400</b>	<b>26,257,453</b>	<b>6,746,054</b>	<b>25.7%</b>

**San Antonio Water System**  
**OPERATION AND MAINTENANCE EXPENSE BY ACCOUNT**  
For the Two Months Ended February 29, 2016

Classification	Annual Budget	Current Month		Year to Date		Variance (Over)/Under	%
		Actual	Budget	Actual	Budget		
<b>MATERIALS AND SUPPLIES</b>							
511410 Small Tools	730,774	52,145	61,015	103,354	125,066	21,711	17.4%
511417 Copy and Printing Expense	41,631	72	3,482	72	6,429	6,357	98.9%
511420 Operating Materials	2,300,653	295,657	184,003	440,848	398,148	(42,700)	-10.7%
511421 Heating Fuel	50,501	(2,488)	4,417	425	8,584	8,159	95.0%
511422 Chemicals	6,407,264	493,663	487,042	792,221	979,757	187,536	19.1%
511425 Education of School Children	30,000	998	2,500	22,106	5,000	(17,106)	-342.1%
511426 Public Awareness-WQEE	1,000	-	83	-	166	166	100.0%
511427 Enforcement	20,000	-	-	-	-	-	0.0%
511428 Program Materials	1,000	-	80	-	160	160	100.0%
511430 Maintenance Materials	8,296,076	490,112	731,016	931,101	1,470,932	539,831	36.7%
511440 Safety Materials & Supplies	835,211	60,288	68,926	87,340	142,852	55,512	38.9%
511441 Inventory Variances	35,000	(111,789)	7,000	(138,253)	14,700	152,953	1040.5%
511450 Tires and Tubes	632,507	62,466	52,709	108,922	105,419	(3,503)	-3.3%
511451 Motor Fuel & Lubricants	2,924,736	61,488	222,628	172,043	457,396	285,353	62.4%
<b>Materials and supplies Total</b>	<b>22,306,354</b>	<b>1,402,612</b>	<b>1,824,902</b>	<b>2,520,181</b>	<b>3,714,609</b>	<b>1,194,428</b>	<b>32.2%</b>
<b>OTHER CHARGES</b>							
511510 Judgements and Claims	1,030,000	23,786	85,835	30,962	171,650	140,688	82.0%
511511 AL & GL Claims - Cont. Liab	75,000	-	6,250	-	12,500	12,500	100.0%
511520 Bank Charges	20,000	808	-	1,312	5,000	3,688	73.8%
511525 Cash Short/(Over)	-	(4,113)	-	(4,094)	-	4,094	0.0%
511530 Employee Relations	171,049	4,956	4,054	12,162	22,619	10,457	46.2%
511540 Retiree Insurance	6,498,112	538,364	520,170	1,074,470	1,040,340	(34,130)	-3.3%
511570 Casualty Insurance	1,366,603	82,478	112,982	165,900	226,131	60,231	26.6%
511580 Unemployment Compensation	80,000	-	-	18,931	25,000	6,069	24.3%
511590 Workers Comp Medical	900,000	73,321	75,000	111,802	150,000	38,198	25.5%
511610 Workers Comp Benefits	125,000	22,930	10,417	48,392	20,834	(27,558)	-132.3%
511620 WC-Misc Claims Expense	45,000	3,580	3,750	5,486	7,500	2,014	26.9%
<b>Other charges Total</b>	<b>10,310,766</b>	<b>746,110</b>	<b>818,458</b>	<b>1,465,322</b>	<b>1,681,574</b>	<b>216,252</b>	<b>12.9%</b>
<b>O&amp;M Before Capitalized Cost Total</b>	<b>355,927,502</b>	<b>23,151,328</b>	<b>27,398,869</b>	<b>46,086,855</b>	<b>55,487,156</b>	<b>9,400,302</b>	<b>16.9%</b>
Capitalized Cost	(42,250,945)	(2,820,075)	(3,415,316)	(5,491,934)	(6,984,956)	(1,493,022)	21.4%
<b>Grand Total</b>	<b>\$ 313,676,557</b>	<b>\$ 20,331,252</b>	<b>\$ 23,983,554</b>	<b>\$ 40,594,920</b>	<b>\$ 48,502,200</b>	<b>\$ 7,907,280</b>	<b>16.3%</b>

SAWS/DSP INVESTMENT PORTFOLIO  
February 29, 2016

Investment Type	Market Value	Book Value	Average Yield	Average Days to Maturity
Money Market Funds	161,176,749	161,176,749	0.254	1
Government Agency Securities:				
Federal Agricultural Mtg Corp	11,951,520	11,950,997	0.629	241
Federal Farm Credit Bank	13,220,268	13,223,567	0.387	122
Federal Home Loan Bank	186,079,698	186,126,322	0.393	91
Federal Home Loan Mtg. Corp.	146,600,862	146,612,039	0.363	87
Federal National Mtg. Assn.	82,264,819	82,243,971	0.446	137
Total Government Agencies	440,117,167	440,156,895	0.399	103
U. S. Treasury Securities	115,645,140	115,640,935	0.476	174
LOGIC Investment Pool	57,610,353	57,610,353	0.482	1
Total SAWS Investments	\$ 774,549,409	\$ 774,584,932	0.388	85

