

San Antonio Water System

CONDENSED MONTHLY FINANCIAL REPORT September 2016



San Antonio, Texas

CONDENSED MONTHLY FINANCIAL REPORT SAN ANTONIO WATER SYSTEM SEPTEMBER 30, 2016

Attached is the monthly financial report of the San Antonio Water System (SAWS) for the month ended September 30, 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 \$19.4 million during the month.
- Operating revenues for the month of \$55.7 million were \$3.1 million unfavorable to budget and \$.9 million less than a year ago.
- Operating expenses before depreciation for the month of \$27.4 million were \$1.1 million unfavorable to budget but \$.7 million less than the prior year.
- Net interest expense was \$1.5 million favorable to budget for the month and \$.4 million less than the prior year.
- SAWS' net income before capital contributions for the month of \$8 million was \$1 million unfavorable to budget and \$.4 million less than September 2015.
- Capital contributions for the month were \$11.4 million compared to the budget of \$9.9 million and \$13.6 million in September 2015.

OVERALL FINANCIAL CONDITION

		September 30, 2016
<i>(\$ in thousands)</i>		
Assets	\$	5,671,650
Deferred Outflows of Resources		78,688
Liabilities		(3,166,803)
Deferred Inflows of Resources		(6,784)
Net Position	\$	<u>2,576,751</u>
Net Investment in Capital Assets	\$	2,242,676
Restricted for Debt Service		38,558
Reserve Fund		58,316
Operating Reserve		52,279
Unrestricted		184,922
Net Position	\$	<u>2,576,751</u>

During the month, SAWS' total assets and deferred outflows increased \$13.4 million primarily due to an increase in capital assets. Liabilities and deferred inflows decreased \$6 million as decreases in accounts payable and accrued payroll were partially offset by interest accrued on outstanding debt.

Working capital totaled \$323.4 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 44.8% at September 30, 2016, 44.6% at August 31, 2016 and 42.2% at September 30, 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			
	9/30/2016	8/31/2016	9/30/2015
Current Year Debt Service - Senior Lien Debt	3.84	3.84	2.76
Current Year Debt Service - Total Debt	1.68	1.68	1.56

As of September 30, 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.

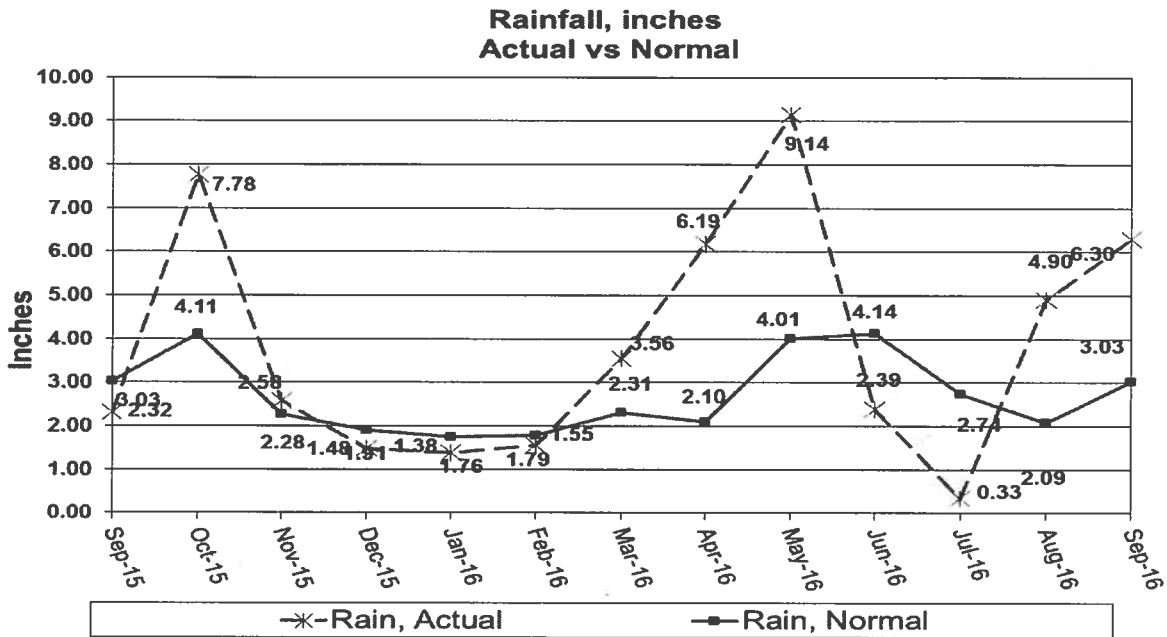
RESULTS OF OPERATIONS

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

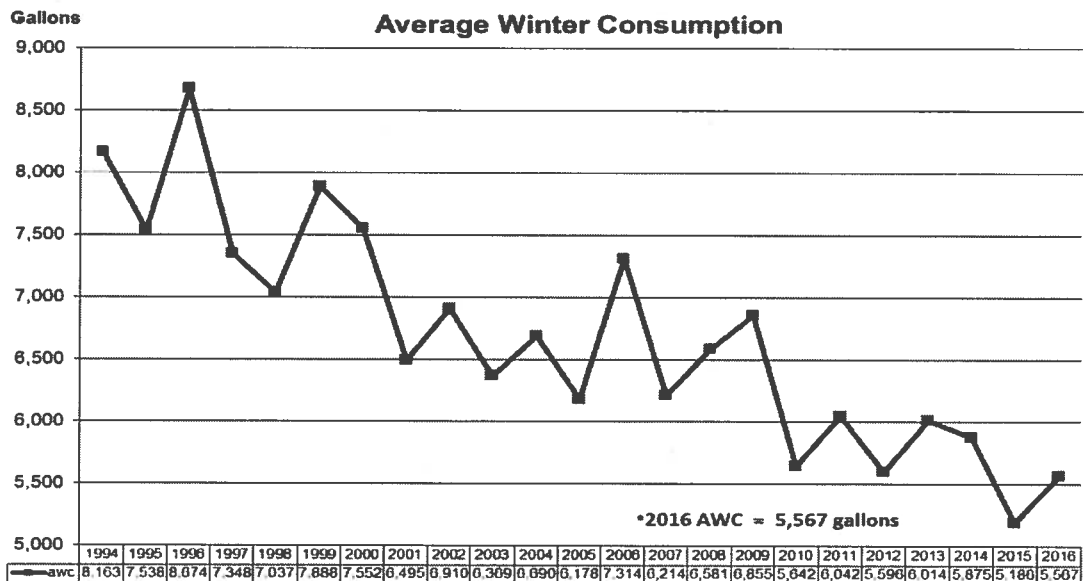
(\$ in thousands)	September-16		Fav (Unfav)	September-15	Fav (Unfav)
	Actual	Budget*	Variance To Budget	Actual	Variance To Prior Year
Operating Revenues					
Water Supply System	\$ 16,849	\$ 19,661	\$ (2,813)	\$ 18,712	\$ (1,864)
Water Delivery System	17,328	18,636	(1,307)	18,670	(1,342)
Wastewater System	20,343	19,509	834	18,150	2,193
Chilled Water and Steam System	1,132	903	229	1,066	66
Total operating revenues	<u>55,651</u>	<u>58,708</u>	<u>(3,057)</u>	<u>56,597</u>	<u>(946)</u>
Operating Expenses Before Depreciation	27,417	26,273	(1,144)	28,099	681
Depreciation Expense	11,913	13,366	1,452	11,462	(451)
Total operating expenses	<u>39,331</u>	<u>39,639</u>	<u>308</u>	<u>39,561</u>	<u>231</u>
Operating Income	16,321	19,069	(2,749)	17,036	(715)
Miscellaneous Revenues	11	-	11	17	(6)
Investment income	352	139	214	176	176
Interest Expense	7,209	8,537	1,328	7,467	258
Payments to the City of San Antonio	1,275	1,330	55	1,265	(9)
Other Non-operating Expense	193	356	164	98	(95)
Net Income (Loss) Before Capital Contributions	<u>8,007</u>	<u>8,985</u>	<u>(978)</u>	<u>8,399</u>	<u>(392)</u>
Grant Revenue	952	-	952	-	952
Capital Recovery Fees	7,842	4,915	2,926	5,750	2,092
Plant Contributions	2,561	5,000	(2,439)	7,861	(5,301)
Total Contributions	<u>11,354</u>	<u>9,915</u>	<u>1,439</u>	<u>13,611</u>	<u>(2,257)</u>
Change in Net Position	<u>\$ 19,361</u>	<u>\$ 18,900</u>	<u>\$ 461</u>	<u>\$ 22,010</u>	<u>\$ (2,649)</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 September 2016 were \$3.1 million unfavorable to budget and \$0.9 million less than September 2015. Water delivery and supply revenues of \$34.2 million were \$4.1 million unfavorable to budget and \$3.2 million less than September 2015. Rainfall during August and September totaled 11.2 inches compared to 2.6 inches for the same period in 2015 and normal rainfall of 4.8 inches. As a result, billed water usage for the month was 8.3% less than budget and 16.5% less than a year ago. An average rate adjustment of 9.6% for water charges went into effect on January 1, 2016, served to mitigate the impact of the decrease in usage from the prior year. Water rates were not adjusted for customers in the former District Special Project service area.



