April 16, 2025

To the Honorable Mayor, City Council, City Manager, and residents of San Antonio:

It is my pleasure to present the City of San Antonio's (City) Annual Comprehensive Financial Report (ACFR) and Other Reports for the fiscal year-ended September 30, 2024. These financial statements were prepared by the City's Finance Department and audited by the public accounting firm of Forvis Mazars, LLP. As reflected in the Independent Auditor's Report, the City's financial statements are presented fairly in all material respects in accordance with Generally Accepted Accounting Principles (GAAP) in the United States. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the City.

Management's Discussion and Analysis (MD&A), beginning on page one, provides a narrative introduction, overview, and analysis of the basic financial statements. This transmittal letter complements the MD&A and should be read in conjunction with it.

CITY PROFILE

The City provides a vast array of municipal services. The full range of services provided to its constituents includes ongoing programs to provide health, welfare, education, sanitation, cultural, and recreational services; maintenance and construction of streets and drainage; public safety through police and fire protection and ambulatory services; and urban redevelopment and affordable housing. The City also considers the promotion of convention and tourism and participation in economic development programs as high priorities. The funding sources from which these services are provided include ad valorem, sales and use, and hotel occupancy tax receipts; revenue payments from the City's municipally owned utilities; grants; user fees; debt proceeds; tax increment financing; and other sources.

The City is a home rule city that was incorporated in 1837 and chartered in 1951. The City Charter provides for a Council-Manager form of government, subject only to the limitations imposed by the Texas Constitution and the City Charter. All powers of the City are vested in an elected Council (the City Council), which enacts legislation, adopts budgets, and determines policy. The City Council is comprised of 11 members, with ten members elected from single-member districts, and the Mayor elected at-large. In November 2024, voters approved several changes to the City Charter. Some of the revisions included changing the terms for the Mayor and Councilmembers to two full four-year terms to be implemented with the May 2025 municipal election. Additionally, the Charter was revised to allow the City Council to set the full terms of employment for the City Manager to include compensation and tenure removing the previous limitations. The City Council also appoints a City Manager who executes the laws and administers the government of the City and serves as the City's Chief Executive Officer.

CITY PROFILE (Continued)

The City is in South Central Texas, approximately 80 miles south of the state capital of Austin and serves as the county seat for Bexar County. San Antonians enjoy first-rate medical services, a convenient and efficient airport, an excellent highway system, and superb recreation choices, including championship golf courses, 86 miles of linear greenway trails, theme parks, historical attractions, museums, professional sporting attractions, and a lively performing arts environment. Geographically, the City covers more than 525 square miles. The United States Census Bureau cites the City as the second most populated city in the State of Texas with over 1.4 million citizens and is additionally ranked as the seventh most populated city in the country. Since 2010, the City's metropolitan area grew 9.5% and is projected to grow by an additional 1.0 million people through the year 2040. Major employers in and around the San Antonio area include the Department of Defense through Joint Base San Antonio (Lackland, Fort Sam and Randolph), H.E.B. Food Stores, United Services Automobile Association, City of San Antonio, Northside, North East, and San Antonio Independent School Districts, Methodist Healthcare System, University of Texas Health Science Center, and Baptist Health Systems.

San Antonio's Gross Domestic Product continues to show consistent growth, increasing to 4.6% in 2023. San Antonio is one of the fastest growing regions in the state. San Antonio is positioned for success in the local State economy as part of the Texas Triangle (Dallas, Fort Worth, Austin, San Antonio, and Houston metro areas) which contains nearly 68.0% of the total population in Texas.

San Antonio is a great place to live. Its cost of living is below the national average and is consistently ranked among the lowest of major U.S. cities, while home prices are among the most affordable in the country. Public, private, and parochial schools are available as well as several colleges and higher education facilities. The City landscape encourages residents to go outdoors to relax in beautiful municipal parks, play on challenging golf courses, visit theme parks, or take advantage of other popular attractions and cultural events, such as Fiesta San Antonio each April. San Antonio is also home to the five-time NBA Champion San Antonio Spurs, a double-A affiliated baseball team, and a minor league soccer team.

ECONOMIC CONDITIONS AND OUTLOOK

Though impacted by the unforeseen COVID-19 global pandemic, the City's resiliency is demonstrated in the positive change that has occurred within economic growth indicators. The pandemic's impact upon our community was most greatly felt in 2020 when the City experienced a surge in unemployment along with significant effects throughout the community. Since then, the City has been able to rebound from the devastating toll it had on our economy.