San Antonio Water System  
KEY FINANCIAL RATIOS  
For the Period Ended February 29, 2016

	Feb-16	Feb-15
Total Long-term Debt (a)	\$ 2,888,364,782	\$ 2,962,694,345
Total Water & Sewer Customer Connections (b)	915,883	902,123
<b>Long-term Debt Per Connection (a)/(b)</b>	<b>\$3,154</b>	<b>\$3,284</b>
Total Net Position	\$ 2,430,818,906	\$ 2,255,480,793
Total Liabilities & Net Position	\$ 5,670,547,339	\$ 5,550,682,128
<b>Net Position Ratio</b>	<b>42.9%</b>	<b>40.6%</b>
YTD Operating Revenues (c)	\$ 93,582,201	\$ 86,917,355
YTD Operating Expenses before Depreciation (d)	\$ 40,092,838	\$ 40,123,959
<b>Cash Operating Margin ((c)-(d))/(c)</b>	<b>57.2%</b>	<b>53.8%</b>
Rolling 12 Months		
Operating Revenues	\$ 563,273,833	\$ 558,188,614
Non-operating Revenues	6,203,268	5,702,834
Less: Revenues from DNS contract	(3,245,004)	(3,245,004)
Interest earned on Project Fund Investments	(527,132)	(180,737)
Build America Bond Subsidy	(3,653,499)	(3,707,058)
Gross Revenues	\$ 562,051,466	\$ 556,758,649
O&M Expense before Depreciation	\$ 291,216,140	\$ 281,416,028
Pledged Revenue	\$ 270,835,326	\$ 275,342,621
Debt Service - net of Build America Bond Subsidy:		
Current Year Senior Lien	\$ 77,456,088	\$ 98,598,594
Current Year Total Bonded Debt	\$ 176,988,720	\$ 174,635,699
<b>Senior Lien Debt Coverage Ratio</b>	<b>3.50 x</b>	<b>2.79 x</b>
<b>Total Bonded Debt Coverage Ratio</b>	<b>1.53 x</b>	<b>1.58 x</b>
Unrestricted Cash, including Operating Reserve	\$ 277,117,249	\$ 259,220,867
<b>Days Cash on Hand - Rolling 12 Months of O&amp;M</b>	<b>347</b>	<b>336</b>
Unrestricted Working Capital, including Operating Reserve	\$ 311,000,750	\$ 299,856,163
<b>Days Working Capital on Hand - Rolling 12 Months of O&amp;M</b>	<b>390</b>	<b>389</b>