Wastewater revenue for the month of \$20.3 million was \$0.8 million favorable to budget and \$2.2 million more than the prior year. The Average Winter Consumption (AWC) of 5,567 gallons that went into effect in March was 4.3% favorable to the forecasted AWC of 5,336 gallons and 7.3% more than the previous AWC. The increase in the AWC combined with the 5.3% rate increase implemented in January 2016 contributed to the increase in wastewater revenue from the prior year.



Operating expenses before depreciation were \$1.1 million unfavorable to budget for the month but \$.7 million less than a year ago. The unfavorable variance to budget is primarily due adjustments to pension expense associated with the performance of SAWS retirement plans in 2015. The budget for pension expense is based on actuarially determined contributions while actual pension expense may be more volatile due to changes in the investment performance of the retirement plans. Operating expenses before depreciation were \$.7 million favorable to September 2015 as decreases in utilities and contractual services more than offset the increase in pension expense.

Investment income for the month was \$.2 million favorable to both budget and September 2015. The yield on SAWS investment portfolio was .55% for the month compared to the budgeted yield of .35% and .22% earned on the portfolio a year ago. Additional interest earnings from the increase in yields was partially offset by the impact of a 18% reduction in the investment portfolio since September 2015 as a result of funds used in the SAWS capital improvement program.

Interest expense for the month was \$1.3 million favorable to budget and \$.3 million less than September 2015. The conservative nature of the budgeting process, which ensures that current rates are sufficient to support the current year's construction program, contributed to the favorable variance from budget. Debt service savings achieved through refinancing debt has contributed to the favorable variances in interest expense from both the current budget and the prior year.

In September 2016, capital contributions included \$1 million in Edward's Aquifer Authority grant funds earned related to SAWS water leak repair program, \$7.8 million in impact fees and \$2.6 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 (September 2015 - September 2016) and 1.6% for the preceding 12 month period (September 2014 – September 2015).

CASH FLOWS

Cash and cash equivalents decreased \$4.3 million during September 2016. Cash inflows during the month included \$25.6 million from operations and \$7.8 million in proceeds from developers. Cash outflows for the month consisted primarily of \$29.5 million spent on the acquisition and construction of property, plant and equipment and \$7.8 million used for investing activities

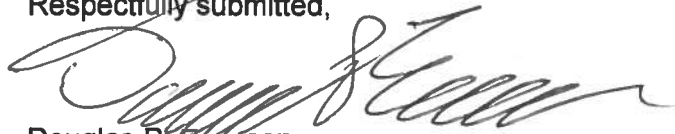
The following table summarizes the Capital Improvement Programs (CIP) from 2014 through 2016. In order to fully execute the planned CIP, SAWS is projected to award \$206 million in additional capital contracts. Additionally, outstanding commitments on awarded contracts total \$346 million at September 30, 2016.

<i>(\$ in millions)</i>	Original	Revised		%
Plan Year	Plan	Plan	Commitments	Committed
CY2016	\$ 247.2	\$ 279.9	\$ 139.2	49.7%
CY2015	236.2	223.4	175.2	78.4%
CY2014	413.0	343.8	328.0	95.4%
	<u>\$ 896.4</u>	<u>\$ 847.1</u>	<u>\$ 642.5</u>	75.8%

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 "Doug Evanson", written in a cursive style.

Douglas P. Evanson
Senior Vice President/Chief Financial Officer

**CONDENSED
MONTHLY FINANCIAL REPORT
SAN ANTONIO WATER SYSTEM
September 30, 2016**

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**San Antonio Water System
STATEMENT OF NET POSITION
September 30, 2016**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

CURRENT ASSETS	<u>2016</u>	<u>2015¹</u>
Cash and cash equivalents	\$ 53,534,598	\$ 105,893,375
Investments	225,364,065	141,464,517
Accrued interest receivable	1,343,196	890,980
Accounts receivable - net of allowance for uncollectable accounts of \$6,532,841 and \$4,384,744 respectively	67,913,832	73,994,572
Inventory - materials and supplies	5,087,082	6,115,024
Prepaid expenses	3,814,116	3,554,672
Total current unrestricted assets	<u>357,056,889</u>	<u>331,913,140</u>
 RESTRICTED ASSETS		
Debt Service Fund		
Cash and Cash Equivalents	2,100,208	6,223,969
Investments	76,022,302	71,619,855
Construction Funds		
Investments	18,517,538	15,764,214
Customers' deposits - System Fund	13,128,846	12,257,278
Operating Reserve - System Fund	52,279,428	45,800,709
Total current restricted assets	<u>162,048,322</u>	<u>151,666,025</u>
Total current assets	<u>519,105,211</u>	<u>483,579,165</u>
 NONCURRENT ASSETS		
Restricted Noncurrent Assets		
Reserve fund:		
Cash and cash equivalents	10,256,484	6,335,409
Investments	77,700,133	87,186,876
Construction funds:		
Cash and cash equivalents	99,930,215	205,280,614
Investments	147,075,959	244,754,228
 CAPITAL ASSETS		
Utility plant in service	5,822,866,219	5,520,195,043
Less allowance for depreciation	1,954,829,602	1,822,698,586
	<u>3,868,036,617</u>	<u>3,697,496,457</u>
Land, water rights and other intangible assets	347,216,700	345,694,967
Construction in Progress	602,328,992	476,443,171
Total capital assets	<u>4,817,582,309</u>	<u>4,519,634,595</u>
TOTAL ASSETS	<u>5,671,650,311</u>	<u>5,546,770,887</u>
 DEFERRED OUTFLOWS OF RESOURCES		
Loss on bond refunding	42,785,389	31,044,265
Deferred outflows pensions	16,081,727	14,474,392
Derivative Instrument	19,821,332	17,609,913
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>78,688,448</u>	<u>63,128,570</u>
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 5,750,338,759</u>	<u>\$ 5,609,899,457</u>

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

San Antonio Water System
STATEMENT OF NET POSITION - continued
September 30, 2016

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	2016	2015¹
CURRENT LIABILITIES		
Accounts payable	\$ 20,472,716	\$ 35,883,671
Third party billing collections payable	1,096,896	1,023,293
Accrued vacation pay	5,749,883	5,322,973
Accrued payroll and benefits	1,486,752	4,877,397
Accrued claims payable	4,201,565	2,979,400
Accrued stormwater services	3,102,773	2,897,401
Health Insurance Payable	1,680,710	3,257,612
Sundry payables and deferred income	4,021,388	2,179,346
Total current unrestricted liabilities	41,812,683	58,421,093
 LIABILITIES PAYABLE FROM RESTRICTED FUNDS		
Debt Service Fund		
Accrued interest payable	39,564,350	41,658,408
Construction funds:		
Contract retainage payable	16,543,628	13,939,185
Sundry payables	1,973,910	1,825,029
Customers' deposits	13,128,846	12,257,278
Revenue bonds payable within one year	82,689,999	78,575,000
Total current restricted liabilities	153,900,733	148,254,900
Total current liabilities	195,713,416	206,675,993
 LONG-TERM LIABILITIES		
Accrued vacation payable	3,420,425	3,727,866
Long-term unfunded post-retirement obligations	77,896,730	81,199,781
Net pension liability	45,247,897	50,240,243
Derivative Instrument	23,811,492	21,969,956
Commercial paper notes	250,610,000	224,005,000
Revenue bonds payable after one year	2,419,205,000	2,522,827,481
Unamortized premium	153,390,441	137,199,762
Less unamortized discount	(2,492,064)	(2,741,355)
Total long-term liabilities	2,971,089,921	3,038,428,734
Total Liabilities	3,166,803,337	3,245,104,727
 DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - pensions	6,783,933	-
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	3,173,587,270	3,245,104,727
 NET POSITION		
Restricted:		
Reserved for Debt Service	38,558,160	36,185,416
Reserve Fund	58,315,568	62,348,275
Net Investment in Capital Assets	2,242,676,050	2,080,024,564
Operating Reserve	52,279,428	45,800,709
Total Restricted Equity	2,391,829,206	2,224,358,964
Unrestricted Net Position	184,922,283	140,435,766
TOTAL NET POSITION	\$ 2,576,751,489	\$ 2,364,794,730

