

San Antonio Water System

CONDENSED MONTHLY FINANCIAL REPORT ***June 2018***



San Antonio, Texas

CONDENSED MONTHLY FINANCIAL REPORT
SAN ANTONIO WATER SYSTEM
JUNE 30, 2018

Attached is the monthly financial report of the San Antonio Water System (SAWS) for the month ended June 30, 2018. 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 \$25 million during the month.
- Operating revenues for the month of \$65.8 million were \$9.0 million favorable to budget and \$7.9 million more than a year ago.
- Operating expenses before depreciation for the month of \$30.4 million were \$1.1 million unfavorable to budget and \$3.1 million more than the prior year.
- Net interest expense was \$2.7 million favorable to budget for the month and \$.5 million less than the prior year.
- SAWS' net income before capital contributions for the month of \$14.4 million was \$10.6 million favorable to budget and \$4.3 million more than June 2017.
- Capital contributions for the month were \$10.6 million compared to the budget of \$11.9 million and \$16.6 million in June 2017.

OVERALL FINANCIAL CONDITION

			June 30, 2018
(\$ in thousands)			
Assets		\$	6,145,381
Deferred Outflows of Resources			86,965
Liabilities			(3,251,143)
Deferred Inflows of Resources			(2,327)
Total Net Position		\$	<u>2,978,876</u>
Net Investment in Capital Assets		\$	2,327,305
Restricted Net Position			335,241
Unrestricted Net Position			316,330
Total Net Position		\$	<u>2,978,876</u>

During the month, SAWS' total assets and deferred outflows of resources increased \$38.6 million due to increases in accounts receivable, investments and capital assets. Total liabilities and deferred inflows of resources increased \$13.7 million primarily due to increases in accrued interest payable and revenue bonds payable.

Working capital totaled \$428.5 million and includes an operating reserve of \$56.6 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 47.8% at June 30, 2018, 47.7% at May 31, 2018 and 45.6% at June 30, 2017.

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 improvement in the debt coverage ratio for senior lien debt since June 2017 is primarily due to refunding senior lien debt with junior lien debt over the last twelve months.

Debt Coverage Ratios		6/30/2018	5/31/2018	6/30/2017
Current Year Debt Service - Senior Lien Debt		6.48	6.38	5.58
Current Year Debt Service - Total Debt		1.95	1.92	1.74

As of June 30, 2018 SAWS is in compliance with the terms and provisions of the ordinances and documents related to its outstanding bonds and tax-exempt commercial paper.

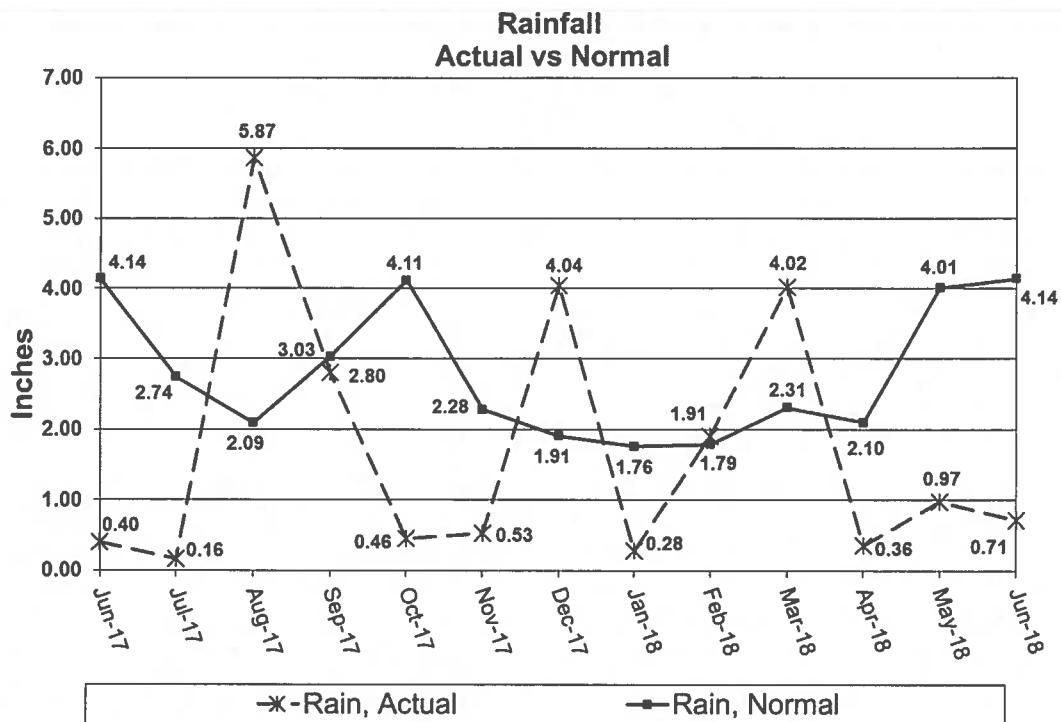
RESULTS OF OPERATIONS

The following table shows a consolidated summary of SAWS' Statement of Revenues, Expenses and Changes in Net Position for the month of June 2018 with comparisons to both the budget and the prior year.

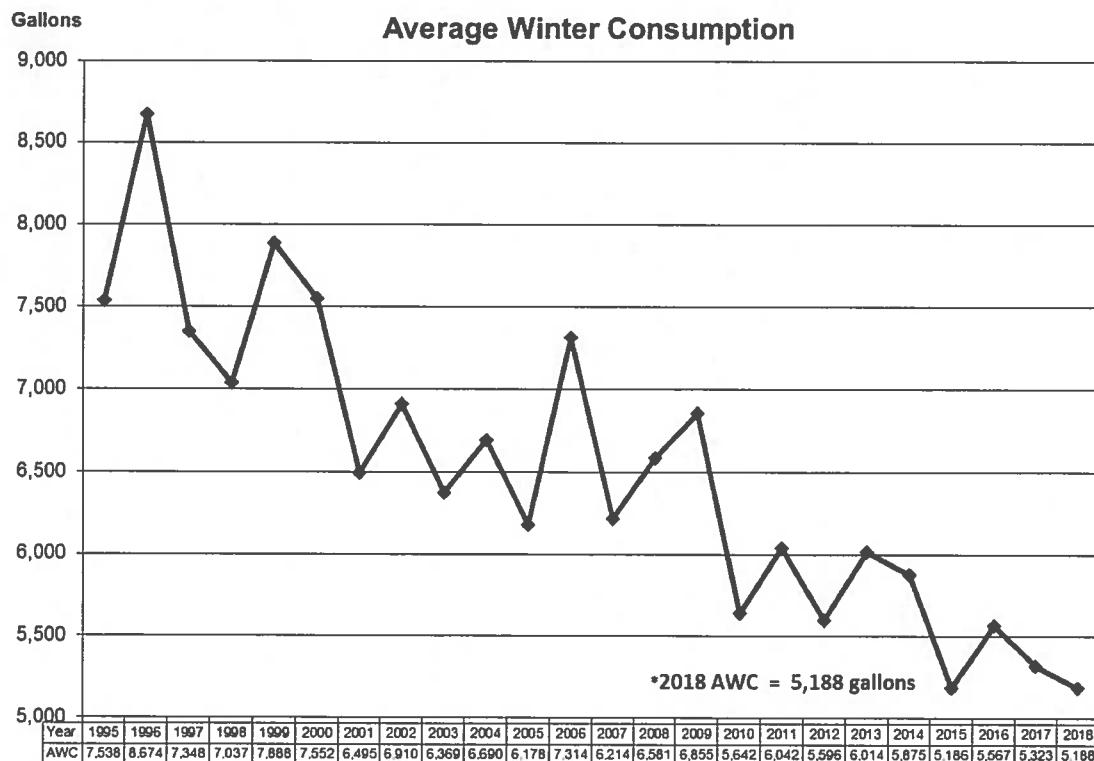
(\$ in thousands)		June-18 Actual	Budget*	Fav (Unfav) Variance To Budget	June-17 Actual	Fav (Unfav) Variance To Prior Year
Operating Revenues						
Water Supply System	\$ 21,526	\$ 16,815	\$ 4,711	\$ 18,347	\$ 3,179	
Water Delivery System	21,348	17,645	3,703	17,762	3,586	
Wastewater System	21,872	21,475	397	20,682	1,189	
Chilled Water and Steam System	1,062	861	201	1,072	(10)	
Total operating revenues	65,808	56,796	9,012	57,863	7,944	
Operating Expenses Before Depreciation	30,360	29,253	(1,107)	27,279	(3,081)	
Depreciation Expense	12,716	13,094	379	12,169	(547)	
Total operating expenses	43,075	42,347	(728)	39,448	(3,628)	
Operating Income	22,732	14,448	8,284	18,416	4,317	
Miscellaneous Revenues	11	-	11	11	(0)	
Investment income	1,388	652	736	637	750	
Interest Expense	7,490	9,416	1,926	7,278	(212)	
Payments to the City of San Antonio	1,727	1,477	(250)	1,501	(227)	
Other Non-operating Expense	502	432	(70)	169	(333)	
Net Income (Loss) Before Capital Contributions	14,411	3,775	10,636	10,116	4,295	
Contributions in aid of construction	593	-	593	1,155	(562)	
Capital Recovery Fees	5,977	6,638	(661)	10,854	(4,877)	
Plant Contributions	3,989	5,250	(1,261)	4,562	(572)	
Total Contributions	10,559	11,888	(1,329)	16,570	(6,011)	
Change in Net Position	\$ 24,970	\$ 15,663	\$ 9,307	\$ 26,686	\$ (1,716)	

*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 June 2018 were \$9.0 million favorable to budget and \$7.9 million more than June 2017. Water delivery and supply revenues of \$42.9 million were \$8.4 million favorable to budget and \$6.8 million more than June 2017. Below average rainfall for the last two months resulted in billed usage being 20.2% more than budget. The average water rate adjustment of 7.6% which went into effect on February 1, 2018, along with an increase in usage from June 2017 of 10.2% contributed to the increase in revenue from the prior year.