# San Antonio Water System

## CONSTRUCTION IN PROGRESS SUMMARY - TOTAL

February 29, 2016

	CIP Plan	Revised CIP Plan	Commitments	Commit/Plan Variance	Open Job Charges	Closed Job Charges	Commit/Charges Variance
<b>CIP Year: 2016</b>							
Collection	21,713,538	20,170,672	285	20,170,387	285	-	-
Corporate	23,223,816	28,803,919	-	28,803,919	-	-	-
Governmental	52,117,030	52,117,030	7,043,138	45,073,892	4,992,497	-	2,050,641
Heating and Cooling	4,903,375	4,903,375	43,428	4,859,947	43,428	-	-
Main Replacements	86,186,827	83,651,287	4,469,120	79,182,167	2,903,420	-	1,565,701
Production	25,215,160	23,713,463	796,795	22,916,668	4,425	-	792,370
Treatment	4,687,680	4,687,680	-	4,687,680	-	-	-
Water Resources	29,140,512	29,140,512	6,133	29,134,379	6,133	-	-
Plant Contributions	-	-	-	-	-	10,383,953	(10,383,953)
Less Contributions - Plant	-	-	-	-	-	(10,383,953)	10,383,953
Subtotal	247,187,939	247,187,939	12,358,900	234,829,039	7,950,188	-	4,408,712
<b>CIP Year: 2015</b>							
Collection	17,085,040	12,516,895	12,516,895	-	2,430,394	292	10,086,209
Corporate	2,932,604	2,932,604	1,415,673	1,516,931	1,363,864	-	51,809
Governmental	54,942,932	56,621,352	56,621,352	-	20,496,634	197,086	35,927,632
Heating and Cooling	2,585,000	2,585,000	2,129,206	455,794	2,020,715	-	108,491
Main Replacements	90,516,475	80,404,579	53,718,956	26,685,622	3,652,122	13,311,210	36,755,625
Production	24,007,372	23,640,891	16,353,709	7,287,182	204,508	-	16,149,201
Recycle	1,500,000	1,500,000	205,436	1,294,564	23,368	-	182,068
Treatment	26,740,000	27,606,982	3,589,867	24,017,114	1,735,363	-	1,854,504
Water Resources	15,919,200	15,877,295	3,639,144	12,238,151	3,546,283	-	92,861
Plant Contributions	-	-	-	-	-	78,942,508	(78,942,508)
Less Contributions - Plant	-	-	-	-	-	(78,942,508)	78,942,508
Subtotal	236,228,623	223,685,598	150,190,239	73,495,359	35,473,252	13,508,588	101,208,399
<b>CIP Year: 2014</b>							
Collection	33,643,338	13,985,687	5,437,127	8,548,561	2,193,698	1,386,296	1,857,133
Corporate	14,932,117	16,129,563	13,942,160	2,187,403	11,841,474	-	2,100,686
Distribution	11,751,106	8,043,224	7,299,150	744,074	104,278	256,848	6,938,025
Governmental	49,111,947	36,939,621	36,648,934	290,687	18,930,533	3,827,900	13,890,500
Heating and Cooling	2,837,500	3,479,454	3,479,454	-	3,032,576	-	446,877
Main Replacements	84,810,783	94,637,685	72,396,616	22,241,070	7,990,319	29,094,288	35,312,008
Production	40,397,274	47,004,889	46,287,269	717,620	20,588,510	26,018	25,672,741
Recycle	3,661,505	22,372	22,372	-	17,203	1,384	3,784
Treatment	14,826,674	19,764,439	17,866,015	1,898,424	1,318,256	2,213,575	14,334,183
Water Resources	157,029,479	118,449,153	117,259,558	1,189,595	90,777,459	1,003,376	25,478,723
Plant Contributions	-	-	-	-	-	49,755,661	(49,755,661)
Less Contributions - Plant	-	-	-	-	-	(49,755,661)	49,755,661
Subtotal	413,001,723	358,456,088	320,638,655	37,817,433	156,794,307	37,809,686	126,034,662
<b>CIP Year: 2013</b>							
Collection	46,676,445	37,713,834	37,713,834	-	24,894,605	1,488,635	11,330,595
Corporate	17,740,525	19,466,876	18,185,239	1,281,636	7,615,064	432,640	10,137,535
Distribution	6,959,628	9,065,726	9,065,726	-	1,740,392	5,738,343	1,586,991
Governmental	40,488,064	47,761,624	47,761,624	-	26,230,167	13,621,123	7,910,335
Heating and Cooling	6,170,296	11,692,048	11,692,048	-	8,796,242	-	2,895,806
Main Replacements	81,318,941	78,316,715	78,316,715	-	6,131,975	67,399,562	4,785,178
Production	29,017,588	44,033,849	44,033,849	-	31,759,355	5,375,447	6,899,046
Recycle	2,749,583	490,584	490,584	-	282,716	81,037	126,832
Treatment	16,901,070	18,851,103	18,851,103	-	13,829,070	2,808,605	2,213,428
Water Resources	116,151,842	144,847,692	144,847,692	-	94,922,000	19,842,372	30,083,320
Plant Contributions	-	-	-	-	1,368	36,776,404	(36,777,772)
Less Contributions - Plant	-	-	-	-	-	(36,776,404)	36,776,404
Subtotal	364,173,981	412,240,052	410,958,416	1,281,636	216,202,955	116,787,763	77,967,698

Tuesday, March 15, 2016

3:30:59PM

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.