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

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

	2016 YTD Actual	2016 YTD Budget*	2015 ¹ YTD Actual	Variance	
				To Budget	To Prior Year
Operating revenues:					
Water Resources - Misc.	\$ 1,324,507	\$ 1,026,612	\$ 1,102,617	\$ 297,895	\$ 221,890
Water Supply Fee	103,335,559	108,726,543	92,392,286	(5,390,984)	10,943,273
EAA/TCEQ Fee	20,573,183	20,048,543	16,041,428	524,640	4,531,755
Recycle Water	4,351,032	3,977,259	3,662,870	373,773	688,162
Stormwater	3,722,065	3,418,749	3,597,630	303,316	124,435
Metered Water	142,026,944	142,920,237	127,201,378	(893,293)	14,825,566
Conservation Metered Water	8,008,745	7,451,012	6,757,505	557,733	1,251,240
Wastewater service charges	176,417,093	171,419,903	162,801,099	4,997,190	13,615,994
Chilled water and steam	8,751,810	7,954,174	8,430,439	797,636	321,371
Less: Uncollectible accounts	(4,022,875)	(3,129,370)	(3,428,097)	(893,505)	(594,778)
Total operating revenues	464,488,063	463,813,662	418,559,155	674,401	45,928,908
Operating expenses:					
Salaries and fringe benefits	106,192,015	106,788,778	101,361,603	596,763	(4,830,412)
Contractual services	121,440,827	130,891,747	115,351,737	9,450,920	(6,089,090)
Materials & supplies	15,836,361	16,820,569	16,166,277	984,208	329,916
Other charges	8,987,992	8,256,155	6,500,701	(731,837)	(2,487,291)
Capitalized cost	(26,988,836)	(31,561,849)	(27,932,609)	(4,573,013)	(943,773)
Intercompany transfers	2,947	-	121,023	(2,947)	118,076
Total operating expenses before depreciation	225,471,306	231,195,400	211,568,732	5,724,094	(13,902,574)
Depreciation expense	105,398,207	114,131,774	103,689,794	8,733,567	(1,708,413)
Total operating expenses	330,869,513	345,327,174	315,258,526	14,457,661	(15,610,987)
Operating income (loss)	133,618,550	118,486,488	103,300,629	15,132,062	30,317,921
Non-operating revenues:					
Miscellaneous revenue	2,345,186	2,130,909	2,026,026	214,277	319,160
Interest earned	2,751,955	1,246,875	1,624,891	1,505,080	1,127,064
Gain/(Loss) on Investments	11,371	-	-	11,371	11,371
Total non-operating revenues	5,108,512	3,377,784	3,650,917	1,730,728	1,457,595
Non-operating expenses:					
Debt issuance costs	1,667,855	1,346,735	3,831,133	(321,120)	2,163,278
Other financing charges	1,641,637	1,768,501	2,054,051	126,864	412,414
Interest expense:					
Revenue bonds and commercial paper	79,277,639	91,143,428	82,140,805	11,865,789	2,863,166
Capitalized interest	(4,204,910)	(3,492,216)	(3,105,373)	712,694	1,099,537
Amortized discount/premiums/Loss on refunding	(8,918,462)	(9,755,531)	(9,707,628)	(837,069)	(789,166)
Loss (gain) on sale of fixed assets	(2,760,397)	-	(4,377,385)	2,760,397	(1,616,988)
Transfers to GKDA	81,694	91,800	79,958	10,106	(1,736)
Transfers to City of San Antonio	10,598,016	10,512,262	9,514,954	(85,754)	(1,083,062)
Total non-operating expenses	77,383,072	91,614,979	80,430,515	14,231,907	3,047,443
Net income (loss) before capital contributions	61,343,990	30,249,293	26,521,031	31,094,697	34,822,959
Capital contributions:					
Grant Revenue	2,350,849	-	-	2,350,849	2,350,849
Capital recovery fees	52,100,710	43,678,695	47,504,951	8,422,015	4,595,759
Plant contributions	61,050,220	45,000,000	53,534,325	16,050,220	7,515,895
Total capital contributions	115,501,779	88,678,695	101,039,276	26,823,084	14,462,503
CHANGE IN NET POSITION	176,845,769	118,927,988	127,560,307	57,917,781	49,285,462
NET POSITION, beginning balances	2,399,905,720	1,960,715,275	2,237,234,423		
NET POSITION, ending balances	\$ 2,576,751,489	\$ 2,079,643,263	\$ 2,364,794,730		

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

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

San Antonio Water System
STATEMENT OF CASH FLOWS
Nine months ended September 2016

	2016	2015¹
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 465,163,846	\$ 413,410,872
Cash paid to vendors for operations	(148,027,790)	(142,544,702)
Cash paid to employees for services	(91,146,895)	(83,520,437)
Net cash provided by operating activities	225,989,161	187,345,733
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payments to the City of San Antonio	(7,242,234)	(6,765,725)
Payments to other entities	(75,597)	(81,254)
Net cash used for noncapital financing activities	(7,317,831)	(6,846,979)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of capital assets	4,988,443	7,144,575
Proceeds from developers for plant construction	52,100,710	47,504,951
Proceeds from grants	2,350,849	-
Payment to employees for construction of plant	(16,618,033)	(18,202,382)
Payment to vendors for construction of plant	(10,370,803)	(9,730,227)
Payments for acquisition of equipment and furniture	(2,861,553)	(10,381,349)
Payments for acquisition of property and plant	(215,967,796)	(148,527,273)
Proceeds from commercial paper	30,000,000	10,000,000
Payment for retirement of commercial paper	(3,395,000)	(3,245,000)
Proceeds from revenue bonds	252,499,574	415,825,650
Payment for retirement/refunding of revenue bonds	(335,208,750)	(339,800,000)
Payment of interest on commercial paper	(3,136,170)	(2,939,260)
Payment of interest on revenue bonds	(52,530,940)	(53,465,239)
Payment for bond related expenses	(1,667,855)	(3,831,133)
Payment for finance charges	(1,479,445)	(1,670,594)
Net cash used for capital and related financing activities	(301,296,769)	(111,317,281)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(646,820,056)	(591,304,372)
Maturity of investments	609,358,815	567,282,810
Interest income and other	5,106,678	3,945,149
Net cash provided (used) by investing activities	(32,354,563)	(20,076,413)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(114,980,002)	49,105,060
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	280,801,507	274,628,307
CASH AND CASH EQUIVALENTS, AT END OF PERIOD	\$ 165,821,505	\$ 323,733,367

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

**San Antonio Water System
STATEMENT OF CASH FLOWS
Nine months ended September 2016**

	2016	2015¹
RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET ASSETS		
Cash and Cash Equivalents		
Unrestricted		
System Fund	\$ 53,534,598	\$ 105,893,375
Restricted		
Debt Service Fund	2,100,208	6,223,969
Reserve Fund	10,256,484	6,335,409
Construction Fund	99,930,215	205,280,614
	\$ 165,821,505	\$ 323,733,367
 RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 133,618,550	\$ 103,300,629
Adjustments to reconcile operating income to net cash provided by operating activities:		
Non-cash revenues from City of San Antonio	(3,361,879)	(2,745,783)
Provision for uncollectible accounts	4,022,875	3,428,097
Charge-off prior year construction expenditures to operating expense	-	(895)
Depreciation expense	105,398,207	103,689,794
Change in assets, deferred outflows, liabilities and deferred inflows:		
(Increase)/Decrease in accounts receivable	(3,238,903)	(8,088,341)
(Increase)/Decrease in inventory	269,124	166,854
(Increase)/Decrease in prepaid expenses	2,669,137	3,694,786
(Decrease)/Increase in accounts payable	(17,661,288)	(17,419,127)
(Decrease)/Increase in amount due for third party collections	94,777	63,736
(Decrease)/Increase in accrued vacation payable	364,653	478,564
(Decrease)/Increase in accrued payroll and benefits	(1,770,374)	2,136,857
(Decrease)/Increase in claims payables	1,712,323	(100)
(Decrease)/Increase in accrued stormwater services	195,528	(19,698)
(Decrease)/Increase in health claims payables	141,874	(58,269)
(Decrease)/Increase in unfunded post-retirement obligations	286,964	(2,534,694)
(Decrease)/Increase in sundry payables and accruals	2,588,523	507,794
(Decrease)/Increase in customers' deposits	659,070	745,529
Total Adjustments	92,370,611	84,045,104
Net cash provided by operating activities	\$ 225,989,161	\$ 187,345,733