Wastewater revenue for the month of \$21.9 million was \$.4 million favorable to budget and \$1.2 million more than the prior year. An increase in revenues from general class customers contributed to the favorable variance to budget for the month. The residential Average Winter Consumption (AWC) of 5,188 gallons that went into effect in April 2018 was consistent with the budgeted AWC of 5,192 but 2.5% less than the previous AWC. A 3.6% rate increase that went into effect on February 1, 2018 more than offset the impact of the decrease in AWC, resulting in a favorable variance to last year.



Operating expenses before depreciation were \$1.1 million unfavorable to budget for the month and \$3.1 million more than a year ago. The negative budget variance is primarily due to a \$1.17 million write off of capitalized design costs for projects that will not be completed as well as less than budgeted capitalized operating costs. Beginning in 2018, SAWS changed its method of capitalizing internal project management costs from estimating time to tracking time on capital projects. The increase in operating expenses from last year is primarily due to increases in salaries and benefits, retiree medical claims and the above mentioned write off of capitalized design costs.

Investment income for the month was \$.7 million favorable to budget and \$.8 million more than June 2017. The yield on SAWS investment portfolio was 1.78% for the month compared to the budgeted yield of 1.00% and .96% earned on the portfolio a year ago. Total investment balances were also greater than forecast and the prior year.

Interest expense for the month was \$1.9 million favorable to budget but \$.2 million more than June 2017. 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. The increase in interest expense from the prior year is due to a decrease in the amount of interest capitalized for completed projects, primarily from the Leon Creek Treatment Plant Automation project.

In June 2018, capital contributions included \$.6 million in contributions in aid of construction from the Edwards Aquifer Authority related to the SAWS leak repair program, \$6.0 million in impact fees and \$4.0 million in plant contributions from developers. Impact fees and plant contributions can vary significantly from month-to-month but are an indication of development activity in the San Antonio region. Growth in the number of customer connections averaged 1.64% over the last 12 months (July 2017 - June 2018) and 1.7% for the preceding 12 month period (July 2016 - June 2017).

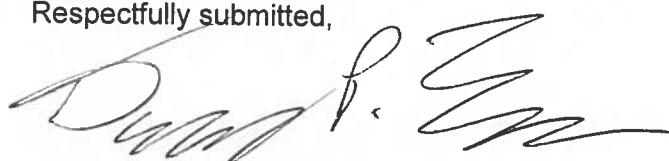
CASH FLOWS

Cash and cash equivalents decreased \$10.3 million during June 2018. Cash inflows during the month included \$31.8 million from operations, \$6.0 million in proceeds from developers and \$10.5 million from revenue bonds. Cash outflows for the month consisted primarily of \$32.8 million spent on the acquisition and construction of property, plant and equipment and \$24.0 million in investment activities.

The following table summarizes the Capital Improvement Programs (CIP) from 2016 through 2018. In order to fully execute the planned CIP, SAWS is projected to award \$419.5 million in additional capital contracts. Additionally, outstanding commitments on awarded contracts total \$327.8 million at June 30, 2018.

Plan Year	Original		Revised		Percent Committed
	Plan	Plan	Commitments		
CY2018	\$ 391.4	\$ 392.8	\$ 78.6		20.0%
CY2017	367.5	333.4	242.5		72.7%
CY2016	247.2	277.9	268.3		96.5%
	<u>\$ 1,006.1</u>	<u>\$ 1,004.1</u>	<u>\$ 589.4</u>		58.7%

Respectfully submitted,



Douglas P. Evanson
Senior Vice President/Chief Financial Officer

**CONDENSED
MONTHLY FINANCIAL REPORT
SAN ANTONIO WATER SYSTEM
June 30, 2018**

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**San Antonio Water System
STATEMENT OF NET POSITION
June 30, 2018**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES

	2018	2017
CURRENT ASSETS		
Cash and cash equivalents	\$ 57,690,814	\$ 40,432,547
Investments	367,431,279	290,177,924
Accrued interest receivable	2,740,056	2,245,475
Accounts receivable - net of allowance for uncollectable accounts of \$10,950,173 and \$6,692,011 respectively	69,644,485	66,638,439
Inventory - materials and supplies	5,781,517	5,025,166
Prepaid expenses	5,606,975	6,056,854
Total current unrestricted assets	<u>508,895,126</u>	<u>410,576,405</u>
RESTRICTED ASSETS		
Debt Service Fund		
Cash and Cash Equivalents	1,986,642	15,753,969
Investments	31,020,715	18,000,414
Construction Funds		
Investments	15,557,095	18,688,321
Customers' deposits - System Fund	-	-
Operating Reserve - System Fund	56,641,975	54,143,274
Total current restricted assets	<u>105,206,427</u>	<u>106,585,978</u>
Total current assets	<u>614,101,553</u>	<u>517,162,383</u>
NONCURRENT ASSETS		
Restricted Noncurrent Assets		
Reserve fund:		
Cash and cash equivalents	1,514,644	183,369
Investments	84,151,805	88,647,192
Construction funds:		
Cash and cash equivalents	75,781,265	48,623,463
Investments	252,775,599	263,321,173
CAPITAL ASSETS		
Utility plant in service	6,571,860,493	6,354,300,136
Less allowance for depreciation	<u>2,201,668,801</u>	<u>2,062,631,824</u>
	4,370,191,692	4,291,668,312
Land, water rights and other intangible assets	363,480,778	353,736,810
Construction in Progress	383,383,625	295,426,018
Total capital assets	<u>5,117,056,095</u>	<u>4,940,831,140</u>
TOTAL ASSETS	6,145,380,961	5,858,768,720
DEFERRED OUTFLOWS OF RESOURCES		
Loss on bond refunding	44,894,122	51,381,552
Deferred outflows pensions	33,427,595	28,115,198
Derivative Instrument	8,643,613	13,015,801
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>86,965,330</u>	<u>92,512,551</u>
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	\$ 6,232,346,291	\$ 5,951,281,271

San Antonio Water System
STATEMENT OF NET POSITION - continued
June 30, 2018

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

	2018	2017
CURRENT LIABILITIES		
Accounts payable	\$ 23,804,608	\$ 17,748,500
Customers' deposits	15,068,090	13,939,223
Third party billing collections payable	1,277,123	1,132,596
Accrued vacation pay	6,667,075	6,619,215
Accrued payroll and benefits	4,266,380	3,783,810
Accrued claims payable	4,940,344	4,537,973
Accrued stormwater services	3,755,367	3,496,561
Health Insurance Payable	1,241,702	2,011,208
Sundry payables and deferred income	6,075,261	5,899,369
Total current unrestricted liabilities	<u>67,095,950</u>	<u>59,168,455</u>
LIABILITIES PAYABLE FROM RESTRICTED FUNDS		
Debt Service Fund		
Accrued interest payable	15,925,666	15,415,435
Construction funds:		
Contract retainage payable	13,549,288	16,712,214
Sundry payables	2,007,807	1,976,107
Revenue bonds payable within one year	87,060,001	84,875,000
Total current restricted liabilities	<u>118,542,762</u>	<u>118,978,756</u>
Total current liabilities	<u>185,638,712</u>	<u>178,147,211</u>
LONG-TERM LIABILITIES		
Accrued vacation payable	4,122,231	3,402,086
Long-term unfunded post-retirement obligations	68,932,543	72,117,233
Net pension liability	72,056,342	63,021,914
Derivative Instrument	12,003,913	16,733,231
Commercial paper notes	148,695,000	238,060,000
Revenue bonds payable after one year	2,544,154,999	2,453,054,999
Unamortized premium	216,406,402	210,538,353
Less unamortized discount	(867,098)	(1,441,679)
Total long-term liabilities	<u>3,065,504,332</u>	<u>3,055,486,137</u>
Total Liabilities	<u>3,251,143,044</u>	<u>3,233,633,348</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - pensions	<u>2,327,591</u>	<u>2,793,408</u>
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES		
	3,253,470,635	3,236,426,756
NET POSITION		
Restricted:		
Net investment in capital assets	2,327,305,110	2,187,074,441
Restricted for construction	208,342,902	172,938,220
Restricted for debt service	17,081,688	18,338,945
Restricted for debt service reserve	53,174,530	56,452,766
Restricted for operating reserve	56,641,975	54,143,274
Total Restricted Net Position	<u>2,662,546,205</u>	<u>2,488,947,646</u>
Unrestricted Net Position	<u>316,329,451</u>	<u>225,906,869</u>
TOTAL NET POSITION		
	\$ 2,978,875,656	\$ 2,714,854,515

