

# San Antonio Water System

## *CONDENSED MONTHLY FINANCIAL REPORT March 2016*



**San Antonio, Texas**

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

Attached is the monthly financial report of the San Antonio Water System (SAWS) for the month ended March 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 \$21.6 million during the month.
- Operating revenues for the month of \$47 million were \$1.5 million favorable to budget and \$6.1 million more than a year ago.
- Operating expenses before depreciation for the month of \$24.7 million were \$.8 million favorable to budget but \$2.2 million more than the prior year.
- Net interest expense was \$1.4 million favorable to budget for the month and \$.2 million less than the prior year.
- SAWS' net income before capital contributions for the month of \$2.8 million was \$4.9 million favorable to budget and \$3.6 million favorable to the loss in March 2015.
- Capital contributions for the month were \$18.8 million compared to the budget of \$9.6 million and \$9.1 million in March 2015.

**OVERALL FINANCIAL CONDITION**

		March 31, 2016
<i>(\$ in thousands)</i>		
Assets	\$	5,617,643
Deferred Outflows of Resources		81,870
Liabilities		(3,240,352)
Deferred Inflows of Resources		(6,784)
Net Position	\$	<u>2,452,376</u>
Net Investment in Capital Assets	\$	2,133,788
Restricted for Debt Service		76,710
Reserve Fund		58,060
Operating Reserve		52,279
Unrestricted		131,539
Net Position	\$	<u>2,452,376</u>

During the month, SAWS' total assets and deferred outflows of resources increased \$29 million primarily due to the increase in the investment in capital assets. Liabilities and deferred inflows of resources increased \$7.4 million primarily due to the accrual of interest on outstanding bonds.

For the month, net income before capital contributions of \$2.8 million was \$4.9 million favorable to budget and \$3.6 million favorable to the loss in March 2015. Capital contributions of \$18.8 million combined with net income resulted in a \$21.6 million increase in net position for the month.

Working capital totaled \$311.9 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% at March 31, 2016, 42.9% at February 29, 2016 and 40.7% at March 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.

Debt Coverage Ratios			
	3/31/2016	2/29/2016	3/31/2015
Current Year Debt Service - Senior Lien Debt	3.55	3.50	2.83
Current Year Debt Service - Total Debt	1.55	1.53	1.60

As of March 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.

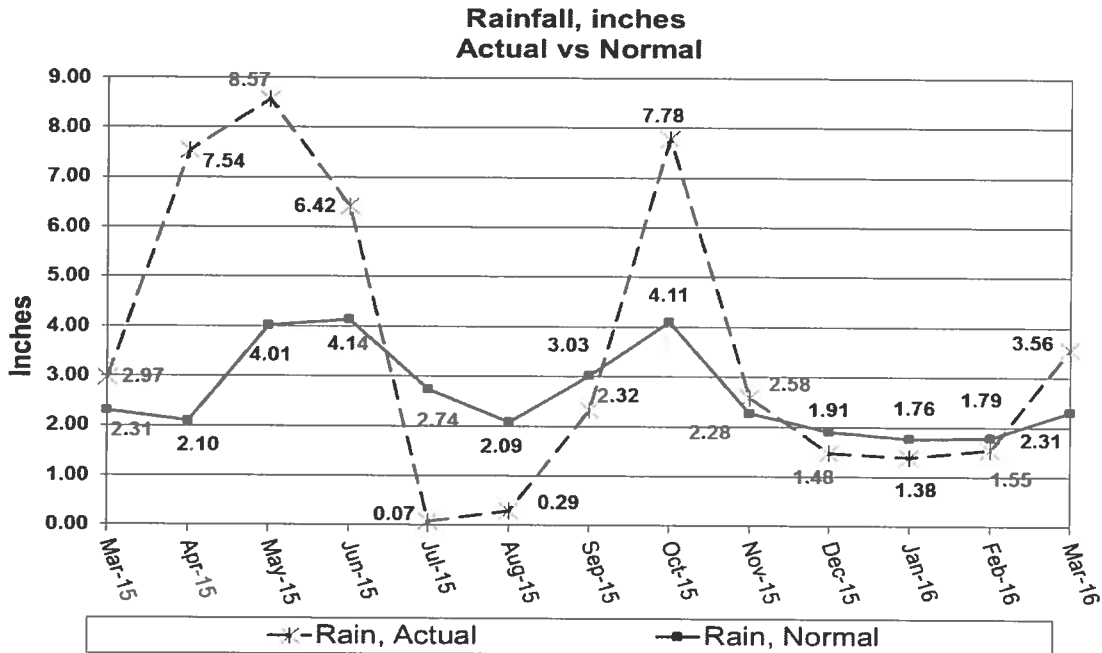
## RESULTS OF OPERATIONS

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

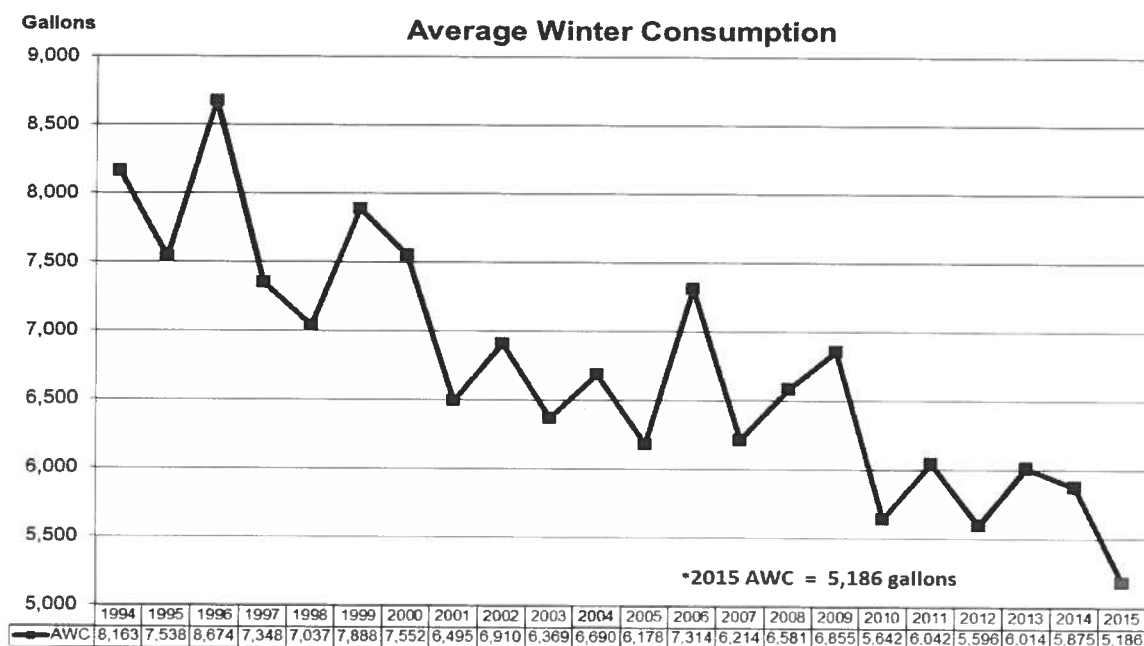
(\$ in thousands)					
	March-16		Fav (Unfav) Variance	March-15	Fav (Unfav) Variance
	Actual	Budget*	To Budget	Actual	To Prior Year
Operating Revenues					
Water Supply System	\$ 13,256	\$ 12,730	\$ 526	\$ 10,737	\$ 2,519
Water Delivery System	14,117	13,491	626	11,290	2,827
Wastewater System	18,793	18,440	353	18,081	712
Chilled Water and Steam System	832	817	15	758	74
Total operating revenues	<u>46,998</u>	<u>45,478</u>	<u>1,520</u>	<u>40,866</u>	<u>6,132</u>
Operating Expenses Before Depreciation	24,718	25,544	826	22,498	(2,220)
Depreciation Expense	11,955	12,339	384	11,070	(885)
Total operating expenses	<u>36,673</u>	<u>37,883</u>	<u>1,210</u>	<u>33,567</u>	<u>(3,106)</u>
Operating Income	10,325	7,595	2,730	7,299	3,026
Miscellaneous Revenues	411	312	99	110	302
Investment income	265	139	127	259	6
Interest Expense	7,535	8,784	1,249	7,723	188
Payments to the City of San Antonio	1,090	1,051	(38)	935	(155)
Other Non-operating Expense	(405)	356	762	(175)	230
Net Income (Loss) Before Capital Contributions	<u>2,782</u>	<u>(2,146)</u>	<u>4,929</u>	<u>(815)</u>	<u>3,597</u>
Capital Recovery Fees	6,677	4,636	2,041	5,360	1,317
Plant Contributions	12,098	5,000	7,098	3,783	8,315
Total Contributions	<u>18,775</u>	<u>9,636</u>	<u>9,139</u>	<u>9,143</u>	<u>9,632</u>
Change in Net Position	<u>\$ 21,557</u>	<u>\$ 7,490</u>	<u>\$ 14,068</u>	<u>\$ 8,329</u>	<u>\$ 13,229</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 March 2016 were \$1.5 million favorable to budget and \$6.1 million more than March 2015. Water delivery and supply revenues of \$27.4 million were \$1.2 million favorable to budget and \$5.3 million more than March 2015. Billed water usage for the month was approximately 6% more than budget and 16% 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 \$18.8 million was \$.4 million favorable to budget and \$.7 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 \$.8 million favorable to budget for the month but \$2.2 million more than a year ago. The timing of spending on certain contractual services contributed to both the favorable variance to budget as well as the unfavorable variance to prior year.