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

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

SOURCES OF FUNDS	Water Supply System	Water Delivery System	Wastewater System	Chilled Water System	Total System	Budget Current Allotments	Favorable (Unfavorable)	Variance
OPERATING REVENUES								
Water Resources - Misc.	175,683	-	-	-	175,683	114,066	61,615	54.02%
Water Supply Fee	12,272,200	121,534	37,258	-	12,430,992	14,866,334	(2,596,134)	-17.46%
EAA/TCEQ Pass Through Fees	2,276,426	-	-	-	2,435,218	2,601,873	(166,655)	-6.41%
Recycled water system	445,153	-	-	-	445,153	522,088	(76,935)	-14.74%
Stormwater	412,347	-	-	-	412,347	379,861	32,486	8.55%
Metered Water - Conservation	-	17,910,676	(98,657)	-	17,910,676	1,060,052	(57,100)	-5.39%
Metered Water - Water Delivery	-	(66,267)	-	-	(66,267)	(228,037)	3,524	-6.75%
Affordability Discount Program	(59,589)	-	20,021,515	-	20,021,515	19,146,794	4,566	1.55%
Wastewater System	-	-	547,577	-	547,577	526,282	21,295	4.05%
Wastewater Surcharge	-	-	-	1,131,960	1,131,960	902,753	229,207	25.39%
Chilled water and steam	489,167	(489,167)	-	-	-	(394,598)	(64,811)	0.00%
Operating Transfer	(145,826)	(188,815)	(164,866)	-	(499,507)	58,708,263	(3,056,902)	-21.49%
Leas: Uncollectible Accounts	16,846,513	17,328,161	20,342,727	1,131,960	55,651,361	-	-	-5.21%
Total operating revenues	20,034,635	20,819,297	22,810,629	1,143,286	64,807,847	63,761,999	1,045,848	1.64%
NON-OPERATING REVENUES								
Interest earned and miscellaneous	123,851	94,637	104,714	11,328	334,528	126,667	207,861	164.10%
Interest earned on Project Fund & R&R Funds	4,300	5,329	18,978	-	28,605	11,875	16,730	140.88%
Total non-operating revenues	128,151	99,966	123,692	11,328	363,133	138,542	224,591	162.11%
CAPITAL CONTRIBUTIONS								
Capital Recovery and Service Extension Fees	3,057,971	2,439,339	2,344,212	-	7,841,522	4,915,194	2,926,328	59.54%
Grant revenue	851,831	-	-	-	851,831	-	851,831	-
Total capital contributions	3,909,802	2,439,339	2,344,212	-	8,693,353	4,915,194	3,778,159	78.90%
TOTAL SOURCES OF FUNDS	20,034,635	20,819,297	22,810,629	1,143,286	64,807,847	63,761,999	1,045,848	1.64%
USES OF FUNDS								
OPERATION AND MAINTENANCE*								
Salaries and fringe benefits	2,320,538	4,224,673	5,034,743	120,074	11,700,028	12,168,040	(468,011)	3.65%
Contractual services	8,421,376	3,323,175	3,783,373	577,528	14,105,452	15,033,854	(928,402)	6.18%
Materials and supplies	101,552	654,401	863,548	39,055	1,658,556	1,832,109	(173,553)	14.16%
Other charges	156,510	343,008	343,862	19,003	765,413	841,567	(76,154)	9.05%
Capitalized cost	(424,271)	(1,081,737)	(1,359,866)	(14,817)	(2,880,811)	(3,473,421)	(593,610)	18.80%
Total operation and maintenance	8,577,706	7,354,520	8,666,670	740,743	25,339,639	26,502,149	(1,162,510)	4.39%
OPERATING RESERVE REQUIREMENT								
DEBT REQUIREMENTS								
Revenue Bonds:								
Interest costs	1,680,445	2,956,519	3,462,467	79,391	8,378,822	9,452,601	(1,073,779)	11.39%
Retirement of bonds	1,988,971	2,198,101	2,648,421	56,339	6,890,832	7,002,085	(111,253)	1.59%
Subordinate lien debt:								
Interest costs	188,822	26,513	62,381	39,502	297,218	494,108	(196,890)	39.85%
Retirement of bonds	188,035	26,390	62,091	36,318	295,834	356,250	(60,416)	16.98%
Net variable interest - swap	(3,027)	(1,118)	(1,118)	(709)	(7,078)	-	(7,078)	0.00%
Commercial paper notes	9,400	67,325	12,050	-	88,775	59,016	(29,759)	-50.43%
Other Debt Expense	46,638	58,639	71,733	5,027	182,237	186,500	(4,263)	7.26%
Total debt requirements	4,257,284	5,346,620	6,318,025	216,968	16,140,797	17,560,560	(1,419,763)	8.08%
TRANSFER TO THE CITY'S GENERAL FUND AMOUNT AVAILABLE FOR R&R FUNDS:								
Interest on Project & R&R Funds	331,398	360,588	552,081	30,868	1,274,936	1,329,608	(54,672)	4.11%
Interest on Project & R&R Funds	4,300	5,329	18,978	-	28,605	11,875	16,730	140.88%
CAPITAL RECOVERY AND SERVICE EXT. FEES								
Grant Revenue	3,057,971	2,439,339	2,344,212	-	7,841,522	4,915,194	2,926,328	59.54%
General	3,805,975	4,361,070	4,910,865	152,807	13,230,517	13,206,230	951,831	100.00%
Total amount available for R&R Funds	6,868,246	7,757,569	7,273,853	152,807	22,052,475	18,133,269	3,919,176	21.61%
TOTAL USES OF FUNDS	20,034,635	20,819,297	22,810,629	1,143,286	64,807,847	63,761,999	1,045,848	1.64%

*Excludes non-cash portion of GASB 45 expense.

San Antonio Water System
CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS
 Nine months ended September 2016