San Antonio Water System
STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
Six months ended June 2018

	2018 YTD Actual	2018 YTD Budget*	2017 YTD Actual	Variance	
				To Budget	To Prior Year
Operating revenues:					
Water Resources - Misc.	\$ 1,141,263	\$ 1,156,659	\$ 861,955	\$ (15,396)	\$ 279,308
Water Supply Fee	72,245,309	72,409,543	67,211,625	(164,234)	5,033,684
EAA/TCEQ Fee	11,778,768	12,005,698	11,708,467	(226,930)	70,301
Recycle Water	2,667,484	2,606,675	2,587,873	60,809	79,611
Stormwater	2,610,649	2,601,998	2,615,608	8,651	(4,959)
Metered Water	103,130,516	101,207,027	92,538,953	1,923,489	10,591,563
Conservation Metered Water	5,441,237	4,885,320	4,913,564	555,917	527,673
Wastewater service charges	127,721,183	125,649,415	123,690,922	2,071,768	4,030,261
Chilled water	5,251,066	5,163,598	5,343,583	87,469	(92,517)
Less: Uncollectible accounts	(2,524,565)	(2,156,419)	(2,532,555)	(368,146)	7,990
Total operating revenues	329,462,910	325,529,512	308,939,995	3,933,398	20,522,915
Operating expenses:					
Salaries and fringe benefits	76,465,936	77,672,359	71,242,420	1,206,423	(5,223,516)
Contractual services	78,056,471	87,178,994	80,867,425	9,122,523	2,810,954
Materials & supplies	10,932,675	11,914,592	10,307,146	981,917	(625,529)
Other charges	5,534,586	4,994,213	4,630,192	(540,373)	(904,394)
Capitalized cost	(14,647,389)	(16,689,562)	(15,905,353)	(2,042,173)	(1,257,964)
Intercompany transfers	-	-	888	-	888
Total operating expenses before depreciation	156,342,279	165,070,596	151,142,718	8,728,317	(5,199,561)
Depreciation expense	77,880,558	77,826,259	73,909,741	(54,299)	(3,970,817)
Total operating expenses	234,222,837	242,896,855	225,052,459	8,674,018	(9,170,378)
Operating income (loss)	95,240,073	82,632,657	83,887,536	12,607,416	11,352,537
Non-operating revenues:					
Miscellaneous revenue	1,855,674	1,773,568	1,890,036	82,107	(34,362)
Interest earned	7,199,423	3,912,498	3,417,638	3,286,925	3,781,785
Gain/(Loss) on Investments	(1,842,227)	-	-	(1,842,227)	(1,842,227)
Total non-operating revenues	7,212,870	5,686,066	5,307,674	1,526,805	1,905,196
Non-operating expenses:					
Debt issuance costs	1,745,962	1,181,595	862,231	(564,368)	(883,731)
Other financing charges	1,190,698	1,350,580	1,356,647	159,882	165,949
Interest expense:					
Revenue bonds and commercial paper	55,438,252	67,315,073	55,055,785	11,876,821	(382,467)
Capitalized interest	(2,479,556)	(2,300,000)	(1,559,916)	179,556	919,640
Amortized discount/premiums/Loss on refunding	(8,663,809)	(8,518,812)	(8,229,037)	144,997	434,772
Loss (gain) on sale of fixed assets	(686,114)	-	(263,916)	686,114	422,198
Transfers to GKDA	44,518	61,200	44,378	16,682	(140)
Transfers to City of San Antonio	8,611,579	8,467,425	8,003,620	(144,154)	(607,959)
Total non-operating expenses	55,201,530	67,557,059	55,269,792	12,355,529	68,262
Net income (loss) before capital contributions	47,251,413	20,761,664	33,925,418	26,489,750	13,325,995
Capital contributions:					
Contributions in aid of construction	2,190,981	-	2,064,968	2,190,981	126,013
Capital recovery fees	41,403,329	36,260,468	39,147,533	5,142,861	2,255,796
Plant contributions	33,751,269	31,500,000	26,367,919	2,251,269	7,383,350
Total capital contributions	77,345,579	67,760,468	67,580,420	9,585,111	9,765,159
CHANGE IN NET POSITION	124,596,992	88,522,132	101,505,838	36,074,860	23,091,154
NET POSITION, beginning balances	2,854,278,664	2,854,278,664	2,613,348,677		
NET POSITION, ending balances	\$ 2,978,875,656	\$ 2,942,800,796	\$ 2,714,854,515		

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

**San Antonio Water System
STATEMENT OF CASH FLOWS
Six months ended June 2018**

	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 335,757,232	\$ 309,831,667
Cash paid to vendors for operations	(100,560,655)	(107,734,888)
Cash paid to employees for services	(62,275,725)	(60,844,111)
Net cash provided by operating activities	172,920,852	141,252,668
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Payments to the City of San Antonio	(5,796,353)	(5,526,764)
Payments to other entities	(49,367)	(47,854)
Net cash used for noncapital financing activities	(5,845,720)	(5,574,618)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Proceeds from sale of capital assets	784,294	302,151
Proceeds from developers for plant construction	41,403,329	39,147,533
Proceeds from contributions in aid of construction	4,517,712	5,593,403
Payments for the acquisition and construction of plant and equipment	(136,715,880)	(132,261,567)
Payment for retirement of commercial paper	(129,365,000)	(3,550,000)
Proceeds from revenue bonds	248,469,559	102,068,719
Payment for retirement/refunding of revenue bonds	(125,630,000)	(183,335,000)
Payment of interest on commercial paper	(2,986,011)	(2,428,564)
Payment of interest on revenue bonds	(52,327,153)	(54,607,146)
Payment for bond related expenses	(1,745,962)	(862,228)
Payment for finance charges	(695,061)	(1,054,764)
Net cash used for capital and related financing activities	(154,290,173)	(230,987,463)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(355,929,313)	(443,215,325)
Maturity of investments	341,766,401	482,094,851
Interest income and other	8,650,846	4,687,061
Net cash provided (used) by investing activities	(5,512,066)	43,566,587
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	7,272,893	(51,742,826)
CASH AND CASH EQUIVALENTS, AT BEGINNING OF YEAR	129,700,472	156,736,174
CASH AND CASH EQUIVALENTS, AT END OF PERIOD	\$ 136,973,365	\$ 104,993,348

**San Antonio Water System
STATEMENT OF CASH FLOWS
Six months ended June 2018**

2018

2017

**RECONCILIATION OF CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS
TO THE STATEMENT OF NET ASSETS**

Cash and Cash Equivalents

Unrestricted		
System Fund	\$ 57,690,814	\$ 40,432,547
Restricted		
Debt Service Fund	1,986,642	15,753,969
Reserve Fund	1,514,644	183,369
Construction Fund	<u>75,781,265</u>	<u>48,623,463</u>
	<u>\$ 136,973,365</u>	<u>\$ 104,993,348</u>

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating Income	\$ 95,240,073	\$ 83,887,536
Adjustments to reconcile operating income to net cash provided by operating activities:		
Non-cash revenues from City of San Antonio	(2,810,377)	(2,473,380)
Provision for uncollectible accounts	2,524,565	2,532,555
Charge-off prior year construction expenditures to operating expense	1,169,630	-
Depreciation expense	77,880,558	73,909,741
Change in assets, deferred outflows, liabilities and deferred inflows:		
(Increase)/Decrease in accounts receivable	3,316,474	251,021
(Increase)/Decrease in inventory	(225,321)	55,365
(Increase)/Decrease in prepaid expenses	(1,689,552)	(1,446,578)
(Increase)/Decrease in intercompany receivable	-	-
(Decrease)/Increase in accounts payable	(6,229,095)	(15,305,276)
(Decrease)/Increase in amount due for third party collections	88,756	31,833
(Decrease)/Increase in accrued vacation payable	1,245,089	1,168,356
(Decrease)/Increase in accrued payroll and benefits	(508,186)	(353,946)
(Decrease)/Increase in claims payables	257,283	-
(Decrease)/Increase in accrued stormwater services	17,836	52,490
(Decrease)/Increase in health claims payables	(625,391)	(86,491)
(Decrease)/Increase in unfunded post-retirement obligations	-	(1,555,506)
(Decrease)/Increase in sundry payables and accruals	2,335,596	26,690
(Decrease)/Increase in customers' deposits	932,913	558,258
Total Adjustments	<u>77,680,779</u>	<u>57,365,132</u>
Net cash provided by operating activities	<u>\$ 172,920,852</u>	<u>\$ 141,252,668</u>