Investment income for the month was \$.1 million favorable to budget and consistent with March 2015. The yield on SAWS investment portfolio was .43% for the month compared to the budgeted yield of .35% and .16% earned on the portfolio a year ago. While investment balances are more than budget for the month, balances have decreased 19% from a year ago as a result of capital spending.

Interest expense for the month was \$1.2 million favorable to budget and \$.2 million less than March 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 March 2016, capital contributions included \$6.7 million in impact fees and \$12.1 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 1.7% over the last 12 months (March 2015 - March 2016) and 1.8% for the preceding 12 month period (March 2014 – March 2015).

**CASH FLOWS**

Cash and cash equivalents decreased \$41.3 million during March 2016. Cash inflows during the month included \$25.6 million from operations, \$.9 million in proceeds from the sale of capital assets and \$6.7 million in proceeds from developers. Cash outflows for the month consisted primarily of \$25.5 million spent on the acquisition and construction of property, plant and equipment and \$47.8 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 \$332.4 million in additional capital contracts. Additionally, outstanding commitments on awarded contracts total \$349.8 million at March 31, 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	\$ 21.5	8.7%
CY2015	236.2	223.7	155.0	69.3%
CY2014	413.0	358.5	320.6	89.4%
	<u>\$ 896.4</u>	<u>\$ 829.4</u>	<u>\$ 497.2</u>	59.9%

**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  
March 31, 2016**

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

**ASSETS AND DEFERRED OUTFLOWS OF RESOURCES**

<b>CURRENT ASSETS</b>	<u>2016</u>	<u>2015<sup>1</sup></u>
Cash and cash equivalents	\$ 63,978,817	\$ 97,652,455
Investments	171,856,994	121,801,048
Accrued interest receivable	1,076,925	938,264
Accounts receivable - net of allowance for uncollectable accounts of \$5,861,403 and \$3,826,867 respectively	68,701,417	67,829,550
Inventory - materials and supplies	5,113,729	6,225,866
Prepaid expenses	6,428,048	7,042,419
Interfunds - Other Funds	-	-
<b>Total current unrestricted assets</b>	<u>317,155,930</u>	<u>301,489,602</u>
 <b>RESTRICTED ASSETS</b>		
Debt Service Fund		
Cash and Cash Equivalents	19,974,346	23,139,312
Investments	94,589,557	85,814,001
Construction Funds		
Investments	20,131,679	11,423,235
Customers' deposits - System Fund	12,727,946	11,782,557
Operating Reserve - System Fund	52,279,428	45,799,770
<b>Total current restricted assets</b>	<u>199,702,956</u>	<u>177,958,875</u>
<b>Total current assets</b>	<u>516,858,886</u>	<u>479,448,477</u>
 <b>NONCURRENT ASSETS</b>		
Restricted Noncurrent Assets		
Reserve fund:		
Cash and cash equivalents	288,453	6,152,880
Investments	87,470,316	87,271,344
Construction funds:		
Cash and cash equivalents	143,862,741	230,039,985
Investments	165,337,729	305,364,225
 <b>CAPITAL ASSETS</b>		
Utility plant in service	5,704,999,724	5,417,754,921
Less allowance for depreciation	1,895,164,135	1,755,791,916
	<u>3,809,835,589</u>	<u>3,661,963,005</u>
Land, water rights and other intangible assets	348,026,283	348,613,225
Construction in Progress	545,962,693	384,483,641
<b>Total capital assets</b>	<u>4,703,824,565</u>	<u>4,395,059,871</u>
 <b>TOTAL ASSETS</b>	 5,617,642,690	 5,503,336,782
 <b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Loss on bond refunding	46,679,571	32,967,910
Deferred outflows - pensions	16,081,727	14,474,394
Derivative Instrument	19,108,322	17,677,883
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>81,869,620</u>	<u>65,120,187</u>
 <b>TOTAL ASSETS &amp; DEFERRED OUTFLOWS OF RESOURCES</b>	 \$ <u>5,699,512,310</u>	 \$ <u>5,568,456,969</u>

<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 NET POSITION - continued**  
**March 31, 2016**

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

	<b>2016</b>	<b>2015<sup>1</sup></b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 28,876,863	\$ 26,024,212
Sewer service collections payable	988,006	956,346
Accrued vacation pay	5,505,812	5,509,658
Accrued payroll and benefits	5,093,633	4,667,890
Accrued claims payable	2,489,243	2,979,400
Accrued stormwater services	3,179,028	2,887,952
Health Insurance Payable	1,890,343	4,718,976
Sundry payables and deferred income	7,677,727	3,125,537
Total current unrestricted liabilities	55,700,655	50,869,971
 <b>LIABILITIES PAYABLE FROM RESTRICTED FUNDS</b>		
Debt Service Fund		
Accrued interest payable	37,854,336	38,599,483
Construction funds:		
Contract retainage payable	18,159,369	9,564,919
Sundry payables	1,972,310	1,858,316
Customers' deposits	12,727,946	11,782,557
Revenue bonds payable within one year	78,570,000	71,665,000
Total current restricted liabilities	149,283,961	133,470,275
Total current liabilities	204,984,616	184,340,246
 <b>LONG-TERM LIABILITIES</b>		
Accrued vacation payable	3,420,424	3,727,866
Long-term unfunded post-retirement obligations	79,452,237	82,889,578
Net pension liability	42,562,773	50,240,243
Derivative Instrument	23,282,675	22,225,120
Commercial paper notes	224,005,000	217,250,000
Revenue bonds payable after one year	2,501,894,998	2,601,004,912
Unamortized premium	163,310,620	145,786,272
Less unamortized discount	(2,561,293)	(2,816,769)
Total long-term liabilities	3,035,367,434	3,120,307,222
Total Liabilities	3,240,352,050	3,304,647,468
 <b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Inflows - pensions	6,783,933	-
<b>TOTAL LIABILITIES &amp; DEFERRED INFLOWS OF RESOURCES</b>	3,247,135,983	3,304,647,468
 <b>NET POSITION</b>		
Restricted:		
Reserved for Debt Service	76,709,567	70,353,830
Reserve Fund	58,060,042	61,065,307
Net Investment in Capital Assets	2,133,788,491	1,972,615,565
Operating Reserve	52,279,428	45,799,770
Total Restricted Equity	2,320,837,528	2,149,834,472
Unrestricted Net Position	131,538,799	113,975,029
<b>TOTAL NET POSITION</b>	\$ 2,452,376,327	\$ 2,263,809,501