SOURCES OF FUNDS	Water Supply System		Water Delivery System		Wastewater System		Chilled Water System		Total System		Budget		Variance
											Current Allocations	Favorable (Unfavorable)	
OPERATING REVENUES													
Water Resources - Misc.	1,324,507								1,324,507		1,028,612	297,895	29.02%
Water Supply Fee	98,619,494								98,619,494		105,085,226	(5,445,732)	-5.18%
EAA/TCEQ Pass Through Fees	19,150,634					333,461			20,573,183		20,048,543	524,640	2.62%
Recycled water system	4,351,032								4,351,032		3,977,259	373,773	9.40%
Stormwater	3,722,065								3,722,065		3,418,749	303,316	8.87%
Metered Water - Conservation	8,008,745								8,008,745		7,451,012	557,733	-0.60%
Metered Water - Water Delivery	(506,438)								146,810,932		147,703,926	(892,994)	7.11%
Affordability Discount Program						(838,446)			(1,906,368)		(2,052,334)	145,965	2.56%
Wastewater System									172,531,530		167,743,648	4,787,884	2.85%
Wastewater Surcharge						4,724,008			4,724,008		4,606,218	117,788	10.03%
Chilled water and steam							8,751,810		8,751,810		7,954,174	797,636	0.00%
Operating Transfer	4,222,503								(4,222,503)		(3,129,370)	(893,505)	28.55%
Less: Uncollectible Accounts	(1,203,972)					(1,400,392)	(7,123)		(4,022,875)			674,400	0.15%
Total operating revenues	136,688,570		141,704,644		175,350,161	8,744,887			464,468,082		463,813,862	654,220	0.14%
NON-OPERATING REVENUES													
Interest earned and miscellaneous	1,512,348				1,871,588				4,701,958		3,270,912	1,431,046	43.75%
Interest earned on Project Fund	96,146				214,760				406,555		106,875	299,680	280.40%
Total non-operating revenues	1,608,494		1,480,956		1,896,378				5,108,513		3,377,787	1,730,726	51.24%
CAPITAL CONTRIBUTIONS													
Capital Recovery and Service Extension Fees	18,718,387		15,284,219		18,088,104				52,100,710		43,678,695	8,422,015	19.28%
Grant revenue			2,350,849						2,350,849			2,350,849	0.00%
Total capital contributions	18,718,387		17,645,068		18,088,104				54,451,559		43,678,695	10,772,864	24.86%
TOTAL SOURCES OF FUNDS	159,015,451		160,830,668		195,324,643	8,877,372			524,048,134		510,870,144	13,177,990	2.58%
USES OF FUNDS													
OPERATION AND MAINTENANCE*													
Salaries and fringe benefits	21,373,968		38,279,637		45,688,987				108,441,285		108,656,025	2,214,740	2.93%
Contractual services	61,769,002		25,282,931		30,161,803				121,440,826		130,881,747	9,450,921	7.22%
Materials and supplies	843,336		5,981,484		8,642,886				15,836,362		16,820,569	984,207	5.85%
Other charges	1,623,578		2,681,720		3,949,401				6,454,401		7,722,167	(731,836)	-9.48%
Capitalized cost	(4,368,420)		(10,347,174)		(12,083,589)				(26,952,622)		(31,837,177)	(4,884,555)	15.34%
Intercompany transfers	2,947								2,947			(2,947)	0.00%
Total operation and maintenance	81,344,411		61,888,578		76,357,488				225,222,807		233,253,331	8,030,530	3.44%
OPERATING RESERVE REQUIREMENT													
Revenue Bonds:													
Interest costs	370,982		583,042		(398,218)				518,866		2,127,444	1,608,578	75.61%
Retirement of bonds	16,987,980		27,117,954		31,329,625				78,160,920		86,103,045	9,942,125	11.55%
Subordinate lien debt:	18,080,599		18,050,028		22,984,857				60,813,432		61,750,433	1,137,001	1.84%
Interest cost	1,435,225		225,399		530,328				2,526,775		4,509,239	1,982,464	43.98%
Retirement of bonds	1,482,969		232,897		547,975				2,610,834		3,181,251	570,417	17.83%
Net variable interest - swap	(2,437)		112,329		(899)				108,422			(108,422)	100.00%
Commercial paper notes	33,369		374,498		47,818				455,703		531,144	75,441	14.20%
Other Debt Expense	419,743		531,051		645,602				1,641,637		1,788,501	126,864	7.17%
Total debt requirements	38,437,468		47,644,152		56,085,306				144,117,723		157,843,613	13,725,890	8.70%
TRANSFER TO THE CITY'S GENERAL FUND													
AMOUNT AVAILABLE FOR R&R FUNDS:	2,687,840		2,915,244		4,755,659				10,596,017		10,512,262	(85,755)	-0.82%
INTEREST ON PROJECT & R&R FUNDS:	96,146		91,176		214,760				408,555		106,875	299,680	280.40%
CAPITAL RECOVERY AND SERVICE EXT. FEES	18,718,387		15,284,219		18,088,104				52,100,710		43,678,695	8,422,015	19.28%
GRANT REVENUE	2,350,849		2,350,849						2,350,849			2,350,849	100.00%
GENERAL	17,360,217		30,053,408		40,221,524				88,732,613		63,347,924	25,384,689	40.07%
Total amount available for R&R Funds	36,174,750		47,789,652		58,524,408				143,590,727		107,133,494	36,457,233	34.03%
TOTAL USES OF FUNDS	159,015,451		160,830,668		195,324,643	8,877,372			524,048,134		510,870,144	13,177,990	2.58%

*Excludes non-cash portion of GASB 45 expense

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

SOURCES OF FUNDS	Water Resources		Recycle Water System		Conservation		Stormwater System		Total System		Budget Current Allotments		Favorable (Unfavorable)		Variance	
		\$		\$		\$		\$		\$		\$		\$		\$
OPERATING REVENUES																
Water Resources - Misc.	175,683	\$	-	\$	-	\$	-	\$	175,683	\$	114,088	\$	61,615		54.02%	
Water Supply Fee	12,272,200		-		-		-		12,272,200		14,888,334		(2,596,134)		-17.46%	
EAA Fee	2,276,426		-		-		-		2,276,426		2,438,240		(161,814)		-6.64%	
Recycled water system	-		445,153		-		-		445,153		522,088		(76,935)		-14.74%	
Stormwater	-		-		412,347		-		412,347		378,861		32,486		8.55%	
Metered Water - Conservation	(59,589)		-		1,002,952		-		1,002,952		1,060,052		(57,100)		-5.39%	
Affordability Discount Program	486,167		-		-		-		(59,589)		(62,354)		2,765		4.43%	
Operating Transfer	(135,141)		(3,792)		(6,893)		-		(145,826)		(128,193)		(17,633)		13.76%	
Less: Uncollectible Accounts	14,988,746		441,361		986,059		412,347		16,848,513		18,661,263		(2,812,750)		-14.31%	
Total operating revenues																
NON-OPERATING REVENUES																
Interest earned and miscellaneous	120,959		2,892		-		-		123,851		170,716		(46,865)		-27.45%	
Interest earned on Project Fund & R&R Funds	4,300		-		-		-		4,300		7,095		(2,795)		-38.39%	
Total non-operating revenues																
CAPITAL CONTRIBUTIONS																
Capital Recovery Fees	3,057,971		-		-		-		3,057,971		1,432,808		1,625,163		113.43%	
Total capital contributions	3,057,971		-		-		-		3,057,971		1,432,808		1,625,163		113.43%	
TOTAL SOURCES OF FUNDS																
	\$	18,181,976	\$	444,253	\$	986,059	\$	412,347	\$	20,034,635	\$	21,271,862	\$	(1,237,247)		-5.82%
USES OF FUNDS																
OPERATION AND MAINTENANCE*																
Salaries and fringe benefits	1,657,318	\$	82,845	\$	335,525	\$	244,751	\$	2,320,539	\$	2,448,214	\$	127,675		5.22%	
Contractual services	6,003,573		86,282		234,360		85,131		6,421,376		7,631,602		1,210,426		15.86%	
Materials and supplies	89,663		19,310		5,691		6,888		101,562		205,142		103,580		50.50%	
Other charges	113,185		7,665		23,315		14,345		158,510		162,779		4,269		0.00%	
Capitalized cost	(399,058)		(22,541)		(337)		(2,335)		(424,271)		(572,114)		(147,843)		25.84%	
Total operation and maintenance	7,444,681		175,671		566,574		358,780		8,577,706		9,875,823		1,298,117		13.14%	
OPERATING RESERVE REQUIREMENT																
Revenue Bonds:																
Interest costs	1,592,511		287,934		-		-		1,880,445		1,848,054		67,609		3.47%	
Retirement of bonds	1,308,573		678,398		-		-		1,986,971		1,986,985		24		0.00%	
Subordinate lien debt:																
Interest costs	152,776		16,046		-		-		168,822		174,617		5,795		3.32%	
Retirement of bonds	152,063		15,972		-		-		168,035		168,035		-		0.00%	
Net variable interest - swap	(2,738)		(286)		-		-		(3,027)		-		3,027		100.00%	
Commercial Paper Notes	9,400		-		-		-		9,400		9,728		328		3.37%	
Other Debt Expense	44,663		1,975		-		-		46,638		46,638		-		0.00%	
Total debt requirements	3,257,247		1,000,037		-		-		4,257,284		4,334,067		76,783		1.77%	
TRANSFER TO THE CITY'S GENERAL FUND																
AMOUNT AVAILABLE FOR R&R FUNDS:																
INTEREST ON PROJECT & R&R FUNDS:																
CAPITAL RECOVERY FEES	4,300		-		-		-		4,300		7,095		(2,795)		-38.39%	
GENERAL	4,117,519		(735,702)		370,591		53,567		3,805,975		5,044,524		1,238,549		24.55%	
Total amount available for R&R Funds	7,179,780		(735,702)		370,591		53,567		6,868,246		6,484,427		383,819		5.92%	
TOTAL USES OF FUNDS																
	\$	18,181,976	\$	444,253	\$	986,059	\$	412,347	\$	20,034,635	\$	21,271,862	\$	(1,237,247)		-5.82%