According to the Bureau of Labor Statistics, national unemployment for September 2024 was 4.1%. At a local level, the San Antonio area unemployment rate for September 2024 was 3.1%. An unemployment rate of 4.0% reflects a healthy labor market with enough job opportunities to accommodate most job seekers while allowing for natural job transitions and preventing inflationary pressures. The City focused efforts in the job sector through, strengthening businesses, economic incentives, regional strategic partnerships, and creating Ready to Work, San Antonio's premier training, education, and employment program. Efforts to expand and bring new industries promises to bring over 4,949 new target industry jobs to San Antonio and over $1.2 billion in new investments. San Antonio continues to grow job opportunities as the overall employment in the City grew by 2.7%, which equates to over 20,000 jobs in 2024. The City's local economy is diverse and vibrant. San Antonio is anchored by several key industries and is targeting other emerging industries to drive the City's economic future.

The City has several strategic industry clusters: Mobility, IT Security, Sustainable Energy, Bioscience, and Corporate Services, which have seen growth and expansion over the previous year.

Military Known and trademarked as Military City, USA®, San Antonio has had a significant relationship with the military for more than 200 years and is home to several military commands. With Joint Base San Antonio (JBSA) as a hub for U.S. Military operations, San Antonio companies receive significant contracts for providing research and development services, goods, products, and other support services through federal contracts. In 2023, San Antonio companies received over $2.8 billion in contracts, providing a stable source of revenue and the potential to expand operations for many companies.

IT and Cybersecurity San Antonio is home to numerous IT companies and initiatives across consumer, corporate, and Federal/Department of Defense (DoD) operations. San Antonio possesses the second-largest cluster of cyber and cybersecurity professionals in the nation outside the National Capitol Region. More than 40 entities have headquarters in the cyber and cybersecurity sector in San Antonio. The most prominent organization representing the DoD with cybersecurity missions in San Antonio are the 16th Air Force Information Warfare Numbered Air Force and the National Security Agency-Texas. Other federal entities performing cyber missions are FBI-San Antonio, the U.S. Secret Service, National Security Agency (NSA), and the Department of Homeland Security. The University of Texas at San Antonio (UTSA) recently completed the new National Security Collaboration Center (NSCC) in downtown San Antonio. The NSCC was developed to better align partnerships and collaboration between UTSA professors, students, and leading public and private partners.

The NSCC has partners such as Booz Allen Hamilton, the Southwest Research Institute, the DoD, the NSA, Raytheon, Dell, Cisco, and others that will catalyze further training, collaboration, and IT workforce development in San Antonio. UTSA broke ground in October 2023 on the adjacent $131 million Innovation, Entrepreneurship and Careers building that will introduce additional interdisciplinary programs in business, engineering, and the sciences. It is expected to open in the Spring of 2026.

Sustainable Energy Sustainable Energy is posed to be a major driver of domestic investment and economic activity over the coming decades with the growing interest in electric vehicles, a national recognition of the need for sustainable energy, and large federal investments through the Creating Helpful Incentives to Produce Semiconductors and Science Act, the Bipartisan Infrastructure Law, and the Inflation Reduction Act. San Antonio is already a leader in the generation of power from renewable energy sources, and San Antonio is positioned well to compete for jobs and investments in this industry sector due to its diversified economy, workforce development programs, established advanced manufacturing industries, and access to transportation infrastructure.

Bioscience and Healthcare Cluster Employing nearly 1 in 5 workers in San Antonio, the bioscience and healthcare industry continues to be a significant driver of economic activity in the region, with over 150,000 employees and an annual gross domestic product impact of over $18 billion. Over 50,000 jobs have been added in bioscience and healthcare over the last decade, with an average salary of $83,000. San Antonio has several major employers in this industry cluster such as the Texas Biomedical Research Institute, BioBridge Global, 3M KCI (now Solventum), and four hospital systems. Driving innovation in this segment are over 20 academic, independent, and DoD biomedical research organizations. Additionally, the City is home to the largest military health complex in the United States; the San Antonio Market. The San Antonio Market operates with a $1.02 billion budget and 11,000 staff members who take care of more than 253,000 Tricare beneficiaries who rely on the Defense Department for their health care.

UT Health Science Center San Antonio (UTHSCSA), a primary driver of San Antonio's health care and biosciences sector, is the largest academic research institution in South Texas, sustaining an annual research portfolio of more than $400 million. UTHSCSA drives a substantial economic impact with its six professional schools, a diverse workforce of 7,900, an annual operating budget of $1.5 billion, and clinical practices that provide 2.6 million patient visits each year, the largest medical practice in South Texas and more than 450 ongoing clinical trials.