San Antonio Water System
CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS
Month ended June 2018

SOURCES OF FUNDS					Budget			Favorable	
		Water Supply System	Water Delivery System	Wastewater System	Chilled Water System	Total System	Allotments	(Unfavorable)	Variance
OPERATING REVENUES		\$ 232,905	\$ -	\$ -	\$ -	\$ 16,453,015	\$ 192,776	\$ 40,129	20,82%
Water Resources - Misc.	\$ 16,453,015					12,641,162		3,811,653	30,15%
Water Supply Fee	2,252,579	140,096	38,681			2,431,356	2,110,718	320,638	15,15%
EAATCEQ Pass Through Fees	558,058					558,058	447,588	110,470	24,68%
Recycled water system	435,110					435,110	433,666	1,444	0,33%
Stormwater	1,396,462					1,396,462	862,329	534,133	61,94%
Metered Water - Conservation						21,918,177		3,586,688	19,57%
Metered Water - Water Delivery						18,331,279		65,724	13,90%
Affordability Discount Program	(92,488)	21,918,177	(222,647)			(407,623)	(473,417)	21,255,875	423,598
Wastewater System		21,679,473				21,679,473		547,137	1,98%
Wastewater Surcharge		547,137				547,137	492,506	54,631	11,09%
Chilled water						1,061,680	860,600	201,080	23,37%
Operating Transfer	469,167	(469,167)							0,00%
Less: Uncollectible Accounts	(148,463)								
Total operating revenues	<u>21,526,205</u>	<u>21,348,155</u>	<u>21,871,513</u>	<u>1,061,680</u>	<u>1,061,680</u>	<u>65,807,553</u>	<u>56,795,680</u>	<u>9,011,874</u>	<u>15,87%</u>
NON-OPERATING REVENUES									
Interest earned and miscellaneous	431,181	335,141	367,824	12,287	1,146,433	558,333	588,100	105,33%	
Interest earned on Project Fund & R&R Funds	23,525	39,054	186,100	802	252,281	93,750	158,531	169,10%	
Total non-operating revenues	<u>454,706</u>	<u>374,985</u>	<u>555,924</u>	<u>13,089</u>	<u>1,398,714</u>	<u>652,083</u>	<u>746,631</u>	<u>114,50%</u>	
CAPITAL CONTRIBUTIONS									
Capital Recovery and Service Extension Fees	2,124,064	1,152,559	2,699,996	-	5,976,599	6,637,683	(661,084)		
Contributions in aid of construction	-	592,876	-		592,876		592,876		-9,96%
Total capital contributions	<u>2,124,064</u>	<u>1,745,417</u>	<u>2,699,996</u>	<u>-</u>	<u>5,976,599</u>	<u>6,637,683</u>	<u>(661,084)</u>		<u>-1,03%</u>
TOTAL SOURCES OF FUNDS	<u>\$ 24,104,975</u>	<u>\$ 23,468,567</u>	<u>\$ 25,127,433</u>	<u>\$ 1,074,769</u>	<u>\$ 73,775,744</u>	<u>\$ 64,085,446</u>	<u>\$ 9,690,288</u>		<u>15,12%</u>
USES OF FUNDS									
OPERATION AND MAINTENANCE*									
Salaries and fringe benefits	\$ 2,821,551	\$ 4,739,675	\$ 5,288,586	\$ 125,584	\$ 12,975,396	\$ 12,912,798	\$ (62,597)		
Contractual services	7,948,428	3,153,682	3,751,466	538,108	15,391,684	16,380,928	989,245	6,10%	
Materials and supplies	207,236	685,083	991,458	28,252	1,912,029	1,932,071	19,042	0,98%	
Other charges	249,511	352,076	461,013	22,814	1,085,414	823,603	(261,811)	-31,79%	
Capitalized cost	(349,515)	(1,040,586)	(775,979)	(7,149)	(2,173,239)	(2,805,201)	(631,982)	22,53%	
Total operation and maintenance	<u>10,877,211</u>	<u>7,889,061</u>	<u>9,716,302</u>	<u>707,609</u>	<u>29,190,183</u>	<u>29,253,202</u>	<u>63,019</u>	<u>0,22%</u>	
OPERATING RESERVE REQUIREMENT									
DEBT REQUIREMENTS									
Revenue Bonds:									
Interest costs	1,785,141	3,323,815	4,014,744	73,565	9,197,285	10,679,271	1,482,006	13,88%	
Refrainment of bonds	2,041,490	2,420,031	2,668,487	102,915	7,280,833	7,951,528	720,695	9,06%	
Subordinate lien debt:									
Interest costs	148,887	23,383	55,015	34,837	262,122	286,440	24,318	8,49%	
Refrainment of bonds	183,656	28,843	67,863	42,972	323,334	318,610	(4,724)	-1,48%	
Net variable interest - swap	(2,587)	(408)	(959)	(608)	(4,572)	-	4,572	0,00%	
Commercial paper notes	31,184	45,568	-	1,151	77,903	253,467	175,564	69,27%	
Other Debt Expense	49,888	61,659	79,332	7,369	198,448	225,097	26,649	11,84%	
Total debt requirements	<u>4,237,559</u>	<u>5,903,091</u>	<u>6,887,482</u>	<u>265,201</u>	<u>17,285,333</u>	<u>19,714,413</u>	<u>2,429,080</u>	<u>12,32%</u>	
TRANSFER TO THE CITY'S GENERAL FUND									
AMOUNT AVAILABLE FOR R&R FUNDS:									
RESTRICTED	2,147,589	1,785,271	2,888,096	802	6,821,758	6,731,433	(250,472)		-16,96%
UNRESTRICTED	6,329,174	7,306,563	5,040,091	75,160	18,750,988	6,809,389	90,325	1,34%	
Total amount available for R&R Funds	<u>8,476,763</u>	<u>9,091,834</u>	<u>7,928,167</u>	<u>75,962</u>	<u>25,572,746</u>	<u>13,640,822</u>	<u>11,931,924</u>	<u>171,38%</u>	<u>87,47%</u>
TOTAL USES OF FUNDS	<u>\$ 24,104,975</u>	<u>\$ 23,468,567</u>	<u>\$ 25,127,433</u>	<u>\$ 1,074,769</u>	<u>\$ 73,775,744</u>	<u>\$ 64,085,446</u>	<u>\$ 9,690,288</u>		<u>15,12%</u>

*Excludes non-cash portion of GASB 45 expense

San Antonio Water System
CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS
Six months ended June 2018