*Excludes non-cash portion of GASB 45 expense

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

SOURCES OF FUNDS

	Water Resources	Recycle Water System		Conservation	Stormwater System	Total System	Budget		Variance
		Water System	System				Current Allotments	Favorable (Unfavorable)	
OPERATING REVENUES									
Water Resources - Misc.	1,324,507	-	-	-	-	1,324,507	1,026,612	297,895	29.02%
Water Supply Fee	98,619,494	-	-	-	-	98,619,494	105,065,226	(5,445,732)	-5.18%
EAA Fee	19,150,634	-	-	-	-	19,150,634	18,575,846	574,788	3.09%
Recycled water system	-	4,351,032	-	-	-	4,351,032	3,877,259	373,773	9.40%
Stormwater	-	-	-	3,722,065	3,722,065	3,722,065	3,418,749	303,316	8.87%
Metered Water - Conservation	-	-	8,008,745	-	-	8,008,745	7,451,012	557,733	7.48%
Metered Discount Program	(506,438)	-	-	-	-	(506,438)	(561,186)	54,748	9.76%
Operating Transfer	4,222,503	-	-	-	-	4,222,503	4,222,503	-	0.00%
Less: Uncollectible Accounts	(1,112,728)	(32,246)	-	(58,988)	-	(1,203,972)	(1,041,804)	(162,368)	-15.99%
Total operating revenues	122,697,972	4,318,786	7,949,747	3,722,065	3,722,065	138,688,570	142,134,418	(3,445,848)	-2.42%
NON-OPERATING REVENUES									
Interest earned and miscellaneous	1,476,753	17,614	12,214	5,767	5,767	1,512,348	1,538,444	(24,096)	-1.57%
Interest earned on Project Fund & R&R Funds	96,146	-	-	-	-	96,146	63,655	32,291	100.00%
Total non-operating revenues	1,572,899	17,614	12,214	5,767	5,767	1,608,494	1,600,299	8,195	0.51%
CAPITAL CONTRIBUTIONS									
Capital Recovery Fees	18,719,387	-	-	-	-	18,719,387	12,824,501	6,093,886	48.27%
Total capital contributions	18,719,387	-	-	-	-	18,719,387	12,824,501	6,093,886	48.27%
TOTAL SOURCES OF FUNDS	142,889,258	4,336,400	7,961,961	3,727,832	3,727,832	159,015,451	156,359,218	2,656,233	1.70%

USES OF FUNDS

OPERATION AND MAINTENANCE*									
Salaries and fringe benefits	15,572,212	786,359	2,697,823	2,117,574	2,117,574	21,373,968	22,405,579	1,031,611	4.60%
Contractual services	59,561,460	651,298	1,775,458	760,786	760,786	61,789,002	69,125,741	6,356,739	9.33%
Materials and supplies	712,968	86,284	56,800	87,284	87,284	943,338	1,487,445	544,109	36.58%
Other charges	1,127,877	80,467	270,032	145,202	145,202	1,623,578	1,462,212	(131,366)	100.00%
Capitalized cost	(4,124,765)	(231,098)	(1,617)	(10,919)	(10,919)	(4,388,420)	(5,620,572)	(1,252,152)	22.28%
Intercenter transfers	2,947	-	-	-	-	2,947	-	(2,947)	100.00%
Total operation and maintenance	71,852,679	1,373,309	4,998,498	3,119,927	3,119,927	81,344,411	87,890,404	6,545,993	7.45%
OPERATING RESERVE REQUIREMENT	406,939	4,388	(71,048)	30,703	30,703	370,982	1,660,477	1,289,485	77.66%
DEBT REQUIREMENTS									
Revenue Bonds:									
Interest costs	14,208,157	2,779,823	-	-	-	16,987,980	17,811,334	823,354	4.62%
Retirement of bonds	11,975,091	6,105,508	-	-	-	18,080,599	18,080,724	125	0.00%
Subordinate lien debt:									
Interest costs	1,298,810	136,415	-	-	-	1,435,225	1,598,425	163,200	10.21%
Retirement of bonds	1,342,012	140,957	-	-	-	1,482,969	1,482,967	(2)	0.00%
Net variable interest - swap	(2,205)	(232)	-	-	-	(2,437)	-	2,437	100.00%
Commercial paper notes	33,388	-	-	-	-	33,388	87,552	54,163	61.89%
Other Debt Expense	401,998	17,774	-	-	-	419,742	419,742	-	0.00%
Total debt requirements	28,257,223	9,180,245	-	-	-	38,437,468	39,460,744	1,043,276	2.64%
TRANSFER TO THE CITY'S GENERAL FUND	2,425,184	47,683	214,873	-	-	2,687,840	2,742,854	55,014	2.01%
AMOUNT AVAILABLE FOR R&R FUNDS:									
INTEREST ON PROJECT & R&R FUNDS	96,146	-	-	-	-	96,146	63,655	32,291	100.00%
CAPITAL RECOVERY FEES	18,719,387	-	-	-	-	18,719,387	12,624,501	6,093,886	48.27%
GENERAL	20,232,700	(6,269,225)	2,819,540	577,202	577,202	17,360,217	11,896,383	5,463,834	45.93%
Total amount available for R&R Funds	39,047,233	(6,269,225)	2,819,540	577,202	577,202	36,174,750	24,584,739	11,590,011	47.14%
TOTAL USES OF FUNDS	142,889,258	4,336,400	7,961,961	3,727,832	3,727,832	159,015,451	156,359,218	2,656,233	1.70%

*Excludes non-cash portion of GASB 45 expense

San Antonio Water System
OPERATION AND MAINTENANCE EXPENSE BY ACCOUNT
For the Nine Months Ended September 30, 2016

Classification	Annual Budget	Current Month		Year to Date			%
		Actual	Budget	Actual	Budget	Variance (Over)/Under	
SALARIES AND FRINGE BENEFITS							
511100 Salaries	\$ 96,450,493	\$ 7,482,869	\$ 7,953,346	\$ 67,946,015	\$ 71,728,714	3,782,699	5.3%
511140 Overtime Pay	3,701,481	403,720	339,079	3,637,108	2,806,010	(831,098)	-29.6%
511150 On-Call Pay	511,201	52,367	44,006	433,631	381,819	(51,811)	-13.6%
511160 Employee Insurance	17,509,952	1,399,990	1,424,712	13,533,656	12,835,096	(698,560)	-5.4%
511162 Retirement	20,022,346	1,601,433	1,674,733	14,472,567	15,254,115	781,549	5.1%
511164 Unused Sick Leave Buyback	70,000	-	5,830	(40,863)	52,470	93,332	177.9%
511166 Personal Leave Buyback	950,000	-	-	(2,957)	-	2,957	0.0%
511168 Accrued Vacation leave	1,200,000	134,649	100,000	754,556	900,000	145,444	16.2%
511170 Incentive Pay	76,799	-	1,333	82,571	72,799	(9,772)	-13.4%
511175 Other Post Employment Benefits	7,500,000	625,000	625,000	5,625,000	5,625,000	(0)	0.0%
Salaries and Fringe Benefits Total	147,992,273	11,700,028	12,168,040	106,441,284	109,656,025	3,214,741	2.8%
CONTRACTUAL SERVICES							
511210 Operating Expense	1,976,338	165,864	168,297	1,556,879	1,495,894	(60,985)	-4.1%
511211 Rental of Facilities	322,406	13,328	26,867	176,724	241,805	65,081	26.9%
511212 Alarm and Security	1,133,949	123,997	94,471	896,662	850,538	(46,125)	-5.4%
511214 Uniforms and Shoe Allowance	329,493	19,795	21,455	182,890	272,651	89,761	32.9%
511216 Catering Svcs & Luncheons	92,382	4,893	6,874	65,249	58,610	(6,640)	-11.3%
511219 Conservation Programs	3,677,305	120,490	400,522	863,808	2,790,516	1,926,708	69.0%
511220 Maintenance Expense	13,435,223	1,563,023	1,102,315	13,016,858	9,814,445	(3,202,414)	-32.6%
511221 Street Cut Permit Admin Fee	750,629	1,910	63,014	532,251	534,011	1,760	0.3%
511222 St Pave/Repair Fee	1,703,984	326,939	142,002	1,221,699	1,278,014	56,316	4.4%
511223 Preventive Maintenance	76,611	14,427	6,384	114,865	57,458	(57,406)	-99.9%
511224 Corrective Maintenance	1,477,431	178,917	123,120	1,328,729	1,108,079	(220,650)	-19.9%
511225 Damage Repair	178,739	15,653	14,895	198,616	134,055	(64,561)	-48.2%
511230 Equipment Rental Charges	677,264	29,353	54,722	490,677	506,445	15,767	3.1%
511240 Travel	201,417	(6,750)	11,062	77,382	129,220	51,838	40.1%
511245 Training	617,710	54,249	62,153	313,342	371,322	57,980	15.6%
511247 Conferences	85,481	3,415	8,593	53,684	70,907	17,223	24.3%
511250 Memberships and Subscriptions	386,440	78,223	19,680	353,448	266,935	(86,512)	-32.4%
511260 Utilities	31,480,688	2,784,540	3,055,746	21,605,119	24,265,349	2,660,230	11.0%
511261 Water Options	43,231,445	3,754,069	3,649,550	34,575,366	32,347,935	(2,227,431)	-6.9%
511265 Ground Water District Pay	24,998,571	2,057,442	2,077,723	18,226,379	18,699,418	473,039	2.5%
511270 Mail and Parcel Post	2,298,376	181,575	191,299	1,610,105	1,723,697	113,592	6.6%
511280 Telemetering Charges	3,360	281	280	2,241	2,520	279	11.1%
511309 Educational Assist-Books	15,000	618	1,250	3,924	11,250	7,326	65.1%
511310 Educational Assistance	209,992	18,334	19,166	75,613	157,494	81,881	52.0%
511312 Contractual Prof Svcs	33,695,244	2,233,385	2,775,238	17,300,235	24,980,782	7,680,547	30.8%
511313 Inspect & Assessment Fees	1,821,599	134,538	149,935	1,310,373	1,367,144	56,771	4.2%
511314 Water Treatment Plant Svcs	300,000	-	25,000	4,807	225,000	220,193	97.9%
511315 Temporary Employees	1,012,101	103,892	71,217	400,214	798,452	398,239	49.9%
511320 Legal Services	3,155,000	(348,264)	179,588	721,245	2,116,254	1,395,009	65.9%
511370 Communications	1,433,145	90,233	118,028	974,781	1,078,308	103,527	9.6%
511381 Software and Hardware Maintenanc	4,540,783	387,085	393,409	3,186,665	3,137,242	(49,424)	-1.6%
Contractual services Total	175,318,108	14,105,453	15,033,854	121,440,827	130,891,747	9,450,920	7.2%