<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**  
**Three months ended March 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	\$ 324,167	\$ 342,204	\$ 318,235	\$ (18,037)	\$ 5,932
Water Supply Fee	29,566,037	30,019,111	26,146,572	(453,074)	3,419,465
EAA/TCEQ Fee	6,400,708	5,893,793	4,759,933	506,915	1,640,775
Recycle Water	1,378,585	1,160,928	1,073,779	217,657	304,806
Stormwater	1,236,739	1,139,583	1,199,207	97,156	37,532
Metered Water	41,795,541	41,939,215	36,688,592	(143,674)	5,106,949
Conservation Metered Water	2,083,531	2,079,645	1,811,040	3,886	272,491
Wastewater service charges	56,569,500	55,856,918	54,470,125	712,582	2,099,375
Chilled water and steam	2,442,119	2,367,059	2,295,126	75,060	146,993
Less Uncollectible accounts	(1,216,884)	(949,121)	(979,067)	(267,763)	(237,817)
<b>Total operating revenues</b>	<b>140,580,043</b>	<b>139,849,335</b>	<b>127,783,542</b>	<b>730,708</b>	<b>12,796,501</b>
<b>Operating expenses:</b>					
Salaries and fringe benefits	33,280,812	34,954,791	33,760,166	1,673,979	479,354
Contractual services	32,640,392	40,904,861	30,263,329	8,264,469	(2,377,063)
Materials & supplies	4,633,860	5,500,298	4,939,213	866,438	305,353
Other charges	2,605,388	2,744,399	2,732,268	139,011	126,880
Capitalized cost	(8,352,588)	(10,515,819)	(9,153,092)	(2,163,231)	(800,504)
Intercompany transfers	2,947	-	79,627	(2,947)	76,680
<b>Total operating expenses before depreciation</b>	<b>64,810,811</b>	<b>73,588,530</b>	<b>62,621,511</b>	<b>8,777,719</b>	<b>(2,189,300)</b>
Depreciation expense	35,168,662	36,504,161	33,224,623	1,335,499	(1,944,039)
<b>Total operating expenses</b>	<b>99,979,473</b>	<b>110,092,691</b>	<b>95,846,134</b>	<b>10,113,218</b>	<b>(4,133,339)</b>
<b>Operating income (loss)</b>	<b>40,600,570</b>	<b>29,756,644</b>	<b>31,937,408</b>	<b>10,843,926</b>	<b>8,663,162</b>
<b>Non-operating revenues:</b>					
Miscellaneous revenue	439,809	312,000	128,177	127,809	311,632
Interest earned	772,906	415,625	653,128	357,281	119,778
Gain/(Loss) on Investments	-	-	-	-	-
<b>Total non-operating revenues</b>	<b>1,212,715</b>	<b>727,625</b>	<b>781,305</b>	<b>485,090</b>	<b>431,410</b>
<b>Non-operating expenses:</b>					
Debt issuance costs	1,749,394	448,912	3,831,130	(1,300,482)	2,081,736
Other financing charges	548,212	589,501	727,992	41,289	179,780
Interest expense:					
Revenue bonds and commercial paper	26,780,809	30,740,514	27,569,693	3,959,705	788,884
Capitalized interest	(1,345,894)	(1,164,072)	(928,387)	181,822	417,507
Amortized discount/premiums/Loss on refunding	(2,961,694)	(3,270,783)	(3,120,177)	(309,089)	(158,483)
Loss (gain) on sale of fixed assets	(625,510)	-	(551,356)	625,510	74,154
Transfers to GKDA	23,072	30,600	19,226	7,528	(3,846)
Transfers to City of San Antonio	3,203,415	3,212,045	2,920,565	8,630	(282,850)
<b>Total non-operating expenses</b>	<b>27,371,804</b>	<b>30,586,717</b>	<b>30,468,686</b>	<b>3,214,913</b>	<b>3,096,882</b>
<b>Net income (loss) before capital contributions</b>	<b>14,441,481</b>	<b>(102,448)</b>	<b>2,250,027</b>	<b>14,543,929</b>	<b>12,191,454</b>
<b>Capital contributions:</b>					
Capital recovery fees	15,800,520	13,629,489	13,233,888	2,171,031	2,566,632
Plant contributions	22,228,605	15,000,000	11,091,163	7,228,605	11,137,442
<b>Total capital contributions</b>	<b>38,029,125</b>	<b>28,629,489</b>	<b>24,325,051</b>	<b>9,399,636</b>	<b>13,704,074</b>
<b>CHANGE IN NET POSITION</b>	<b>52,470,606</b>	<b>28,527,041</b>	<b>26,575,078</b>	<b>23,943,565</b>	<b>25,895,528</b>
<b>NET POSITION, beginning balances</b>	<b>2,399,905,721</b>	<b>1,960,715,275</b>	<b>2,237,234,423</b>		
<b>NET POSITION, ending balances</b>	<b>\$ 2,452,376,327</b>	<b>\$ 1,989,242,316</b>	<b>\$ 2,263,809,501</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  
Three months ended March 2016**

	2016	2015 <sup>1</sup>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash received from customers	\$ 146,076,301	\$ 130,187,888
Cash paid to vendors for operations	(52,751,819)	(55,902,739)
Cash paid to employees for services	(26,749,572)	(25,515,481)
Net cash provided by operating activities	66,574,910	48,769,668
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Payments to the City of San Antonio	(2,200,254)	(2,168,491)
Payments to other entities	(26,176)	(34,805)
Net cash used for noncapital financing activities	(2,226,430)	(2,203,296)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of capital assets	922,826	668,241
Proceeds from developers for plant construction	15,800,520	13,233,888
Payment to employees for construction of plant	(5,569,687)	(6,672,270)
Payment to vendors for construction of plant	(2,782,901)	(2,480,822)
Payments for acquisition of equipment and furniture	(1,001,891)	(2,485,453)
Payments for acquisition of property and plant	(82,965,182)	(31,321,028)
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	(995,711)	(996,459)
Payment of interest on revenue bonds	(3,774,644)	(3,796,231)
Payment for bond related expenses	(1,749,394)	(3,831,132)
Payment for finance charges	(500,921)	(434,478)
Net cash used for capital and related financing activities	(86,756,161)	109,264,906
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(205,606,342)	(244,803,733)
Maturity of investments	173,828,350	170,373,667
Interest income and other	1,488,523	955,113
Net cash provided (used) by investing activities	(30,289,469)	(73,474,953)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(52,697,150)	82,356,325
<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>	\$ 228,104,357	\$ 356,984,632

<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  
Three months ended March 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	\$ 63,978,817	\$ 97,652,455
Restricted		
Debt Service Fund	19,974,346	23,139,312
Reserve Fund	288,453	6,152,880
Construction Fund	143,862,741	230,039,985
	\$ 228,104,357	\$ 356,984,632
 <b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Operating Income	\$ 40,600,570	\$ 31,937,408
Adjustments to reconcile operating income to net cash provided by operating activities:		
Non-cash revenues from City of San Antonio	(1,000,057)	(752,074)
Provision for uncollectible accounts	1,216,884	979,067
Charge-off prior year construction expenditures to operating expense	-	(895)
Depreciation expense	35,168,662	33,224,623
Change in assets, deferred outflows, liabilities and deferred inflows:		
(Increase)/Decrease in accounts receivable	(1,220,497)	525,711
(Increase)/Decrease in inventory	242,477	56,012
(Increase)/Decrease in prepaid expenses	55,205	207,039
(Decrease)/Increase in accounts payable	(16,714,976)	(22,250,355)
(Decrease)/Increase in amount due for sewer collections	(14,113)	(3,211)
(Decrease)/Increase in accrued vacation payable	120,581	665,249
(Decrease)/Increase in accrued payroll and benefits	1,836,508	1,927,350
(Decrease)/Increase in claims payables	-	(100)
(Decrease)/Increase in accrued stormwater services	271,783	(29,147)
(Decrease)/Increase in health claims payables	351,507	1,403,095
(Decrease)/Increase in unfunded post-retirement obligations	(842,653)	(844,897)
(Decrease)/Increase in sundry payables and accruals	6,244,862	1,453,985
(Decrease)/Increase in customers' deposits	258,170	270,808
Total Adjustments	25,974,340	16,832,260
Net cash provided by operating activities	\$ 66,574,910	\$ 48,769,668