SOURCES OF FUNDS								Budget		
		Water Supply System	Water Delivery System	Wastewater System	Chilled Water System		Total System	Current Allotments	Favorable (Unfavorable)	Variance
OPERATING REVENUES		\$ 1,141,263	\$ -	\$ -	\$ -		\$ 1,141,263	\$ 1,156,659	\$ (15,396)	-1.33%
Water Resources - Misc.	69,957,678	836,243	231,041	-	-	69,988,681	(31,003)	(31,003)	-0.04%	
Water Supply Fee	10,711,484	-	-	-	-	11,770,768	12,005,698	(226,930)	-1.89%	
EAA/TCEQ Pass Through Fees	2,667,484	-	-	-	-	2,667,484	2,606,675	60,808	2.33%	
Recycled water system	2,610,649	-	-	-	-	2,610,649	2,601,988	8,651	0.33%	
Stormwater	5,441,237	-	-	-	-	5,441,237	4,885,320	555,917	11.38%	
Metered Water - Conservation	-	106,472,885	-	-	-	106,472,885	104,416,169	2,056,716	1.97%	
Affordability Discount Program	(527,369)	(527,369)	(1,289,538)	-	-	(2,840,499)	(2,324,276)	516,223	18.17%	
Wastewater System	-	125,988,416	125,988,416	-	-	124,888,949	124,888,949	0,089,467	0.68%	
Wastewater Surcharge	-	3,002,305	3,002,305	-	-	3,002,305	2,812,985	169,620	6.74%	
Chilled water	-	-	-	5,251,086	-	5,251,086	5,163,598	87,469	1.69%	
Operating Transfer	2,815,000	(2,815,000)	-	-	-	-	-	-	0.00%	
Less: Uncollectible Accounts	1905,057	(732,320)	(867,188)	-	-	(2,524,565)	(2,158,419)	(388,146)	17.07%	
Total operating revenues	93,912,369	103,214,439	127,085,036	5,251,086	328,462,910	325,529,512	3,933,397	-	1.21%	
NON-OPERATING REVENUES										
Interest earned and miscellaneous	2,896,447	2,425,723	2,808,414	75,735	8,026,319	5,123,568	3,082,751	60,17%		
Interest earned on Project Fund	129,705	175,527	537,856	5,689	848,777	562,500	286,277	50,89%		
Total non-operating revenues	3,026,152	2,601,250	3,346,270	81,424	9,955,096	5,686,068	3,369,028	59,25%		
CAPITAL CONTRIBUTIONS										
Capital Recovery and Service Extension Fees	16,212,493	10,913,515	14,277,321	-	41,403,329	36,260,468	5,142,861	14.18%		
Contributions in aid of construction	-	2,190,981	-	-	2,190,981	-	2,190,981	0.00%		
Total capital contributions	16,212,493	13,104,496	14,277,321	-	43,594,310	36,260,468	7,333,842	20.23%		
TOTAL SOURCES OF FUNDS	\$ 113,151,014	\$ 118,920,185	\$ 144,708,627	\$ 5,332,490	\$ 382,112,316	\$ 367,476,048	\$ 14,636,268	\$ 3,98%		
USES OF FUNDS										
OPERATION AND MAINTENANCE*										
Salaries and fringe benefits	\$ 16,484,616	\$ 28,196,616	\$ 31,032,974	\$ 75,1730	\$ 76,465,936	\$ 77,672,359	\$ 1,206,423	1.55%		
41,602,765	14,890,614	19,298,548	2,264,545	78,056,472	87,178,994	9,122,522	10.46%			
1,420,705	3,921,908	5,381,769	208,284	10,932,676	11,914,592	981,916	8.24%			
989,397	1,430,479	1,830,747	104,334	4,364,957	4,994,213	629,256	12.60%			
(2,042,117)	(6,479,871)	(6,084,496)	(40,905)	(14,847,389)	(16,688,562)	(2,042,173)	12.24%			
TOTAL OPERATION AND MAINTENANCE	\$ 58,465,366	\$ 41,959,746	\$ 51,459,542	\$ 3,287,998	\$ 155,772,552	\$ 165,070,596	\$ 9,897,944	6.00%		
OPERATING RESERVE REQUIREMENT	1,144,272	777,890	629,821	(53,282)	2,498,701	1,277,020	(1,221,681)	-95.67%		
DEBT REQUIREMENTS										
Revenue Bonds:										
Interest costs	10,992,148	18,599,366	22,734,541	450,824	52,776,879	64,075,629	11,298,750	17.63%		
12,115,417	13,915,084	16,273,081	449,742	47,753,334	47,709,167	4,955,833	10.39%			
Subordination debt:										
Interest cost	880,388	139,834	329,006	208,338	1,567,566	1,718,642	151,076	8.79%		
1,089,745	168,001	395,284	250,304	1,883,334	1,911,667	28,333	1.48%			
6,827	1,071	2,526	-	1,020	-	(12,020)	(12,020)	100.00%		
177,173	715,802	182,029	6,783	1,081,787	1,520,802	439,015	28.87%			
289,333	371,155	475,980	44,217	1,190,695	1,350,580	159,886	11.84%			
25,551,031	33,910,313	40,392,467	1,411,804	101,265,615	118,286,485	17,020,871	14.39%			
TRANSFER TO THE CITY'S GENERAL FUND	2,184,033	2,817,092	3,465,675	143,779	8,611,379	8,467,425	(144,154)	-1.70%		
AMOUNT AVAILABLE FOR R&R FUNDS:										
RESTRICTED	16,342,198	13,260,023	14,815,177	5,689	44,443,087	36,822,968	7,620,119	20.69%		
UNRESTRICTED	9,464,114	26,175,121	33,944,945	536,502	70,120,882	37,551,553	32,569,129	86.73%		
Total amount available for R&R Funds	25,806,312	39,455,144	48,760,122	542,191	114,563,769	74,374,522	40,189,247	54.04%		
TOTAL USES OF FUNDS	\$ 113,151,014	\$ 118,920,185	\$ 144,708,627	\$ 5,332,490	\$ 382,112,316	\$ 367,476,048	\$ 14,636,268	\$ 3,98%		

*Excludes non-cash portion of GASB 45 expense

San Antonio Water System
CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS - WATER SUPPLY
Month ended June 2018

SOURCES OF FUNDS						Budget			
						Current		Favorable (Unfavorable)	
		Water Resources	Recycle Water System	Water System	Conservation	Stormwater System	Total System	Allotments	Variance
OPERATING REVENUES		\$ 16,453,905	232,905	-	-	\$ -	\$ 16,453,905	\$ 232,905	40,129 \$ 20,82%
Water Resources - Misc.		2,252,579	-	558,058	-	-	12,641,162	3,811,053	30,15%
Water Supply Fee		-	-	-	-	-	1,947,693	304,886	15,65%
EAA Fee		-	-	-	-	-	447,588	110,470	24,68%
Recycled water system		-	-	1,396,462	-	435,110	433,666	-1,444	0,33%
Stormwater		-	-	-	-	-	1,396,462	862,329	61,94%
Matered Water - Conservation		(92,486)	-	-	-	-	(92,488)	(65,690)	(26,798) -40,79%
Affordability Discount Program		469,167	-	-	-	-	469,167	-	0,00%
Operating Transfer		(133,218)	-	(3,886)	(7,572)	(33,927)	(178,603)	(113,197)	57,78% (65,406)
Less: Uncollectible Accounts		-	-	554,172	1,388,380	401,183	21,526,205	16,815,496	4,710,709 28,01%
Total operating revenues		19,181,980	-	-	-	-	-	-	-
NON-OPERATING REVENUES		425,682	4,506	673	-	320	431,181	112,487	318,694 263,32%
Interest earned and miscellaneous		23,525	-	673	-	-	-	8,405	15,120 179,90%
Interest earned on Project Fund & R&R Funds		449,207	-	4,506	-	-	-	-	333,814 276,13%
CAPITAL CONTRIBUTIONS		2,124,064	-	-	-	-	2,124,064	1,555,751	568,313 36,53%
Capital Recovery Fees		2,124,064	-	-	-	-	-	1,555,751	568,313 36,53%
Total capital contributions		-	-	-	-	-	-	-	-
TOTAL SOURCES OF FUNDS		\$ 21,755,231	\$ 558,678	\$ 1,389,563	\$ 401,503	\$ 24,104,975	\$ 18,492,139	\$ 5,612,836	30,35%
USES OF FUNDS									
OPERATION AND MAINTENANCE*		\$ 2,061,222	\$ 88,288	\$ 403,833	\$ 268,208	\$ 2,821,551	\$ 2,835,298	\$ 13,747	0,48%
Salaries and fringe benefits		7,379,363	105,465	346,985	117,105	7,948,428	8,495,134	546,706	6,44%
Contractual services		177,567	12,974	6,434	10,261	207,236	180,439	96,203	31,70%
Materials and supplies		179,052	9,767	40,381	20,311	249,511	187,816	(61,695)	0,00%
Other charges		(316,496)	(17,919)	(7,904)	(7,197)	(349,515)	(455,814)	(86,299)	19,80%
Capitalized cost		9,480,709	198,575	789,239	408,688	10,877,211	11,355,873	508,562	4,47%
Total operation and maintenance		-	-	-	-	-	-	-	0,00%
OPERATING RESERVE REQUIREMENT		-	-	-	-	-	-	-	-
DEBT REQUIREMENTS									
Revenue Bonds:									
Interest costs		1,555,492	228,649	-	-	1,785,141	2,049,723	264,582	12,91%
Subordinate of bonds		1,279,935	761,465	-	-	2,041,400	2,116,984	75,584	3,57%
Interest costs		134,736	14,151	-	-	148,887	162,700	13,813	8,49%
Retirement of bonds		166,199	17,457	-	-	183,656	180,973	(2,683)	-1,48%
Net variable interest - swap		(2,356)	(247)	-	-	(2,597)	-	2,587	100,00%
Commercial Paper Notes		31,184	-	-	-	31,184	41,486	10,302	24,83%
Other Debt Expense		47,877	2,011	-	-	49,888	52,217	2,329	4,46%
Total debt requirements		3,213,073	1,024,486	-	-	4,237,559	4,604,082	366,523	7,96%
TRANSFER TO THE CITY'S GENERAL FUND AMOUNT AVAILABLE FOR R&R FUNDS:									
RESTRICTED		468,587	7,337	37,518	-	513,442	385,447	(127,985)	-33,21%
UNRESTRICTED		2,147,589	-	-	-	2,147,589	1,564,156	583,433	37,30%
Total amount available for R&R Funds		6,445,273	(671,720)	562,806	(7,185)	6,329,174	552,581	5,776,583	1045,38%
8,592,862		(671,720)	-	562,806	(7,185)	8,476,763	2,116,737	6,360,026	300,46%
TOTAL USES OF FUNDS		\$ 21,755,231	\$ 558,678	\$ 1,389,563	\$ 401,503	\$ 24,104,975	\$ 18,492,139	\$ 5,612,836	30,35%