San Antonio Water System
OPERATION AND MAINTENANCE EXPENSE BY ACCOUNT
For the Nine Months Ended September 30, 2016

Classification	Annual Budget	Current Month		Year to Date			%
		Actual	Budget	Actual	Budget	Variance (Over)/Under	
MATERIALS AND SUPPLIES							
511410 Small Tools	730,774	48,769	59,675	431,662	552,715	121,053	21.9%
511417 Copy and Printing Expense	41,631	2,206	3,001	9,253	30,680	21,427	69.8%
511420 Operating Materials	2,300,653	194,495	237,195	1,821,876	1,755,324	(66,552)	-3.8%
511421 Heating Fuel	50,501	-	4,167	9,195	37,751	28,556	75.6%
511422 Chemicals	6,407,264	456,924	563,669	4,561,528	4,710,720	149,192	3.2%
511425 Education of School Children	30,000	-	2,500	30,936	22,500	(8,436)	-37.5%
511426 Public Awareness-WQEE	1,000	-	83	-	747	747	100.0%
511427 Enforcement	20,000	-	-	-	-	-	0.0%
511428 Program Materials	1,000	-	85	59	745	686	92.1%
511430 Maintenance Materials	8,296,076	675,890	687,241	6,347,538	6,299,626	(47,912)	-0.8%
511440 Safety Materials & Supplies	835,211	61,303	68,661	600,881	628,379	27,497	4.4%
511441 Inventory Variances	35,000	4,279	1,400	(9,259)	34,300	43,559	127.0%
511450 Tires and Tubes	632,507	85,755	52,709	566,256	474,381	(91,875)	-19.4%
511451 Motor Fuel & Lubricants	2,924,736	128,931	251,723	1,466,420	2,272,701	806,281	35.5%
511460 Freight	-	-	-	14	-	(14)	0.0%
Materials and supplies Total	22,306,355	1,658,553	1,932,109	15,836,360	16,820,569	984,209	5.9%
OTHER CHARGES							
511510 Judgements and Claims	1,030,000	(12,804)	85,835	705,756	772,495	66,739	8.6%
511511 AL & GL Claims - Cont. Liab.	75,000	-	6,250	-	56,250	56,250	100.0%
511520 Bank Charges	20,000	-	-	2,037	15,000	12,963	86.4%
511525 Cash Short/(Over)	-	49,413	-	1,021	-	(1,021)	0.0%
511530 Employee Relations	171,049	25,098	4,380	108,067	103,979	(4,088)	-3.9%
511540 Retiree Insurance	6,498,111	547,622	541,515	4,965,446	4,873,595	(91,850)	-1.9%
511570 Casualty Insurance	1,386,603	76,660	114,420	767,196	1,023,344	256,148	25.0%
511580 Unemployment Compensation	80,000	-	-	36,280	75,000	38,720	51.6%
511590 Workers Comp Medical	900,000	54,867	75,000	1,670,628	675,000	(995,628)	-147.5%
511610 Workers Comp Benefits	125,000	20,628	10,417	173,008	93,753	(79,255)	-84.5%
511620 WC-Misc Claims Expense	45,000	3,931	3,750	24,564	33,750	9,186	27.2%
Other charges Total	10,310,766	765,414	841,567	8,454,004	7,722,167	(731,838)	-8.5%
O&M Expense Before Capitalized Cost	355,927,501	28,229,448	29,976,570	252,172,475	266,080,508	12,918,033	4.9%
Capitalized Cost	(42,250,945)	(2,889,809)	(3,473,421)	(26,952,621)	(31,837,177)	(4,884,556)	15.3%
Intercenter Transfers	-	-	-	2,947	-	(2,947)	0.0%
Total O&M Expense	\$ 313,676,556	\$ 25,339,638	\$ 26,502,149	\$ 225,222,801	\$ 233,253,331	\$ 8,030,530	3.4%

SAWS INVESTMENT PORTFOLIO
September 30, 2016

Investment Type	Market Value	Book Value	Average Yield	Average Days to Maturity
Money Market Funds	135,325,188	135,325,188	0.349	1
Government Agency Securities:				
Federal Agricultural Mtg Corp	105,964,581	105,943,316	0.591	87
Federal Farm Credit Bank	12,720,093	12,730,460	0.702	352
Federal Home Loan Bank	214,503,404	214,503,018	0.582	153
Federal Home Loan Mtg. Corp.	79,005,379	79,025,518	0.569	224
Federal National Mtg. Assn.	72,763,269	72,758,422	0.642	170
Total Government Agencies	484,956,725	484,960,734	0.594	158
U. S. Treasury Securities	125,239,162	125,220,456	0.571	173
Total Investments	\$ 745,521,075	\$ 745,506,378	0.547	132

San Antonio Water System
KEY FINANCIAL RATIOS
For the Period Ended September 30, 2016

	Sep-16	Sep-15
Total Long-term Debt (a)	\$ 2,820,713,377	\$ 2,881,290,888
Total Water & Sewer Customer Connections (b)	924,916	909,857
Long-term Debt Per Connection (a)/(b)	\$3,050	\$3,167
Total Net Position	\$ 2,576,751,489	\$ 2,364,794,730
Total Liabilities & Net Position	\$ 5,750,338,759	\$ 5,609,899,457
Net Position Ratio	44.8%	42.2%
YTD Operating Revenues (c)	\$ 464,488,063	\$ 418,559,155
YTD Operating Expenses before Depreciation (d)	\$ 225,471,306	\$ 211,568,732
Cash Operating Margin ((c)-(d))/(c)	51.5%	49.5%
Rolling 12 Months		
Operating Revenues	\$ 602,537,895	\$ 555,071,228
Non-operating Revenues	\$ 7,537,787	\$ 5,992,733
Less: Revenues from CPS contract	\$ (3,245,004)	\$ (3,245,004)
Interest earned on Project Fund Investments	\$ (521,123)	\$ (397,047)
Build America Bond Subsidy	\$ (3,678,395)	\$ (3,699,836)
Gross Revenues	\$ 602,631,160	\$ 553,722,074
O&M Expense before Depreciation	\$ 305,150,105	\$ 281,519,437
Pledged Revenue	\$ 297,481,055	\$ 272,202,637
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
Senior Lien Debt Coverage Ratio	3.84 x	2.76 x
Total Bonded Debt Coverage Ratio	1.68 x	1.56 x
Unrestricted Cash, including Operating Reserve	\$ 331,178,091	\$ 293,158,601
Days Cash on Hand - Rolling 12 Months of O&M	396	380
Unrestricted Working Capital, including Operating Reserve	\$ 367,523,634	\$ 319,292,756
Days Working Capital on Hand - Rolling 12 Months of O&M	440	414