<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 March 2016

SOURCES OF FUNDS	Water				Chilled Water System	Total System	Budget	
	Supply System	Delivery System	Wastewater System	System			Current Allotments	Favorable (Unfavorable)
<b>OPERATING REVENUES</b>	\$ 108,650	\$ -	\$ -	\$ -	\$ 108,650	\$ 114,068	\$ (5,418)	-4.75%
Water Resources - Misc	9,388,481	-	-	-	9,388,481	9,154,226	234,255	2.56%
Water Supply Fee	1,892,042	120,862	-	-	2,049,899	1,899,964	150,935	7.95%
EAA/TCEQ Pass Through Fees	458,513	-	36,995	-	458,513	374,874	83,639	22.31%
Recycled water system	412,349	-	-	-	412,349	379,961	32,488	8.55%
Stormwater	708,430	-	-	-	708,430	670,436	37,994	5.67%
Metered Water - Conservation	-	14,671,798	-	-	14,671,798	13,999,145	672,653	4.80%
Metered Water - Water Delivery	(56,812)	(62,691)	(94,056)	-	(213,559)	(228,037)	14,478	6.35%
Affordability Discount Program	-	-	18,483,366	-	18,483,366	18,109,462	373,904	2.06%
Wastewater System	-	-	509,171	-	509,171	496,809	12,362	2.49%
Wastewater Surcharge	-	-	-	831,990	831,990	817,453	14,537	1.78%
Chilled water and steam	-	(469,167)	-	-	(469,167)	-	-	0.00%
Operating Transfer	(124,912)	(143,851)	(142,483)	-	(411,246)	(308,367)	102,879	32.93%
Less Uncollectible Accounts	13,255,908	14,116,951	18,792,993	-	46,997,842	45,477,893	1,519,948	3.34%
<b>NON-OPERATING REVENUES</b>								
Interest earned and miscellaneous	234,373	152,158	214,038	-	620,308	438,667	181,641	41.41%
Interest earned on Project Fund & R&R Funds	15,439	11,992	28,191	-	56,437	11,875	44,562	375.26%
Total non-operating revenues	249,812	164,150	242,229	-	676,745	450,542	226,203	50.21%
<b>CAPITAL CONTRIBUTIONS</b>								
Capital Recovery and Service Extension Fees	2,346,358	1,899,352	2,431,601	-	6,677,311	4,636,170	2,041,141	44.03%
Total capital contributions	2,346,358	1,899,352	2,431,601	-	6,677,311	4,636,170	2,041,141	44.03%
<b>TOTAL SOURCES OF FUNDS</b>	\$ 15,852,078	\$ 16,180,453	\$ 21,466,823	\$ 852,544	\$ 54,351,898	\$ 50,564,605	\$ 3,787,293	7.49%
<b>USES OF FUNDS</b>								
<b>OPERATION AND MAINTENANCE*</b>								
Salaries and fringe benefits	2,335,656	4,228,770	5,023,054	125,273	11,713,753	12,077,020	363,267	3.01%
Contractual services	6,298,080	2,610,552	3,770,582	449,780	13,128,994	14,647,408	1,518,414	10.37%
Materials and supplies	114,770	807,542	1,171,412	19,954	2,113,678	1,785,689	(327,989)	-18.37%
Other charges	187,604	306,421	444,004	24,042	962,071	884,829	(77,242)	-8.73%
Capitalized cost	(523,559)	(1,114,869)	(1,295,549)	(18,453)	(2,952,430)	(3,622,639)	(670,209)	18.50%
Intercompany transfers	2,947	-	-	-	2,947	-	(2,947)	0.00%
Total operation and maintenance	8,415,498	6,839,416	9,113,503	600,596	24,969,013	25,772,306	803,293	3.12%
<b>OPERATING RESERVE REQUIREMENT</b>								
<b>DEBT REQUIREMENTS</b>								
Revenue Bonds:								
Interest costs	1,904,718	2,997,519	3,506,348	81,263	8,489,848	9,685,469	1,195,621	12.34%
Retirement of bonds	2,036,437	2,602,564	2,435,687	54,064	7,128,752	6,685,002	(443,750)	-6.64%
Subordinate lien debt:								
Interest costs	163,898	25,740	60,561	38,349	288,548	509,675	221,127	43.39%
Retirement of bonds	160,698	25,237	59,380	37,601	282,916	349,998	67,082	19.17%
Net variable interest - swap	(3,272)	12,081	(1,208)	(765)	6,836	(6,836)	-	0.00%
Commercial paper notes	262	4,903	2,245	-	7,410	59,016	51,606	87.44%
Other Debt Expense	46,639	58,839	71,734	5,026	182,238	196,500	14,262	7.26%
Total debt requirements	4,309,380	5,726,883	6,134,747	215,538	16,386,548	17,485,660	1,099,112	6.29%
<b>TRANSFER TO THE CITY'S GENERAL FUND</b>	257,014	296,456	513,190	22,997	1,089,657	1,051,356	(38,301)	-3.64%
<b>AMOUNT AVAILABLE FOR R&amp;R FUNDS:</b>								
INTEREST ON PROJECT & R&R FUNDS	15,439	11,992	28,191	815	56,437	11,875	44,562	375.26%
<b>CAPITAL RECOVERY AND SERVICE EXT. FEES</b>								
GENERAL	508,389	1,899,352	2,431,601	-	6,677,311	4,636,170	2,041,141	44.03%
Total amount available for R&R Funds	2,870,186	3,317,698	5,705,383	13,413	11,906,680	6,018,900	5,887,780	277.35%
<b>TOTAL USES OF FUNDS</b>	\$ 15,852,078	\$ 16,180,453	\$ 21,466,823	\$ 852,544	\$ 54,351,898	\$ 50,564,605	\$ 3,787,293	7.49%

\*Excludes non-cash portion of employee benefit expense

San Antonio Water System  
**CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS**  
 Three months ended March 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>													
Water Resources - Misc.	324,167								324,167		342,204	(18,037)	-5.27%
Water Supply Fee	28,319,571								28,319,571		28,798,572	(479,101)	-1.66%
EAA/CEO Pass Through Fees	5,928,389								5,928,389		5,993,793	(66,404)	-1.10%
Recycled water system	1,378,585		110,543						1,489,128		1,489,128		0.00%
Stormwater	1,236,739								1,236,739		1,139,583	97,156	7.85%
Metered Water - Conservation	2,083,531								2,083,531		2,079,645	3,886	0.19%
Metered Water - Water Delivery	(161,035)		43,381,618						43,381,618		43,533,778	(152,160)	-0.35%
Affordability Discount Program			(178,576)		(266,601)				(445,177)		(684,112)	238,935	-53.45%
Wastewater System					55,291,599				55,291,599		54,666,980	624,719	1.14%
Wastewater Surcharge					1,544,502				1,544,502		1,500,026	44,476	2.97%
Chilled water and steam							2,442,119		2,442,119		2,367,059	75,060	3.17%
Operating Transfer	1,407,501		(1,407,501)										0.00%
Less - Uncollectible Accounts	(350,600)		(422,650)				(7,123)		(1,216,884)		(949,121)	(267,763)	28.21%
<b>Total operating revenues</b>	<b>40,166,848</b>		<b>41,734,667</b>		<b>56,243,532</b>		<b>2,434,996</b>		<b>140,580,043</b>		<b>139,849,335</b>	<b>730,708</b>	<b>0.52%</b>
<b>NON-OPERATING REVENUES</b>													
Interest earned and miscellaneous	371,283		264,146		357,840		48,641		1,041,910		692,001	349,909	50.56%
Interest earned on Project Fund	42,953		43,715		81,693		2,444		170,805		35,625	135,180	379.45%
Total non-operating revenues	414,236		307,861		439,533		51,085		1,212,715		727,626	485,089	66.67%
<b>CAPITAL CONTRIBUTIONS</b>													
Capital Recovery and Service Extension Fees	5,534,974		4,525,657		5,739,889				15,800,520		13,629,489	2,171,031	15.93%
Total capital contributions	5,534,974		4,525,657		5,739,889				15,800,520		13,629,489	2,171,031	15.93%
<b>TOTAL SOURCES OF FUNDS</b>	<b>\$ 46,116,058</b>		<b>\$ 46,568,185</b>		<b>\$ 62,422,954</b>		<b>\$ 2,486,081</b>		<b>\$ 157,593,278</b>		<b>\$ 154,206,450</b>	<b>\$ 3,386,828</b>	<b>2.20%</b>
<b>USES OF FUNDS</b>													
<b>OPERATION AND MAINTENANCE*</b>													
Salaries and fringe benefits	6,899,649		12,346,565		14,697,870		359,621		34,303,705		35,910,540	1,606,835	4.47%
Contractual services	18,999,090		6,022,009		6,706,580		912,714		32,640,393		40,904,861	8,264,468	20.20%
Materials and supplies	305,679		1,702,605		2,543,462		81,913		4,633,959		5,500,298	866,439	15.75%
Other charges	471,164		775,230		1,118,692		62,307		2,427,393		2,566,403	139,010	5.42%
Capitalized cost	(1,496,697)		(3,424,215)		(3,468,391)		(55,062)		(8,444,365)		(10,607,595)	(2,163,230)	20.39%
Intercompany transfers	2,947							2,947				(2,947)	0.00%
Total operation and maintenance	25,182,032		17,422,194		21,598,213		1,361,493		65,563,932		74,274,507	8,710,575	11.73%
<b>OPERATING RESERVE REQUIREMENT</b>													
Revenue Bonds	370,982		593,042		(398,218)		(46,940)		518,866		709,146	190,280	26.83%
Interest costs	5,701,233		9,332,321		10,525,835		246,270		25,803,659		29,034,441	3,228,782	11.12%
Retirement of bonds	6,109,308		5,389,691		7,307,061		162,191		18,968,251		20,085,006	1,086,755	5.42%
Subordinate lien debt													
Interest cost	473,560		74,372		174,984		110,806		833,722		1,529,025	695,303	45.47%
Retirement of bonds	482,095		75,712		178,140		112,803		846,750		201,247	645,503	19.17%
Net variable interest - swap	(2,318)		38,094		(856)		(542)		34,378		(34,378)		100.00%
Commercial paper notes	461		75,175		5,597				81,233		177,048	95,815	54.12%
Other Debt Expense	139,915		178,017		215,201		15,080		546,213		589,501	41,288	7.00%
Total debt requirements	12,904,254		15,163,382		18,405,962		646,608		47,120,206		52,435,018	5,314,812	10.14%
<b>TRANSFER TO THE CITY'S GENERAL FUND</b>													
AMOUNT AVAILABLE FOR R&R FUNDS:	756,164		854,421		1,525,744		67,087		3,203,416		3,212,045	8,629	0.27%
<b>INTEREST ON PROJECT &amp; R&amp;R FUNDS</b>													
CAPITAL RECOVERY AND SERVICE EXT. FEES	42,953		43,715		81,693		2,444		170,805		35,625	135,180	379.45%
GENERAL	5,534,974		4,525,657		5,739,889				15,800,520		13,629,489	2,171,031	15.93%
Total amount available for R&R Funds	6,902,626		12,535,146		21,291,253		457,833		41,166,858		23,575,734	17,611,124	74.70%
<b>TOTAL USES OF FUNDS</b>	<b>\$ 46,116,058</b>		<b>\$ 46,568,185</b>		<b>\$ 62,422,954</b>		<b>\$ 2,486,081</b>		<b>\$ 157,593,278</b>		<b>\$ 154,206,450</b>	<b>\$ 3,386,828</b>	<b>2.20%</b>