San Antonio Water System
CONSOLIDATING SCHEDULE OF SOURCES AND USES OF FUNDS - WATER SUPPLY
Six months ended June 2018

SOURCES OF FUNDS				Budget			
	Water Resources	Recycle Water System	Conservation	Stormwater System	Total System	Current Allocations	Favorable (Unfavorable)
OPERATING REVENUES					\$ 1,141,263	\$ 1,156,659	\$ (15,396)
Water Resources - Misc.	\$ 69,957,678	-	-	-	69,957,678	69,988,681	(31,003)
Water Supply Fee	10,711,484	-	-	-	10,711,484	11,027,545	(316,061)
EAA Fee	-	2,667,484	-	-	2,667,484	2,610,649	60,869
Recycled water system	-	-	-	-	-	5,441,237	5,441,237
Stormwater	-	-	-	-	-	(527,369)	4,885,320
Metered Water - Conservation	(527,369)	-	-	-	-	(394,140)	555,917
Metered Discount Program	2,815,000	-	-	-	-	2,815,000	(133,229)
Operating Transfer	-	-	-	-	-	(905,057)	-33,80%
Less: Uncollectible Accounts	(675,069)	(19,692)	(38,373)	(171,923)	-	2,815,002	0.00%
Total operating revenues	83,422,987	2,647,792	5,402,864	2,438,726	93,912,369	94,008,560	(67,191)
NON-OPERATING REVENUES							-33.26%
Interest earned and miscellaneous	2,847,462	45,538	2,336	1,111	2,896,447	1,144,979	1,751,468
Interest earned on Project Fund & R&R Funds	129,705	-	-	-	129,705	50,428	79,277
Total non-operating revenues	2,977,167	45,538	2,336	1,111	3,026,152	1,195,407	1,830,745
CAPITAL CONTRIBUTIONS							153.15%
Capital Recovery Fees	16,212,493	-	-	-	-	-	-
Total capital contributions	16,212,493	-	-	-	-	-	-
TOTAL SOURCES OF FUNDS	\$ 102,612,647	\$ 2,693,330	\$ 5,405,200	\$ 2,439,837	\$ 113,151,014	\$ 104,538,475	\$ 8,612,539
USES OF FUNDS							8.24%
OPERATION AND MAINTENANCE*							-
Salaries and fringe benefits	\$ 12,125,992	\$ 484,218	\$ 2,292,574	\$ 1,581,832	\$ 16,484,616	\$ 16,988,804	\$ 484,188
Contractual services	38,912,469	477,259	1,623,205	589,832	41,602,765	40,359	6,505,594
Materials and supplies	1,289,449	56,876	38,461	55,919	1,420,705	1,908,864	488,159
Other charges	720,551	45,265	154,224	79,357	999,397	1,139,288	139,891
Capitalized cost	(1,832,568)	(103,665)	(51,328)	(54,556)	(2,042,117)	(2,603,795)	(561,678)
Intercenter transfers	-	-	-	-	-	-	211,57%
Total operation and maintenance	51,195,893	956,953	4,057,136	2,252,384	58,465,366	65,521,521	7,056,155
OPERATING RESERVE REQUIREMENT	977,957	(432)	102,304	64,443	1,144,272	92,119	(1,052,153)
DEBT REQUIREMENTS							-1142.17%
Revenue Bonds:							
Interest costs	9,471,741	1,520,407	-	-	10,992,148	12,298,337	1,306,189
Retirement of bonds	7,764,581	4,330,836	-	-	12,701,908	586,491	4,62%
Subordinate lien debt:							
Interest costs	805,759	84,629	-	-	880,388	976,199	85,811
Retirement of bonds	968,065	101,680	-	-	1,069,745	1,085,838	16,093
Net variable interest swap	6,178	649	-	-	6,827	-	(6,827)
Commercial paper notes	177,173	-	-	-	177,173	248,915	71,742
Other Debt Expense	287,263	12,070	-	-	289,333	313,302	28,82%
Total debt requirements	19,500,760	6,050,271	-	-	25,551,031	27,624,499	13,969
TRANSFER TO THE CITY'S GENERAL FUND							4.46%
AMOUNT AVAILABLE FOR R&R FUNDS:							
RESTRICTED	16,342,198	-	-	-	2,164,033	2,145,934	(38,089)
UNRESTRICTED	12,553,831	(4,342,553)	1,099,820	-	16,342,198	9,384,937	6,957,262
Total amount available for R&R Funds	28,926,035	(4,342,553)	1,099,820	-	25,806,312	(230,534)	9,694,848
TOTAL USES OF FUNDS	\$ 102,612,647	\$ 2,693,330	\$ 5,405,200	\$ 2,439,837	\$ 113,151,014	\$ 104,538,475	\$ 8,612,539
							8.24%

*Excludes non-cash portion of GASB 45 expenses.

San Antonio Water System
OPERATION AND MAINTENANCE EXPENSE BY ACCOUNT
For the Six Months Ended June 30, 2018

Classification	Annual Budget	Current Month		Year to Date		Variance (Over)/Under	%
		Actual	Budget	Actual	Budget		
SALARIES AND FRINGE BENEFITS							
511100 Salaries	\$104,117,463	\$ 8,230,972	\$ 8,607,607	\$ 48,870,027	\$ 51,325,330	2,455,303	4.8%
511140 Overtime Pay	5,532,795	648,486	432,015	3,719,676	2,960,770	(758,906)	-25.6%
511150 On-Call Pay	544,175	55,526	44,669	326,961	276,552	(50,408)	-18.2%
511160 Employee Insurance	16,365,506	1,604,008	1,361,878	8,135,092	8,167,248	32,155	0.4%
511162 Retirement	22,374,942	1,703,854	1,740,511	10,192,433	10,524,939	332,507	3.2%
511164 Unused Sick Leave Buyback	70,000	-	-	-	-	-	0.0%
511166 Personal Leave Buyback	950,000	-	-	-	-	-	0.0%
511168 Accrued Vacation leave	1,200,000	107,550	100,000	1,471,607	600,000	(871,607)	-145.3%
511170 Incentive Pay	74,240	-	1,120	140	67,520	67,380	99.8%
511175 Other Post Employment Benefit	7,500,001	625,000	625,000	3,750,000	3,750,000	0	0.0%
Salaries and Fringe Benefits Total	158,729,120	12,975,397	12,912,799	76,465,936	77,672,359	1,206,424	1.6%
CONTRACTUAL SERVICES							
511210 Operating Expense	2,011,806	135,175	168,800	1,106,022	1,092,622	(13,400)	-1.2%
511211 Rental of Facilities	364,146	25,038	30,344	159,945	182,061	22,116	12.2%
511212 Alarm and Security	1,938,649	167,701	161,554	893,594	969,325	75,731	7.8%
511214 Uniforms and Shoe Allowance	421,270	33,908	33,258	250,026	227,460	(22,566)	-9.9%
511216 Catering Svcs & Luncheons	108,064	5,709	6,512	52,157	51,768	(389)	-0.8%
511219 Conservation Programs	3,681,572	181,546	1,133,161	948,966	1,832,077	883,111	48.2%
511220 Maintenance Expense	18,027,390	2,092,849	2,479,685	7,001,244	9,485,532	2,484,288	26.2%
511221 Street Cut Permit Admin Fee	850,629	6,540	70,886	447,162	425,315	(21,847)	-5.1%
511222 St Pave/Repair Fee	1,800,545	153,053	150,046	619,050	900,273	281,223	31.2%
511223 Preventive Maintenance	140,000	8,860	11,667	65,507	70,000	4,493	6.4%
511224 Corrective Maintenance	1,350,000	119,853	112,500	702,619	675,000	(27,619)	-4.1%
511225 Damage Repair	178,740	7,099	14,895	61,167	89,370	28,203	31.6%
511230 Equipment Rental Charges	290,621	42,085	22,668	177,905	145,311	(32,594)	-22.4%
511240 Travel	192,844	10,108	20,197	57,733	110,270	52,538	47.6%
511245 Training	800,354	52,941	60,402	168,943	340,583	171,640	50.4%
511247 Conferences	102,974	(21,094)	7,004	23,091	70,211	47,120	67.1%
511250 Memberships and Subscription:	435,294	14,131	34,369	251,714	293,836	42,122	14.3%
511260 Utilities	31,611,733	3,300,197	2,712,627	15,510,332	13,339,174	(2,171,158)	-16.3%
511261 Water Options	44,347,477	2,816,884	3,581,715	17,231,821	21,846,526	4,614,706	21.1%
511265 Ground Water District Pay	24,668,791	1,947,490	2,050,261	11,722,424	12,301,567	579,143	4.7%
511270 Mail and Parcel Post	2,289,785	197,135	190,924	981,337	1,145,267	163,930	14.3%
511310 Educational Assistance	66,553	5,056	5,271	37,156	26,131	(11,025)	-42.2%
511312 Contractual Prof Svcs	33,336,847	3,226,694	2,254,457	14,052,819	15,484,917	1,432,098	9.3%
511313 Inspect & Assessment Fees	2,247,177	177,508	185,990	1,065,250	1,127,127	61,877	5.5%
511315 Temporary Employees	553,192	86,679	67,791	610,080	236,354	(373,726)	-158.1%
511320 Legal Services	2,170,000	67,838	158,331	667,267	949,986	282,719	29.8%
511370 Communications	1,668,165	134,715	138,683	744,948	835,812	90,864	10.9%
511381 Software and Hardware Mainten	5,879,301	395,984	526,934	2,446,196	2,925,120	478,924	16.4%
Contractual Services Total	181,533,919	15,391,683	16,390,929	78,056,471	87,178,994	9,122,523	10.5%

Excludes the non-cash portion of benefit expense.