Page 1 of 2

**San Antonio Water System**  
**CONSTRUCTION IN PROGRESS SUMMARY - TOTAL**  
**February 29, 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>
<b>CIP Year: 2012</b>						
Collection	71,138,497	69,389,840	69,389,840	-	7,133,637	5,288,370
Corporate	9,717,570	12,720,034	12,720,034	-	8,573,688	808,349
Distribution	13,877,809	12,075,280	12,075,280	-	2,172,231	408,821
Governmental	40,376,635	37,314,574	37,314,574	-	7,161,612	5,161,562
Heating and Cooling	115,000	898,474	898,474	-	877,112	21,362
Main Replacements	26,169,846	29,538,405	29,538,405	-	743,036	363,835
Production	17,571,549	20,348,855	20,348,855	-	17,715,626	418,268
Recycle	3,631,496	2,725,575	2,725,575	-	61,347	59,175
Treatment	21,802,396	10,068,068	10,068,068	-	9,325,205	96,823
Water Resources	35,616,325	33,402,778	33,402,778	-	11,455,588	12,079,252
Plant Contributions	-	-	-	-	-	(47,132,197)
Less Contributions - Plant	-	-	-	-	-	(47,132,197)
Subtotal	240,017,124	228,481,884	228,481,884	-	65,219,083	24,705,818
<b>Carryover Program</b>						
South Bexar County	1,680,096	-	-	-	-	-
Building	7,795,937	55,490,425	55,490,425	-	-	(1)
Collection	328,371,739	251,130,913	251,130,913	-	38,494,037	1,472,771
Corporate	88,189,690	43,759,304	43,759,303	-	3,540,238	1,241,920
Distribution	139,317,610	142,343,822	142,343,822	-	1,101,287	2,314,511
Governmental	461,834,468	380,214,357	380,214,358	-	9,787,240	10,575,312
Heating and Cooling	22,412,505	13,985,917	13,985,917	-	-	-
Land	2,200,000	-	-	-	-	-
Main Replacements	338,566,502	322,050,112	322,050,112	-	4,357,388	4,048,734
Miscellaneous	5,743,107	2,317,152	2,317,152	-	-	-
Production	143,206,855	175,278,035	175,278,035	-	3,711,180	1,077,428
Recycle	134,585,455	150,183,582	150,183,582	-	857,238	387,297
Treatment	257,333,945	248,434,527	248,434,527	-	22,239,351	677,973
Water Resources	975,300,282	725,759,158	725,759,158	-	56,826,202	11,249,541
Plant Contributions	-	-	-	-	-	(613,984,681)
Less Contributions - Plant	-	-	-	-	-	(613,984,681)
Subtotal	2,906,538,191	2,510,947,304	2,510,947,304	-	140,914,161	33,045,484
Total	4,407,147,581	3,980,998,865	3,633,575,398	347,423,467	622,553,944	367,370,772

Tuesday, March 15, 2016

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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  
February 29, 2016

	Actual	Forecast	Above (Below) Forecast	Prior Year	Above (Below) Prior Year
<b>Rainfall - Inches (a)</b>					
Current Month	1.55	1.79	(13.41) %	0.53	Over 100 %
Year-to-Date	2.93	3.55	(17.46) %	4.20	(30.24) %
Number of days with rain	3			7	
<b>Metered Flows</b>					
<b>SAWS WATER (million gallons):</b>					
Water Pumpage for consumption - Current Month					
Total Water Pumpage	6,729.84			4,888.33	37.67 %
Less: Water Pumpage for Twin Oaks ASR	1,192.18			0.00	-
Water Pumpage for Consumption	5,537.66			4,888.33	13.28 %
Water Pumpage for consumption - Year-to-date					
Total Water Pumpage	13,591.41			10,475.83	29.74 %
Less: Water Pumpage for Twin Oaks ASR	2,442.87			182.24	Over 100 %
Water Pumpage for Consumption	11,148.54			10,293.59	8.31 %
Billed Water Usage (Domestic and Irrigation)					
Current Month	4,514.54	4,470.79	0.98 %	4,169.38	8.28 %
Year-to-Date	9,621.60	9,514.39	1.13 %	9,577.19	0.46 %
SAWS WASTEWATER:					
Total Flows (million gallons)					
Current Month	3,619.78			3,299.69	9.70 %
Year-to-date	7,630.25			7,151.44	6.70 %
Average Winter Consumption - Residential (gallons)					
Current Month	5,186	5,186	0.00 %	5,896	(12.04) %
Year-to-date	5,186	5,186	0.00 %	5,896	(12.04) %
<b>Customer Connections</b>					
<b>SAWS CUSTOMER CONNECTIONS</b>					
Number of Connections (billed accounts)					
Water (b)					
Current Month	483,321	477,335	1.25 %	476,650	1.40 %
Year-to-date Average	483,012	477,366	1.18 %	476,692	1.33 %
Wastewater					
Current Month	432,562	430,113	0.57 %	425,480	1.66 %
Year-to-date Average	431,147	429,865	0.30 %	425,452	1.34 %
Total Connections (b)					
Current Month	915,883	907,448	0.93 %	902,130	1.52 %
Year-to-date Average	914,159	907,231	0.76 %	902,143	1.33 %
<b>SAWS Infrastructure In Service, Cumulative</b>					
Water - Miles of Main	6,868			6,735	1.97 %
Wastewater - Miles of Main	5,336			5,258	1.49 %
Manholes	105,068			102,245	2.76 %
Fire Hydrants	39,047			37,810	3.27 %
<b>Edwards Reservoir Level</b>					
High	665.8			646.4	19.4 Feet
Low	661.7			643.9	17.8 Feet
End of Month	663.9			644.2	19.7 Feet

(a) Forecasted rainfall based on 30 year average  
(b) Excludes irrigation connections