\*Excludes non-cash portion of employee benefit expense

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

**SOURCES OF FUNDS**

	Water Resources	Recycle Water System	Conservation	Stormwater System	Total System	Current Allotments	Budget	
							Favorable (Unfavorable)	Variance
<b>OPERATING REVENUES</b>	\$ 108,650	\$ -	\$ -	\$ -	\$ 108,650	\$ 114,068	(\$ 5,418)	\$ -4,75%
Water Resources - Misc	9,388,481	-	-	-	9,388,481	9,154,226	234,255	2.56%
Water Supply Fee	1,892,042	-	-	-	1,892,042	1,735,331	156,711	9.03%
EAA Fee	-	458,513	-	-	458,513	374,874	83,639	22.31%
Recycled water system	-	-	-	-	-	379,861	32,488	8.55%
Stormwater	-	-	-	412,349	412,349	670,436	37,994	5.67%
Metered Water - Conservation	(56,812)	-	708,430	-	(56,812)	(62,354)	5,542	8.89%
Affordability Discount Program	469,167	-	-	-	469,167	-	-	0.00%
Operating Transfer	(115,684)	(3,274)	(5,954)	-	(124,912)	(105,546)	(19,366)	18.35%
Less: Uncollectible Accounts	11,685,844	455,239	702,476	412,349	13,255,908	12,730,063	525,845	4.13%
Total operating revenues								
<b>NON-OPERATING REVENUES</b>								
Interest earned and miscellaneous	212,806	3,586	12,214	5,767	234,373	170,716	63,657	37.29%
Interest earned on Project Fund & R&R Funds	15,439	-	-	-	15,439	7,095	8,344	117.60%
Total non-operating revenues	228,245	3,586	12,214	5,767	249,812	177,811	72,001	40.49%
<b>CAPITAL CONTRIBUTIONS</b>								
Capital Recovery Fees	2,346,358	-	-	-	2,346,358	1,297,424	1,048,934	80.85%
Total capital contributions	2,346,358	-	-	-	2,346,358	1,297,424	1,048,934	80.85%
<b>TOTAL SOURCES OF FUNDS</b>	\$ 14,260,447	\$ 458,825	\$ 714,690	\$ 418,116	\$ 15,852,078	\$ 14,205,298	\$ 1,646,780	11.59%

**USES OF FUNDS**

<b>OPERATION AND MAINTENANCE*</b>	\$ 1,696,938	\$ 88,991	\$ 315,086	\$ 234,641	\$ 2,335,656	\$ 2,502,882	\$ 167,226	6.68%
Salaries and fringe benefits	6,030,485	69,290	109,586	89,719	6,298,080	7,663,199	1,365,109	17.81%
Contractual services	79,523	14,280	13,705	7,252	114,770	128,834	14,064	10.92%
Materials and supplies	131,593	10,060	29,455	16,496	187,604	171,226	(16,378)	0.00%
Other charges	(494,471)	(27,756)	(163)	(1,169)	(523,559)	(669,183)	(145,624)	21.76%
Capitalized cost	2,947	-	-	-	2,947	-	(2,947)	100.00%
Intercenter transfers	7,447,015	153,875	467,669	346,939	8,415,498	9,796,948	1,381,450	14.10%
Total operation and maintenance								
<b>OPERATING RESERVE REQUIREMENT</b>								
<b>DEBT REQUIREMENTS</b>								
Revenue Bonds								
Interest costs	1,574,695	330,023	-	-	1,904,718	2,010,499	105,781	5.26%
Retirement of bonds	1,358,057	678,380	-	-	2,036,437	2,036,435	(2)	0.00%
Subordinate lien debt								
Interest costs	148,320	15,578	-	-	163,898	181,335	17,437	9.62%
Retirement of bonds	145,424	15,274	-	-	160,698	160,698	-	0.00%
Net variable interest - swap	(2,961)	(311)	-	-	(3,272)	3,272	3,272	100.00%
Commercial Paper Notes	262	-	-	-	262	9,728	9,466	97.31%
Other Debt Expense	44,664	1,975	-	-	46,639	46,638	(1)	0.00%
Total debt requirements	3,268,461	1,040,919	-	-	4,309,380	4,445,333	135,953	3.06%
<b>TRANSFER TO THE CITY'S GENERAL FUND</b>								
AMOUNT AVAILABLE FOR R&R FUNDS:	233,076	4,641	19,297	-	257,014	244,629	(12,385)	-5.06%
<b>INTEREST ON PROJECT &amp; R&amp;R FUNDS:</b>								
<b>CAPITAL RECOVERY FEES</b>	15,439	-	-	-	15,439	7,095	8,344	117.60%
<b>GENERAL</b>	2,346,358	-	-	-	2,346,358	1,297,424	1,048,934	80.85%
Total amount available for R&R Funds	3,311,895	(740,610)	227,724	71,177	508,389	(1,770,628)	2,279,017	-128.71%
Total amount available for R&R Funds								
<b>TOTAL USES OF FUNDS</b>	\$ 14,260,447	\$ 458,825	\$ 714,690	\$ 418,116	\$ 15,852,078	\$ 14,205,298	\$ 1,646,780	11.59%

\*Excludes non-cash portion of employee benefit expense

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

**SOURCES OF FUNDS**

	Water Resources	Recycle Water System	Conservation	Stormwater System	Total System	Budget		Variance
						Current	Favorable (Unfavorable)	
<b>OPERATING REVENUES</b>								
Water Supply Fee	324,167	-	-	-	324,167	342,204	(18,037)	-5.27%
EAA Fee	28,319,571	-	-	-	28,319,571	28,796,672	(479,101)	-1.66%
Recycled water system	5,928,389	-	-	-	5,928,389	5,402,894	525,495	9.73%
Stormwater	-	1,376,585	-	-	1,376,585	1,160,928	217,657	18.75%
Metered Water - Conservation	-	-	2,083,531	1,236,739	3,320,270	2,079,645	1,240,625	8.53%
Metered Discount Program	(161,035)	-	-	-	(161,035)	(187,062)	26,027	0.19%
Operating Transfer	1,407,501	-	-	-	1,407,501	1,407,501	-	0.00%
Less: Uncollectible Accounts	(321,786)	(10,093)	(18,721)	-	(350,600)	(322,224)	28,376	-8.81%
Total operating revenues	35,496,807	1,366,492	2,064,810	1,236,739	40,166,848	39,822,141	344,707	0.87%
<b>NON-OPERATING REVENUES</b>								
Interest earned and miscellaneous	347,541	-	12,214	5,767	371,283	512,148	(140,865)	-27.50%
Interest earned on Project Fund & R&R Funds	42,953	-	-	-	42,953	21,285	21,668	100.00%
Total non-operating revenues	390,494	5,761	12,214	5,767	414,236	533,433	(119,197)	-22.35%
<b>CAPITAL CONTRIBUTIONS</b>								
Capital Recovery Fees	5,534,974	-	-	-	5,534,974	3,756,888	1,778,086	47.35%
Total capital contributions	5,534,974	-	-	-	5,534,974	3,756,888	1,778,086	47.35%
<b>TOTAL SOURCES OF FUNDS</b>	<b>41,422,275</b>	<b>1,374,253</b>	<b>2,077,024</b>	<b>1,242,506</b>	<b>46,116,058</b>	<b>44,112,462</b>	<b>2,003,596</b>	<b>4.54%</b>