San Antonio Water System
OPERATION AND MAINTENANCE EXPENSE BY ACCOUNT
For the Six Months Ended June 30, 2018

Classification	Annual Budget	Current Month		Year to Date			Variance (Over)/Under	%
		Actual	Budget	Actual	Budget			
MATERIALS AND SUPPLIES								
511410 Small Tools	714,802	54,415	60,595	333,487	359,128	25,641	7.1%	
511417 Copy and Printing Expense	24,531	1,935	2,946	11,989	12,570	581	4.6%	
511420 Operating Materials	2,366,296	207,197	189,646	1,100,204	1,207,085	106,881	8.9%	
511421 Heating Fuel	15,500	-	1,250	8,016	7,750	(266)	-3.4%	
511422 Chemicals	7,763,100	573,215	640,499	3,323,997	3,880,276	556,279	14.3%	
511425 Education of School Children	30,000	(54)	300	22,493	28,200	5,707	20.2%	
511426 Public Awareness-WQEE	1,000	-	83	-	498	498	100.0%	
511427 Enforcement	5,000	-	-	-	-	-	0.0%	
511430 Maintenance Materials	8,565,553	672,952	699,558	4,190,852	4,386,114	195,262	4.5%	
511440 Safety Materials & Supplies	874,294	59,567	72,644	350,683	438,166	87,483	20.0%	
511441 Inventory Variances	15,000	(3,981)	-	(29,411)	13,500	42,911	317.9%	
511450 Tires and Tubes	702,507	55,962	58,542	276,141	351,254	75,112	21.4%	
511451 Motor Fuel & Lubricants	2,460,101	290,821	205,008	1,344,223	1,230,050	(114,173)	-9.3%	
Materials and Supplies Total	23,537,683	1,912,027	1,931,071	10,932,675	11,914,592	981,916	8.2%	
Other Charges								
511510 Judgements and Claims	725,000	(539,470)	60,415	(380,783)	362,490	743,273	205.1%	
511511 AL & GL Claims - Cont. Liab.	330,000	292,392	27,500	292,392	165,000	(127,392)	-77.2%	
511520 Bank Charges	-	240	-	2,993	-	(2,993)	0.0%	
511525 Cash Short/(Over)	-	144	-	(1,649)	-	1,649	0.0%	
511530 Employee Relations	203,540	11,385	8,318	40,207	71,167	30,960	43.5%	
511540 Retiree Insurance	6,440,271	626,787	538,245	3,195,036	3,210,806	15,769	0.5%	
511570 Casualty Insurance	1,139,513	70,838	94,960	429,260	569,760	140,500	24.7%	
511580 Unemployment Compensation	80,000	-	-	52,882	50,000	(2,882)	-5.8%	
511590 Workers Comp Medical	1,130,000	623,098	94,165	734,618	564,990	(169,628)	-30.0%	
Other Charges Total	10,048,324	1,085,414	823,603	4,364,956	4,994,213	629,256	12.6%	
Total O&M before Capitalized Costs	373,849,046	31,364,522	32,058,403	169,820,039	181,780,158	11,940,119	6.6%	
Capitalized Costs	(33,997,220)	(2,173,238)	(2,805,201)	(14,647,388)	(16,689,562)	(2,042,174)	12.2%	
Intercenter Transfers	-	(1,102)	-	-	-	-	0.0%	
Total O&M Expense	\$ 339,851,825	\$ 29,190,181	\$ 29,253,202	\$ 155,172,651	\$ 165,070,596	\$ 9,897,945	6.0%	

SAWS INVESTMENT PORTFOLIO

June 30, 2018

Investment Type	Market Value	Amortized Value	Average Yield	Average Days to Maturity
Money Market Funds	46,276,104	46,276,104	1.529	1
External Investment Pools:				
Texpool Prime Local Gov't Pool	82,355,532	82,355,532	2.160	1
Government Agency Securities:				
Federal Farm Credit Bank	138,673,336	139,461,448	1.873	479
Federal Home Loan Bank	239,304,228	240,202,938	1.678	315
Federal Home Loan Mtg. Corp.	87,096,968	87,401,314	1.637	248
Federal National Mtg. Assn.	136,874,308	137,320,221	1.686	291
Total Government Agencies	601,948,840	604,385,920	1.719	338
U. S. Treasury Securities	206,309,664	206,994,727	1.883	345
Total Investments	\$ 936,890,140	\$ 940,012,282	1.784	294

**San Antonio Water System
KEY FINANCIAL RATIOS
For the Period Ended June 30, 2018**

	Jun-18	Jun-17
Total Long-term Debt (a)	\$ 2,908,389,303	\$ 2,900,211,673
Total Water & Sewer Customer Connections (b)	953,054	937,672
Long-term Debt Per Connection (a)/(b)	\$3,052	\$3,093
Total Net Position	\$ 2,978,875,656	\$ 2,714,854,515
Total Liabilities & Net Position	\$ 6,232,346,291	\$ 5,951,281,271
Net Position Ratio	47.8%	45.6%
YTD Operating Revenues (c)	\$ 329,462,910	\$ 308,939,995
YTD Operating Expenses before Depreciation (d)	\$ 156,342,279	\$ 151,142,718
Cash Operating Margin ((c)-(d))/(c)	52.5%	51.1%
Rolling 12 Months		
Operating Revenues	687,274,820	\$ 646,768,009
Non-operating Revenues	12,312,124	\$ 9,326,609
Less: Revenues from CPS contract	(3,443,500)	\$ (3,344,252)
Interest earned on Project Fund Investments	(1,439,913)	\$ (957,754)
Build America Bond Subsidy	<u>(3,573,229)</u>	<u>\$ (3,626,656)</u>
Gross Revenues	\$ 691,130,302	\$ 648,165,956
O&M Expense before Depreciation	\$ 323,640,283	\$ 325,158,081
Pledged Revenue	\$ 367,490,019	\$ 323,007,875
Debt Service - net of Build America Bond Subsidy:		
Current Year Senior Lien	\$ 56,742,665	\$ 57,852,283
Current Year Total Bonded Debt	\$ 188,755,056	\$ 185,912,976
Senior Lien Debt Coverage Ratio	6.48 x	5.58 x
Total Bonded Debt Coverage Ratio	1.95 x	1.74 x
Unrestricted Cash & Investments	\$ 425,122,093	\$ 330,610,471
Days Cash on Hand - Rolling 12 Months of O&M	479	371
Unrestricted Working Capital	\$ 441,799,176	\$ 351,407,950
Days Working Capital on Hand - Rolling 12 Months of O&M	498	394