San Antonio Water System

CONSTRUCTION IN PROGRESS SUMMARY - TOTAL

September 30, 2016

	<i>CIP</i>	<i>Revised CIP</i>	<i>Commit/Plan</i>	<i>Open Job</i>	<i>Closed Job</i>	<i>Commit/Charges</i>
	<i>Plan</i>	<i>Plan</i>	<i>Commitments</i>	<i>Variance</i>	<i>Charges</i>	<i>Charges</i>
						<i>Variance</i>
CIP Year: 2016						
Collection	21,713,538	21,075,679	3,862,262	17,213,418	1,137,768	2,724,493
Corporate	23,223,816	26,065,963	875,915	25,190,048	29,500	813,146
Governmental	52,117,030	53,485,039	37,860,909	15,624,130	23,436,642	14,414,433
Heating and Cooling	4,903,375	4,903,375	1,024,163	3,879,212	216,944	807,218
Main Replacements	86,186,827	113,846,172	87,804,947	26,041,225	14,208,183	71,881,751
Production	25,215,160	23,962,156	6,014,146	17,948,010	985,080	5,029,066
Treatment	4,687,680	7,163,724	1,329,637	5,834,086	759,637	570,000
Water Resources	29,140,512	29,357,490	453,701	28,903,789	181,473	272,228
Plant Contributions	-	-	-	-	15,675	(62,576,477)
Less Contributions - Plant	-	-	-	-	-	62,576,477
Subtotal	247,187,939	279,859,597	139,225,679	140,633,918	40,970,903	96,496,660
CIP Year: 2015						
Collection	17,085,040	12,618,466	12,618,466	-	6,625,180	4,830,674
Corporate	2,932,604	2,932,604	1,643,845	1,288,759	1,623,118	20,727
Governmental	54,942,932	55,772,220	55,772,180	40	31,525,044	17,627,645
Heating and Cooling	2,585,000	2,129,756	2,129,206	550	2,029,503	99,703
Main Replacements	90,516,475	81,508,072	77,086,920	4,421,152	12,721,176	45,596,320
Production	24,007,372	23,640,593	17,088,721	6,551,872	1,578,223	15,510,498
Recycle	1,500,000	1,500,000	205,436	1,294,564	25,091	180,346
Treatment	26,740,000	27,448,269	4,963,059	22,485,210	4,263,803	699,257
Water Resources	15,919,200	15,877,295	3,686,524	12,190,772	3,548,871	137,653
Plant Contributions	-	-	-	-	-	(78,942,508)
Less Contributions - Plant	-	-	-	-	-	78,942,508
Subtotal	236,228,623	223,427,276	175,194,358	48,232,918	63,940,009	84,702,821
CIP Year: 2014						
Collection	33,643,338	8,972,629	6,242,795	2,729,835	2,144,819	2,619,445
Corporate	14,932,117	16,236,342	14,767,694	1,468,648	13,365,774	1,401,921
Distribution	11,751,106	8,302,893	7,558,818	744,074	2,004,297	5,222,044
Governmental	49,111,947	37,025,044	36,727,471	297,573	12,870,223	11,466,714
Heating and Cooling	2,837,500	3,303,454	3,303,454	-	219,786	590,173
Main Replacements	84,810,783	86,654,743	77,454,383	9,200,359	16,531,790	27,552,793
Production	40,397,274	47,009,625	46,292,005	717,620	30,145,914	16,115,135
Recycle	3,661,505	22,372	22,372	-	17,203	3,784
Treatment	14,826,674	17,866,015	17,866,015	-	2,560,944	13,091,496
Water Resources	157,029,479	118,451,138	117,806,541	644,597	105,210,955	11,592,210
Plant Contributions	-	-	-	-	-	(49,755,661)
Less Contributions - Plant	-	-	-	-	-	49,755,661
Subtotal	413,001,723	343,844,254	328,041,549	15,802,705	185,071,705	89,655,715
CIP Year: 2013						
Collection	46,676,445	37,668,958	37,668,958	-	23,320,723	8,204,258
Corporate	17,740,525	19,466,876	18,185,239	1,281,636	14,058,040	1,053,534
Distribution	6,959,628	9,065,726	9,065,726	-	1,845,703	1,481,680
Governmental	40,488,064	47,762,749	47,762,749	-	21,506,866	7,023,368
Heating and Cooling	6,170,296	8,796,242	8,796,242	-	31,966	-
Main Replacements	81,318,941	77,284,071	77,284,071	-	3,790,976	3,254,097
Production	29,017,588	44,033,849	44,033,849	-	29,816,365	3,144,139
Recycle	2,749,583	489,351	489,351	-	299,503	108,811
Treatment	16,901,070	18,851,103	18,851,103	-	13,847,829	2,178,836
Water Resources	116,151,842	144,847,692	144,847,692	-	126,220,403	(1,216,473)
Plant Contributions	-	-	-	-	1,368	(36,777,772)
Less Contributions - Plant	-	-	-	-	-	36,776,404
Subtotal	364,173,981	408,266,617	406,984,981	1,281,636	234,739,743	25,230,883

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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.

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San Antonio Water System
CONSTRUCTION IN PROGRESS SUMMARY - TOTAL
September 30, 2016

	<i>CIP</i>	<i>Revised CIP</i>	<i>Commit/Plan</i>	<i>Open Job</i>	<i>Closed Job</i>	<i>Commit/Charges</i>
	<i>Plan</i>	<i>Plan</i>	<i>Commitments</i>	<i>Variance</i>	<i>Charges</i>	<i>Charges</i>
						<i>Variance</i>
CIP Year: 2012						
Collection	71,138,497	67,012,420	67,012,420	-	6,967,902	2,854,048
Corporate	9,717,570	12,720,034	12,720,034	-	9,367,901	10,203
Distribution	13,877,809	12,075,280	12,075,280	-	2,214,319	366,733
Governmental	40,376,635	37,314,574	37,314,574	-	909,288	5,032,446
Heating and Cooling	115,000	1,043,202	1,043,202	-	33,661	30,683
Main Replacements	26,169,846	29,538,405	29,538,405	-	742,108	317,739
Production	17,571,549	20,348,855	20,348,855	-	17,553,783	92,625
Recycle	3,631,496	2,725,575	2,725,575	-	61,347	59,175
Treatment	21,802,396	10,068,068	10,068,068	-	176,581	96,823
Water Resources	35,616,325	33,402,778	33,402,778	-	9,946,470	12,076,552
Plant Contributions	-	-	-	-	-	(47,132,197)
Less Contributions - Plant	-	-	-	-	-	(47,132,197)
Subtotal	240,017,124	226,249,192	226,249,192	-	47,973,359	20,937,027
Carryover Program						
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	-	13,106,875	1,106,828
Corporate	88,189,690	43,759,304	43,759,303	-	4,062,845	719,313
Distribution	139,317,610	142,343,822	142,343,822	-	1,086,164	2,312,217
Governmental	461,834,468	380,214,357	380,214,358	-	1,458,981	10,911,939
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	-	4,741,379	3,418,842
Miscellaneous	5,743,107	2,317,152	2,317,152	-	-	-
Production	143,206,855	175,278,035	175,278,035	-	1,449,101	1,066,531
Recycle	134,585,455	150,183,582	150,183,582	-	516,402	385,815
Treatment	257,333,945	248,434,527	248,434,527	-	21,041,851	594,740
Water Resources	975,300,282	725,759,158	725,759,158	-	57,920,241	8,462,107
Plant Contributions	-	-	-	-	-	(613,984,681)
Less Contributions - Plant	-	-	-	-	-	(613,984,681)
Subtotal	2,906,538,191	2,510,947,304	2,510,947,304	-	105,393,838	28,978,330
Total	4,407,147,581	3,992,594,241	3,786,643,063	205,951,178	678,089,557	346,001,437

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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**

		September		(Below)
		2016	2015	Above
				Prior Year
Rainfall-Inches				
Current Month				
	Actual	6.3	2.3	Over 100 %
	Normal	3.0	3.0	0 %
	Percent Above(Below) Normal	Over 100 %	(23) %	
Year to Date				
	Actual	35.8	32.4	10 %
	Normal	24.0	24.0	0 %
	Percent Above(Below) Normal	49 %	35 %	
	Number of days with rain	6	3	
SAWS Pumping Data (Million Gallons)				
	SAWS Total Water Pumpage - Month	7,264	8,105	(10) %
	Water Pumpage for injection to Twin Oaks ASR	586	612	(4) %
	Water Pumpage for Consumption (includes water produced from ASR)	6,678	7,492	(11) %
	SAWS Billed Water Usage (Domestic and Irrigation)*	5,803	6,953	(17) %
Customers				
	SAWS			
	Number of connections (billed accounts) - WATER	488,055	481,308	1 %
	Number of connections (billed accounts) - WASTEWATER	436,861	428,549	2 %
Infrastructure In Service, Cumulative				
	Water - Miles of Main	6,943	6,811	2 %
	Wastewater - Miles of Main	5,367	5,311	1 %
	Manholes	105,175	103,477	2 %
	Fire Hydrants	39,759	38,547	3 %
Edwards Reservoir Level				
	High	678.1	648.5	29.6 Feet
	Low	673.3	646.0	27.3 Feet
	End of Month	678.1	646.5	31.6 Feet

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