**USES OF FUNDS**

<b>OPERATION AND MAINTENANCE*</b>								
Salaries and fringe benefits	5,051,826	259,859	911,777	676,187	6,899,649	7,409,880	(510,231)	6.89%
Contractual services	18,193,181	199,879	357,197	248,833	18,999,090	21,777,463	(2,778,393)	12.76%
Materials and supplies	216,478	24,460	37,655	27,266	305,879	404,999	(99,120)	24.47%
Other charges	330,701	25,622	73,972	40,869	471,164	496,121	(24,957)	100.00%
Capitalized cost	(1,413,676)	(79,878)	(411)	(2,732)	(1,496,697)	(1,942,364)	(445,667)	22.94%
Total operation and maintenance	22,381,457	429,962	1,380,190	990,423	25,182,032	28,146,118	(2,964,086)	10.53%
<b>OPERATING RESERVE REQUIREMENT</b>	406,939	4,388	(71,048)	30,703	370,982	553,495	(182,513)	32.97%
<b>DEBT REQUIREMENTS</b>								
Revenue Bonds	4,710,746	990,487	-	-	5,701,233	6,022,878	(321,645)	5.34%
Interest costs	4,074,169	2,035,139	-	-	6,109,308	-	321,645	0.00%
Retirement of bonds	-	-	-	-	-	-	-	-
Subordinate lien debt	-	-	-	-	-	-	-	-
Interest costs	428,549	45,011	-	-	473,560	544,005	(70,445)	12.95%
Retirement of bonds	436,272	45,823	-	-	482,095	482,094	1	0.00%
Net variable interest - swap	(2,098)	(220)	-	-	(2,318)	-	2,318	100.00%
Commercial paper notes	461	-	-	-	461	29,184	(28,723)	98.42%
Other Debt Expense	133,950	5,925	-	-	139,875	139,914	(39)	0.00%
Total debt requirements	9,782,089	3,122,165	-	-	12,904,254	13,327,363	(423,129)	3.17%
<b>TRANSFER TO THE CITY'S GENERAL FUND</b>	685,892	14,192	56,080	-	756,164	763,222	(7,058)	0.92%
<b>AMOUNT AVAILABLE FOR R&amp;R FUNDS:</b>								
INTEREST ON PROJECT & R&R FUNDS	42,953	-	-	-	42,953	21,285	21,668	100.00%
<b>CAPITAL RECOVERY FEES</b>	5,534,974	-	-	-	5,534,974	3,756,888	1,778,086	47.35%
<b>GENERAL</b>	2,587,971	(2,196,454)	711,802	221,380	1,324,699	(2,455,929)	3,780,628	-153.94%
Total amount available for R&R Funds	8,165,898	(2,196,454)	711,802	221,380	6,902,626	1,322,244	5,580,382	42.24%
<b>TOTAL USES OF FUNDS</b>	<b>41,422,275</b>	<b>1,374,253</b>	<b>2,077,024</b>	<b>1,242,506</b>	<b>46,116,058</b>	<b>44,112,462</b>	<b>2,003,596</b>	<b>4.54%</b>

\*Excludes non-cash portion of employee benefit expense



**San Antonio Water System**  
**OPERATION AND MAINTENANCE EXPENSE BY ACCOUNT**  
For the Three Months Ended March 31, 2016

Classification	Annual Budget	Current Month		Year to Date		Variance (Over)/Under	%
		Actual	Budget	Actual	Budget		
<b>SALARIES AND FRINGE BENEFITS</b>							
511100 Salaries	\$ 96,450,495	\$ 7,461,052	\$ 7,899,003	\$ 22,008,937	\$ 23,352,886	1,343,948	5.8%
511140 Overtime Pay	3,701,482	318,405	277,793	1,119,955	933,401	(186,554)	-20.0%
511150 On-Call Pay	511,201	45,101	41,284	140,744	123,366	(17,378)	-14.1%
511160 Employee Insurance	17,509,951	1,428,536	1,427,887	4,288,299	4,280,664	(7,635)	-0.2%
511162 Retirement	20,022,346	1,625,555	1,698,890	4,716,042	5,023,735	307,693	6.1%
511164 Unused Sick Leave Buyback	70,000	-	5,830	(40,863)	17,490	58,352	333.6%
511166 Personal Leave Buyback	950,000	(2,957)	-	(2,957)	-	2,957	0.0%
511168 Accrued Vacation leave	1,200,000	213,062	100,000	198,548	300,000	101,452	33.8%
511170 Incentive Pay	76,799	-	1,333	-	3,999	3,999	100.0%
511175 Other Post Employment Benefits	7,500,000	625,000	625,000	1,875,000	1,875,000	(0)	0.0%
<b>Salaries and Fringe Benefits Total</b>	<b>147,992,274</b>	<b>11,713,754</b>	<b>12,077,020</b>	<b>34,303,706</b>	<b>35,910,540</b>	<b>1,606,834</b>	<b>4.5%</b>
<b>CONTRACTUAL SERVICES</b>							
511210 Operating Expense	1,976,338	210,563	173,204	497,250	532,362	35,112	6.6%
511211 Rental of Facilities	322,406	20,464	26,867	34,094	80,602	46,507	57.7%
511212 Alarm and Security	1,133,949	116,420	94,471	322,242	283,714	(38,529)	-13.6%
511214 Uniforms and Shoe Allowance	329,493	25,800	32,548	60,470	110,604	50,135	45.3%
511216 Catering Svcs & Luncheons	92,382	6,024	7,796	29,502	22,851	(6,651)	-29.1%
511219 Conservation Programs	3,677,305	30,476	383,829	126,998	608,899	481,901	79.1%
511220 Maintenance Expense	13,435,223	1,600,163	1,039,985	2,470,908	3,189,127	718,219	22.5%
511221 Street Cut Permit Admin Fee	750,629	(22,604)	63,014	93,285	155,927	62,642	40.2%
511222 St Pave/Repair Fee	1,703,984	166,078	142,002	42,641	426,005	383,364	90.0%
511223 Preventive Maintenance	76,611	15,164	6,384	37,385	19,152	(18,233)	-95.2%
511224 Corrective Maintenance	1,477,431	175,770	123,120	436,252	369,360	(66,892)	-18.1%
511225 Damage Repair	178,739	47,967	14,895	74,109	44,685	(29,424)	-65.9%
511230 Equipment Rental Charges	677,264	37,650	54,722	71,465	168,815	97,350	57.7%
511240 Travel	201,417	11,809	25,447	25,574	45,848	20,274	44.2%
511245 Training	617,710	69,226	50,034	120,017	97,898	(22,119)	-22.6%
511247 Conferences	85,481	1,270	13,349	10,672	28,369	17,698	62.4%
511250 Memberships and Subscriptions	386,440	67,781	13,979	180,550	96,752	(83,798)	-86.6%
511260 Utilities	31,480,688	2,274,304	2,254,140	5,923,206	6,508,009	584,803	9.0%
511261 Water Options	43,231,445	3,263,218	3,649,548	10,722,591	10,779,895	57,304	0.5%
511265 Ground Water District Pay	24,998,571	2,051,341	2,077,788	5,867,073	6,232,877	365,803	5.9%
511270 Mail and Parcel Post	2,298,376	187,698	191,693	537,249	574,640	37,392	6.5%
511280 Telemetering Charges	3,360	280	280	559	840	281	33.4%
511309 Educational Assist-Books	15,000	629	1,250	681	3,750	3,069	81.9%
511310 Educational Assistance	209,992	10,930	16,666	13,227	52,498	39,271	74.8%
511312 Contractual Prof Svcs	33,695,244	2,108,453	3,054,540	3,124,188	7,527,673	4,403,486	58.5%
511313 Inspect & Assessment Fees	1,821,599	134,538	159,499	500,203	461,528	(38,675)	-8.4%
511314 Water Treatment Plant Expense	300,000	-	25,000	4,807	75,000	70,193	93.6%
511315 Temporary Employees	1,012,101	(10,125)	74,667	44,903	292,400	247,497	84.6%
511320 Legal Services	3,155,000	90,428	229,583	127,579	588,749	461,169	78.3%
511370 Communications	1,433,145	104,297	118,269	273,711	367,898	94,187	25.6%
511381 Software and Hardware Maintenance	4,540,783	332,982	528,839	867,001	1,158,134	291,133	25.1%
<b>Contractual services Total</b>	<b>175,318,108</b>	<b>13,128,993</b>	<b>14,647,408</b>	<b>32,640,392</b>	<b>40,904,861</b>	<b>8,264,469</b>	<b>20.2%</b>