San Antonio Water System
CONSTRUCTION IN PROGRESS SUMMARY - TOTAL

June 30, 2018

	CIP Plan	Revised CIP Plan	Commitments	Commit/Plan Variance	Open Job Charges	Closed Job Charges	Commit/Charges Variance
CIP Year: 2018							
Corporate	11,406,785	8,033,637	116,117	7,917,520	116,117	-	-
Governmental	46,218,880	46,209,638	19,434,857	26,774,770	5,655,307	62,475	13,717,085
Heating and Cooling	-	6,848	28,680	(21,832)	2,952	25,727	-
Main Replacements	194,070,308	198,420,687	28,153,276	170,267,411	10,760,302	494,100	16,898,874
Production	84,092,785	84,398,395	25,596,586	58,801,809	1,386,708	27,712	24,182,166
Recycle	514,000	514,000	32,538	481,462	32,538	-	-
Treatment	11,016,048	11,122,417	4,306,390	6,816,027	541,087	20,383	3,744,920
Water Resources	44,076,528	44,076,528	921,797	43,154,731	781,191	-	140,606
Plant Contributions	-	-	-	-	305,945	34,540,766	(34,846,710)
Less Contributions - Plant	-	-	-	-	(305,945)	(34,540,766)	34,846,710
Subtotal	391,395,334	392,782,149	78,590,251	314,191,898	19,276,203	630,397	58,683,651
CIP Year: 2017							
Collection	6,093,984	4,864,570	4,198,336	666,234	380,821	8,531	3,808,984
Corporate	15,652,685	2,696,983	2,318,811	378,172	2,310,378	-	8,433
Governmental	46,233,272	32,943,831	32,941,204	2,627	16,500,285	472,977	15,967,943
Heating and Cooling	-	13,688	-	13,688	-	-	-
Main Replacements	157,537,753	156,362,879	148,219,949	8,142,930	44,410,468	22,666,197	81,143,284
Production	21,971,393	24,018,185	22,882,048	1,136,137	8,628,357	968,502	13,285,188
Recycle	257,000	268,871	168,993	99,878	27,623	106,521	34,849
Treatment	6,445,560	10,224,766	9,564,482	660,285	6,330,623	45,694	3,188,165
Water Resources	113,274,800	102,038,104	22,175,710	79,862,394	460,403	-	21,715,307
Plant Contributions	-	-	-	-	-	61,849,071	(61,849,071)
Less Contributions - Plant	-	-	-	-	-	(61,849,071)	61,849,071
Subtotal	367,466,446	333,431,877	242,469,532	90,962,345	79,048,958	24,268,421	139,152,154
CIP Year: 2016							
Collection	4,432,201	2,759,929	2,643,348	116,581	533,018	1,930,792	179,539
Corporate	23,223,816	24,037,782	21,296,335	2,741,448	3,242,082	-	18,054,253
Governmental	52,117,030	49,974,697	49,974,697	-	31,534,560	7,955,474	10,484,663
Heating and Cooling	4,903,375	5,017,399	4,993,860	23,539	1,082,882	3,778,249	132,729
Main Replacements	103,468,163	132,528,062	126,127,324	6,400,738	66,603,610	34,900,749	24,622,965
Production	25,215,160	28,660,321	28,483,668	176,653	22,831,391	4,979,307	672,970
Treatment	4,687,680	5,412,470	5,399,659	12,811	505,760	435,356	4,458,544
Water Resources	29,140,512	29,538,472	29,430,905	107,567	16,766,719	169,734	12,494,452
Plant Contributions	-	-	-	-	15,675	75,735,976	(75,735,976)
Less Contributions - Plant	-	-	-	-	-	(75,735,976)	75,735,976
Subtotal	247,187,939	277,929,133	268,349,798	9,579,335	143,115,697	54,149,661	71,084,440
CIP Year: 2015							
Collection	1,424,640	2,336,317	2,336,317	-	766,143	1,423,223	146,950
Corporate	2,932,604	4,001,389	3,613,683	387,706	2,030,711	263,347	1,319,625
Governmental	54,942,932	53,156,552	53,156,552	-	10,705,422	37,393,341	5,057,788
Heating and Cooling	2,585,000	2,071,590	2,071,590	-	64,466	2,007,124	-
Main Replacements	106,176,875	88,957,469	88,868,984	88,485	26,604,581	54,737,317	7,527,086
Production	24,007,372	21,682,780	21,674,146	8,634	13,382,933	2,710,333	5,580,880
Recycle	1,500,000	171,229	171,229	-	28,658	-	142,572
Treatment	26,740,000	26,260,986	26,204,307	56,679	13,806,298	8,760,054	3,637,955
Water Resources	15,919,200	14,222,579	10,264,388	3,958,191	6,787,391	1,463,925	2,013,072
Plant Contributions	-	-	-	-	-	78,942,508	(78,942,508)
Less Contributions - Plant	-	-	-	-	-	(78,942,508)	78,942,508
Subtotal	236,228,623	212,860,891	208,361,196	4,499,694	74,176,605	108,758,664	25,425,927

San Antonio Water System
CONSTRUCTION IN PROGRESS SUMMARY - TOTAL

June 30, 2018

	CIP Plan	Revised CIP Plan	Commitments	Commit/Plan Variance	Open Job Charges	Closed Job Charges	Commit/Charges Variance
CIP Year: 2014							
Collection	2,291,286	2,174,852	2,174,852	-	394,437	1,446,778	333,637
Corporate	14,932,117	14,206,324	14,206,324	-	1,822,588	12,383,729	7
Distribution	11,577,886	6,273,434	6,273,434	-	-	6,264,658	8,776
Governmental	49,111,947	31,778,036	31,778,036	-	4,103,200	23,143,187	4,531,650
Heating and Cooling	2,837,500	2,891,429	2,891,429	-	18,454	2,862,646	10,329
Main Replacements	116,336,055	85,587,285	85,302,428	284,857	8,516,968	70,036,192	6,749,268
Production	40,397,274	48,347,819	48,347,819	-	13,412,495	34,562,941	372,383
Recycle	3,661,505	25,813	25,813	-	17,203	1,384	7,225
Treatment	14,826,674	17,834,352	17,834,352	-	1,531,782	16,174,399	128,190
Water Resources	157,029,479	115,130,612	115,130,612	-	777,129	109,640,882	4,712,601
Plant Contributions	-	-	-	-	-	49,755,661	(49,755,661)
Less Contributions - Plant	-	-	-	-	-	(49,755,661)	49,755,661
Subtotal	413,001,723	324,249,955	323,965,098	284,857	30,594,237	276,516,796	16,854,066
Carryover Program							
South Bexar County	1,680,096	-	-	-	-	-	-
Building	7,795,937	55,490,425	55,490,425	-	-	55,490,427	(1)
Collection	371,701,663	290,072,887	290,072,887	-	5,202,297	281,689,137	3,181,453
Corporate	115,647,785	74,343,833	74,343,833	-	2,401,596	70,264,063	1,678,173
Distribution	156,883,967	157,054,745	157,054,745	-	-	157,050,802	3,943
Governmental	542,699,166	446,281,146	446,281,147	-	1,579,889	440,148,744	4,552,514
Heating and Cooling	28,897,801	23,866,007	23,866,007	-	65,627	23,741,239	59,142
Land	2,200,000	-	-	-	-	-	-
Main Replacements	523,811,388	493,202,817	493,202,817	-	8,638,249	479,575,510	4,989,058
Miscellaneous	5,743,107	2,317,152	2,317,152	-	-	2,317,153	-
Production	189,795,992	237,548,029	237,548,029	-	3,337,435	233,845,822	364,772
Recycle	140,966,534	152,907,903	152,907,903	-	(94,898)	152,720,004	282,796
Treatment	296,037,411	275,208,015	275,208,015	-	643,476	274,458,767	105,772
Water Resources	1,127,068,449	895,332,695	895,332,695	-	8,654,462	885,319,637	1,358,596
Plant Contributions	-	-	-	-	1,368	697,893,282	(697,894,650)
Less Contributions - Plant	-	-	-	-	-	(697,893,282)	697,893,282
Subtotal	3,510,729,296	3,103,625,655	3,103,625,655	-	30,429,500	3,056,621,304	16,574,851
Total	5,166,009,361	4,644,879,660	4,225,361,531	419,518,129	376,641,199	3,520,945,244	327,775,088

**SAN ANTONIO WATER SYSTEM
STATISTICAL DATA**

	June		(Below) Above Prior Year
	2018	2017	
Rainfall-Inches			
Current Month			
Actual	0.7	0.4	78 %
Normal	4.1	4.1	0 %
Percent Above(Below) Normal	(83) %	(90) %	
Year to Date			
Actual	8.3	13.5	(39) %
Normal	16.1	16.1	0 %
Percent Above(Below) Normal	(49) %	(16) %	
Number of days with rain	4	7	
SAWS Pumping Data (Million Gallons)			
SAWS Total Water Pumpage - Month	8,263	8,346	(1) %
Water Pumpage for injection to Twin Oaks ASR	381	1,105	(66) %
Water Pumpage for Consumption (includes water produced from ASR)	7,882	7,241	9 %
SAWS Billed Water Usage (Domestic and Irrigation)*	6,374	5,784	10 %
SAWS Wastewater Data (Million Gallons)			
SAWS Total Wastewater - Month	4,334	4,249	2 %
Customers			
SAWS			
Number of connections (billed accounts) - WATER	502,621	494,450	2 %
Number of connections (billed accounts) - WASTEWATER	450,433	443,222	2 %
Infrastructure In Service, Cumulative			
Water - Miles of Main	7,089	6,991	1 %
Wastewater - Miles of Main	5,510	5,423	2 %
Manholes	107,995	106,476	1 %
Fire Hydrants	41,168	40,303	2 %
Edwards Reservoir Level			
High	652.3	674.2	(21.9) Feet
Low	642.4	663.0	(20.6) Feet
End of Month	642.8	663.9	(21.1) Feet

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