**San Antonio Water System**  
**OPERATION AND MAINTENANCE EXPENSE BY ACCOUNT**  
For the Three Months Ended March 31, 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	49,593	63,128	152,948	188,194	35,246	18.7%
511417 Copy and Printing Expense	41,631	3,055	4,447	3,128	10,876	7,748	71.2%
511420 Operating Materials	2,300,653	178,204	187,256	619,053	585,404	(33,649)	-5.8%
511421 Heating Fuel	50,501	2,501	4,167	2,927	12,751	9,824	77.1%
511422 Chemicals	6,407,264	593,644	488,631	1,385,865	1,468,388	82,523	5.6%
511425 Education of School Children	30,000	(1,410)	2,500	20,696	7,500	(13,196)	-175.9%
511426 Public Awareness-WQEE	1,000	-	83	-	249	249	100.0%
511427 Enforcement	20,000	-	-	-	-	-	0.0%
511428 Program Materials	1,000	-	80	-	240	240	100.0%
511430 Maintenance Materials	8,296,076	900,660	698,504	1,831,761	2,169,436	337,674	15.6%
511440 Safety Materials & Supplies	835,211	103,576	68,880	190,916	211,732	20,816	9.8%
511441 Inventory Variances	35,000	16,995	8,400	(121,257)	23,100	144,357	624.9%
511450 Tires and Tubes	632,507	59,875	52,709	168,796	158,128	(10,669)	-6.8%
511451 Motor Fuel & Lubricants	2,924,736	206,984	206,904	379,027	664,300	285,273	42.9%
<b>Materials and supplies Total</b>	<b>22,306,354</b>	<b>2,113,679</b>	<b>1,785,689</b>	<b>4,633,859</b>	<b>5,500,298</b>	<b>866,438</b>	<b>15.8%</b>
<b>OTHER CHARGES</b>							
511510 Judgements and Claims	1,030,000	66,001	85,835	96,963	257,485	160,522	62.3%
511511 AL & GL Claims - Cont. Liab.	75,000	-	6,250	-	18,750	18,750	100.0%
511520 Bank Charges	20,000	-	-	1,312	5,000	3,688	73.8%
511525 Cash Short/(Over)	-	8,951	-	4,857	-	(4,857)	0.0%
511530 Employee Relations	171,049	17,238	4,380	29,400	26,999	(2,401)	-8.9%
511540 Retiree Insurance	6,498,111	644,770	584,190	1,719,240	1,624,530	(94,710)	-5.8%
511570 Casualty Insurance	1,366,603	110,504	115,006	276,404	341,137	64,733	19.0%
511580 Unemployment Compensation	80,000	-	-	18,931	25,000	6,069	24.3%
511590 Workers Comp Medical	900,000	90,004	75,000	201,806	225,000	23,194	10.3%
511610 Workers Comp Benefits	125,000	20,873	10,417	69,265	31,251	(38,014)	-121.6%
511620 WC-Misc Claims Expense	45,000	3,730	3,750	9,215	11,250	2,035	18.1%
<b>Other charges Total</b>	<b>10,310,766</b>	<b>962,071</b>	<b>884,829</b>	<b>2,427,393</b>	<b>2,566,403</b>	<b>139,010</b>	<b>5.4%</b>
<b>O&amp;M Before Capitalized Cost Total</b>	<b>355,927,502</b>	<b>27,918,495</b>	<b>29,394,946</b>	<b>74,005,350</b>	<b>84,882,102</b>	<b>10,876,752</b>	<b>12.8%</b>
Capitalized Cost	(42,250,945)	(2,952,430)	(3,622,639)	(8,444,364)	(10,607,595)	(2,163,231)	20.4%
Intercenter Transfers	-	2,947	-	2,947	-	(2,947)	0.0%
<b>Intercenter Transfers</b>	<b>\$313,676,557</b>	<b>\$24,969,013</b>	<b>\$25,772,306</b>	<b>\$65,563,933</b>	<b>\$74,274,507</b>	<b>\$8,710,573</b>	<b>11.7%</b>

SAWS INVESTMENT PORTFOLIO  
March 31, 2016

Investment Type	Market Value	Book Value	Average Yield	Average Days to Maturity
Money Market Funds	167,517,111	167,517,111	0.281	1
Government Agency Securities:				
Federal Agricultural Mtg Corp	55,914,712	55,909,093	0.644	244
Federal Farm Credit Bank	13,226,135	13,227,104	0.387	91
Federal Home Loan Bank	208,774,236	208,650,097	0.454	119
Federal Home Loan Mtg. Corp.	124,618,418	124,554,399	0.387	70
Federal National Mtg. Assn.	85,704,159	85,591,160	0.510	153
Total Government Agencies	488,237,659	487,931,854	0.467	126
U. S. Treasury Securities	130,492,270	130,438,587	0.477	143
Total Investments	\$ 786,247,040	\$ 785,887,551	0.430	102

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

	Mar-16	Mar-15
Total Long-term Debt (a)	\$ 2,886,649,325	\$ 2,961,224,415
Total Water & Sewer Customer Connections (b)	918,794	903,076
<b>Long-term Debt Per Connection (a)/(b)</b>	<b>\$3,142</b>	<b>\$3,279</b>
Total Net Position	\$ 2,452,376,327	\$ 2,263,809,501
Total Liabilities & Net Position	\$ 5,699,512,310	\$ 5,568,456,969
<b>Net Position Ratio</b>	<b>43.0%</b>	<b>40.7%</b>
YTD Operating Revenues (c)	\$ 140,580,043	\$ 127,783,542
YTD Operating Expenses before Depreciation (d)	\$ 64,810,811	\$ 62,621,511
<b>Cash Operating Margin ((c)-(d))/(c)</b>	<b>53.9%</b>	<b>51.0%</b>
Rolling 12 Months		
Operating Revenues	\$ 569,405,487	\$ 558,473,266
Non-operating Revenues	6,511,331	5,956,487
Less: Revenues from DNS contract	(3,245,004)	(3,245,004)
Interest earned on Project Fund Investments	(541,239)	(216,142)
Build America Bond Subsidy	(3,653,499)	(3,707,058)
Gross Revenues	\$ 568,477,076	\$ 557,261,548
O&M Expense before Depreciation	\$ 293,436,561	\$ 278,539,315
Pledged Revenue	\$ 275,040,515	\$ 278,722,233
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>3.55 x</b>	<b>2.83 x</b>
<b>Total Bonded Debt Coverage Ratio</b>	<b>1.55 x</b>	<b>1.60 x</b>
Unrestricted Cash, including Operating Reserve	\$ 288,115,239	\$ 265,253,273
<b>Days Cash on Hand - Rolling 12 Months of O&amp;M</b>	<b>358</b>	<b>348</b>
Unrestricted Working Capital, including Operating Reserve	\$ 313,734,703	\$ 296,419,401
<b>Days Working Capital on Hand - Rolling 12 Months of O&amp;M</b>	<b>390</b>	<b>388</b>

# San Antonio Water System

## CONSTRUCTION IN PROGRESS SUMMARY - TOTAL

March 31, 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	20,248,770	89,327	20,159,443	11,229	-	78,098
Corporate	23,223,816	28,725,822	-	28,725,822	-	-	-
Governmental	52,117,030	52,117,030	10,782,481	41,334,549	7,582,693	-	3,199,788
Heating and Cooling	4,903,375	4,903,375	996,335	3,907,040	54,891	-	941,444
Main Replacements	86,186,827	83,651,287	8,888,311	74,762,976	4,069,219	-	4,819,092
Production	25,215,160	23,713,463	797,048	22,916,415	15,180	-	781,868
Treatment	4,687,680	4,687,680	-	4,687,680	-	-	-
Water Resources	29,140,512	29,140,512	14,082	29,126,430	14,082	-	-
Plant Contributions	-	-	-	-	-	22,784,321	(22,784,321)
Less Contributions - Plant	-	-	-	-	-	(22,784,321)	22,784,321
Subtotal	247,187,939	247,187,939	21,567,584	225,620,355	11,747,295	-	9,820,289
<b>CIP Year: 2015</b>							
Collection	17,085,040	12,521,237	12,521,237	-	3,184,529	292	9,336,416
Corporate	2,932,604	2,932,604	1,416,020	1,516,584	1,367,066	-	48,954
Governmental	54,942,932	56,078,957	56,078,958	-	23,764,177	197,086	32,117,694
Heating and Cooling	2,585,000	2,585,000	2,129,206	455,794	2,020,715	-	108,491
Main Replacements	90,516,475	80,980,284	58,306,495	22,673,789	4,673,658	13,334,499	40,298,338
Production	24,007,372	23,640,891	16,816,107	6,824,784	205,258	-	16,610,849
Recycle	1,500,000	1,500,000	205,436	1,294,564	23,368	-	182,068
Treatment	26,740,000	27,616,422	3,922,669	23,693,753	2,068,412	-	1,854,257
Water Resources	15,919,200	15,877,295	3,640,074	12,237,222	3,546,283	-	93,790
Plant Contributions	-	-	-	-	-	78,942,508	(78,942,508)
Less Contributions - Plant	-	-	-	-	-	(78,942,508)	78,942,508
Subtotal	236,228,623	223,732,691	155,036,202	68,696,489	40,853,467	13,531,878	100,650,857
<b>CIP Year: 2014</b>							
Collection	33,643,338	13,985,687	5,437,127	8,548,561	2,207,502	1,386,296	1,843,329
Corporate	14,932,117	16,129,563	13,942,160	2,187,403	12,024,700	-	1,917,460
Distribution	11,751,106	8,302,893	7,558,818	744,074	104,559	256,848	7,197,412
Governmental	49,111,947	37,171,391	36,880,704	290,687	19,477,274	3,850,316	13,553,113
Heating and Cooling	2,837,500	3,479,454	3,479,454	-	3,035,124	-	444,329
Main Replacements	84,810,783	94,146,988	71,905,918	22,241,070	8,052,449	30,454,138	33,399,331
Production	40,397,274	47,004,889	46,287,269	717,620	22,729,009	30,956	23,527,305
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	1,520,090	2,213,575	14,132,350
Water Resources	157,029,479	118,449,153	117,259,558	1,189,595	95,009,153	1,003,376	21,247,029
Plant Contributions	-	-	-	-	-	49,755,661	(49,755,661)
Less Contributions - Plant	-	-	-	-	-	(49,755,661)	49,755,661
Subtotal	413,001,723	358,456,829	320,639,396	37,817,433	164,177,063	39,196,889	117,265,444
<b>CIP Year: 2013</b>							
Collection	46,676,445	37,668,958	37,668,958	-	25,831,626	1,488,635	10,348,697
Corporate	17,740,525	19,466,876	18,185,239	1,281,636	10,948,870	432,640	6,803,730
Distribution	6,959,628	9,065,726	9,065,726	-	1,750,755	5,738,343	1,576,629
Governmental	40,488,064	47,761,624	47,761,624	-	26,271,967	13,633,476	7,856,182
Heating and Cooling	6,170,296	11,692,048	11,692,048	-	8,796,242	-	2,895,806
Main Replacements	81,318,941	78,361,591	78,361,591	-	4,199,809	69,567,942	4,593,840
Production	29,017,588	44,033,849	44,033,849	-	28,223,365	9,520,696	6,289,789
Recycle	2,749,583	490,584	490,584	-	282,716	81,037	126,832
Treatment	16,901,070	18,851,103	18,851,103	-	13,813,237	2,824,438	2,213,428
Water Resources	116,151,842	144,847,692	144,847,692	-	102,258,282	19,842,372	22,747,038
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	222,378,234	123,129,577	65,450,604

Monday, April 11, 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

## CONSTRUCTION IN PROGRESS SUMMARY - TOTAL

March 31, 2016

	CIP	Revised CIP	Commit/Plan		Open Job	Closed Job	Commit/Charges
	Plan	Plan	Commitments	Variance	Charges	Charges	Variance
<b>CIP Year: 2012</b>							
Collection	71,138,497	69,389,840	69,389,840	-	7,133,637	56,967,833	5,288,370
Corporate	9,717,570	12,720,034	12,720,034	-	8,614,706	3,337,997	767,331
Distribution	13,877,809	12,075,280	12,075,280	-	2,179,648	9,494,227	401,405
Governmental	40,376,635	37,314,574	37,314,574	-	7,170,519	24,991,400	5,152,655
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	28,431,534	363,835
Production	17,571,549	20,348,855	20,348,855	-	17,829,073	2,234,447	285,334
Recycle	3,631,496	2,725,575	2,725,575	-	61,347	2,605,053	59,175
Treatment	21,802,396	10,068,068	10,068,068	-	221,408	9,749,837	96,823
Water Resources	35,616,325	33,402,778	33,402,778	-	11,455,588	9,867,939	12,079,252
Plant Contributions	-	-	-	-	-	47,132,197	(47,132,197)
Less Contributions - Plant	-	-	-	-	-	(47,132,197)	47,132,197
Subtotal	240,017,124	228,481,884	228,481,884	-	56,286,076	147,680,268	24,515,541
<b>Carryover Program</b>							
South Bexar County	1,680,096	-	-	-	-	-	-
Building	7,795,937	55,490,425	55,490,425	-	-	55,490,427	(1)
Collection	328,371,739	251,130,913	251,130,913	-	38,691,328	211,164,104	1,275,481
Corporate	88,189,690	43,759,304	43,759,303	-	3,627,766	38,977,146	1,154,392
Distribution	139,317,610	142,343,822	142,343,822	-	1,101,287	138,928,024	2,314,511
Governmental	461,834,468	380,214,357	380,214,358	-	9,787,240	359,854,950	10,572,168
Heating and Cooling	22,412,505	13,985,917	13,985,917	-	-	13,985,917	-
Land	2,200,000	-	-	-	-	-	-
Main Replacements	338,566,502	322,050,112	322,050,112	-	4,573,525	313,670,982	3,805,605
Miscellaneous	5,743,107	2,317,152	2,317,152	-	-	2,317,153	-
Production	143,206,855	175,278,035	175,278,035	-	3,685,510	170,515,097	1,077,428
Recycle	134,585,455	150,183,582	150,183,582	-	857,238	148,939,046	387,297
Treatment	257,333,945	248,434,527	248,434,527	-	21,373,882	226,414,104	646,540
Water Resources	975,300,282	725,759,158	725,759,158	-	57,244,839	657,687,970	10,826,349
Plant Contributions	-	-	-	-	-	613,984,681	(613,984,681)
Less Contributions - Plant	-	-	-	-	-	(613,984,681)	613,984,681
Subtotal	2,906,538,191	2,510,947,304	2,510,947,304	-	140,942,614	2,337,944,921	32,059,769
Total	4,407,147,581	3,981,046,700	3,647,630,786	333,415,914	636,384,749	2,661,483,533	349,762,505

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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  
March 31, 2016

	Actual	Forecast	Above (Below) Forecast	Prior Year	Above (Below) Prior Year
<b>Rainfall - Inches (a)</b>					
Current Month	3.56	2.31	54.11 %	2.97	19.87 %
Year-to-Date	6.49	5.86	10.75 %	7.17	(9.48) %
Number of days with rain	9			12	
<b>Metered Flows</b>					
<b>SAWS WATER (million gallons):</b>					
Water Pumpage for consumption - Current Month					
Total Water Pumpage	7,218.11			5,594.58	29.02 %
Less: Water Pumpage for Twin Oaks ASR	1,276.88			0.00	-
Water Pumpage for Consumption	5,941.23			5,594.58	6.20 %
Water Pumpage for consumption - Year-to-date					
Total Water Pumpage	20,809.52			16,070.41	29.49 %
Less: Water Pumpage for Twin Oaks ASR	3,719.75			182.24	Over 100 %
Water Pumpage for Consumption	17,089.77			15,888.17	7.56 %
Billed Water Usage (Domestic and Irrigation)					
Current Month	4,752.50	4,488.98	5.87 %	4,081.58	16.44 %
Year-to-Date	14,374.10	14,003.37	2.65 %	13,658.77	5.24 %
SAWS WASTEWATER:					
Total Flows (million gallons)					
Current Month	4,192.44			4,045.50	3.63 %
Year-to-date	11,822.69			11,196.94	5.59 %
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	484,897	478,726	1.29 %	477,199	1.61 %
Year-to-date Average	483,640	477,819	1.22 %	476,861	1.42 %
Wastewater					
Current Month	433,897	430,660	0.75 %	425,927	1.87 %
Year-to-date Average	432,064	430,130	0.45 %	425,610	1.52 %
Total Connections (b)					
Current Month	918,794	909,386	1.03 %	903,126	1.73 %
Year-to-date Average	915,704	907,949	0.85 %	902,471	1.47 %
<b>SAWS Infrastructure In Service, Cumulative</b>					
Water - Miles of Main	6,881			6,741	2.06 %
Wastewater - Miles of Main	5,344			5,266	1.47 %
Manholes	105,282			102,380	2.83 %
Fire Hydrants	39,161			37,895	3.34 %
<b>Edwards Reservoir Level</b>					
High	666.8			647.9	18.9 Feet
Low	662.7			643.9	18.8 Feet
End of Month	665.0			646.2	18.8 Feet

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