Texas Biomedical Research Institute (Texas Biomed) is one of the largest independent, non-profit, biomedical research institutions in the U.S., conducting internationally renowned fundamental and applied research in the medical sciences. Texas Biomed was also designated as a prime contractor in late 2022 by the Biomedical Advanced Research and Development Authority, a federal office that oversees advanced research and development of medical countermeasures for public health emergencies. This will expand Texas Biomed's availability for federal funds and enable it to receive up to $100 million in federal funding over the next five years.

UTSA houses several research institutes, had an enrollment of 32,405 students, and spent $152.3 million in research in 2023. UTSA collaborations include, but are not limited to, the Southwest Research Institute (SwRI), BAMC, and Joint Base San Antonio. Overall, UTSA contributed $2.6 billion to the San Antonio region's economy.

COVID-19 RESPONSE

In response to the COVID-19 pandemic in March 2020, the City responded with executive emergency orders, increased health surveillance, and public health interventions while supporting businesses and households. The City developed numerous plans and began implementing them simultaneously with the executive orders to address the needs of our community.

Recovery and Resiliency Plan The federal government passed legislative aid due to the scale of the public health emergency, business closures, stay at home measures and their resulting financial impacts, which provided funds for governments to continue services, and for families, businesses, and schools to receive funds to survive the economic impact. As part of the Coronavirus Aid, Relief, and Economic Security Act signed into law March 27, 2020, the City received $270 million in Coronavirus Relief Funding. This funding was used to directly respond to the COVID-19 pandemic in our community and better prepare the City after the pandemic with the development of the COVID-19 Recovery and Resiliency Plan. The plan leveraged more than $332 million in local and other federal funds to provide services and aid to the community across four primary pillars: Workforce Development, Housing Security, Small Business, and Digital Inclusion.

American Rescue Plan Act (ARPA) On March 11, 2021, the federal government signed the American Rescue Plan Act of 2021 to aid American families, small businesses, industries, and local governments. The Coronavirus State and Local Fiscal Recovery Funds (SLFRF) program, a part of ARPA, was issued to deliver $350 billion to governments across the country to support their response to and recovery from the COVID-19 public health emergency. The City was awarded $326.9 million in SLFRF, and the City received the first half, $163.45 million in May 2021, and the second half in June 2022. These funds were obligated by December 2024 and will be spent by December 2026.

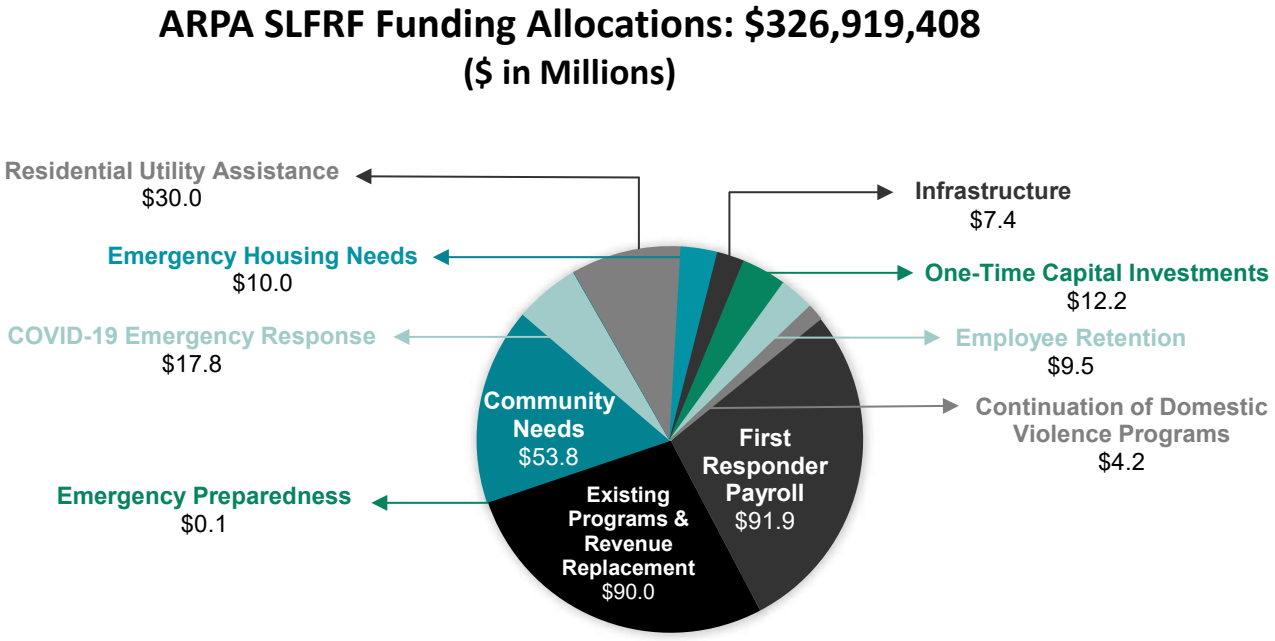
These funds were designed to provide resources to:

- Fight the negative effects of the pandemic and support families and businesses struggling with its public health and economic impacts.
- Maintain essential public services.
- Build a strong, resilient, and equitable recovery by making investments that support long-term growth and opportunity.

On June 16, 2021, as part of the City's Trial Budget presentation, staff presented to the City Council a two-phased strategy for use of SLFRF, which was later approved in August 2021 as part of the fiscal year 2022 budget process.

- **Phase I** allocated $97.5 million of the initial SLFRF tranche, received in May 2021. Nearly half of the allotment ($46.5 million) was allocated to General Fund in fiscal years 2022 and 2023 to stabilize the City's budget and address community needs exacerbated by the pandemic, including mental health care, assistance for victims of domestic violence, housing services, and increasing the availability of community navigators to link residents with needed resources. The remaining $51 million offset revenue losses in the Hotel Occupancy Tax (HOT) Funds due to the decline in economic activity resulting from the COVID-19 pandemic. The HOT Funds provide essential support to the City's Convention Center and Alamodome operations, as well as to arts programming and performances.
- **Phase II** allocated $30 million for residential utility assistance to aid residents who were financially impacted by the COVID-19 crisis and in need of financial assistance with utility payments in arrears. The remaining $199.4 million of SLFRF, $14.9 million in savings reallocated from the Recovery and Resiliency Plan, and $9.4 million in SLFRF interest earnings, focused on mental health for youth, seniors, and local nonprofits; programming to support small businesses in San Antonio; continuation of domestic violence programs; investments in one-time capital projects; and infrastructure projects.

The following illustration provides a high-level summary of SLFRF programs.



The SLFRF program allows local governments to use some of their allocation to replace lost public sector revenue. Consistent with the U.S. Department of Treasury rules, the City used $91.9 Million of SLFRF to reimburse itself for first responder payroll paid out during fiscal year 2024. With the operating funds that became available after the reimbursement, the balance of programs originally funded by SLFRF are being completed through the City's General Fund. As of September 30, 2024, the City fully spent its SLFRF award of $326.9 million.

MAJOR INITIATIVES – CAPITAL PROGRAMS

Alamo District The City, the Texas General Land Office, and the nonprofit Alamo Trust, are partners for the construction of a $550 million preservation of the Alamo District. These plans will restore reverence to this historic mission, restore the 1836 battlefield footprint, preserve and conserve the sole remaining structures, and construct an Alamo Museum and visitor center that will be the central focus of the collaboration of the Alamo mission and battle site. Two outdoor exhibits were completed in 2021. Construction was completed on the $15 million, 24,000 square-foot exhibit hall and collections building in late 2022 and opened to the public in March 2023, representing the first new construction on the Alamo grounds since the 1950s. It houses all of the Alamo artifacts, the Alamo Collection, and the Phil Collins Collection under one roof. It also features an exhibit space that will serve as a museum until the $140 million Alamo Museum and visitor center is built. The 100,000 square-foot museum is scheduled for a grand opening in 2027. In December 2024 the Plaza de Valero opened and includes a pavilion and grassy lawn, to serve as a community gathering space in the Alamo District.

San Antonio to Washington, D.C. Nonstop Flight On December 17, 2024, the United States Department of Transportation formally approved American Airlines' application to become the sole carrier providing nonstop service between D.C.'s Reagan National Airport to San Antonio International Airport (SAT). This direct flight has long been a priority for the City of San Antonio, which is recognized as the fastest-growing city in the United States and hosts one of the largest concentrations of military bases in the nation and is proudly known as Military City USA®. The inaugural nonstop flight commenced operations on March 3, 2025.

Airport Terminal Development In November 2021, City Council unanimously approved the Strategic Development Plan (SDP), a Master Planning process required by the Federal Aviation Administration that provided a comprehensive, long-range study of every physical aspect of an airport to ensure it meets projected demand and serves its designated role within the national airport system. The SDP for the San Antonio International Airport identified the need for a new terminal facility to support the forecasted passenger growth for our region.

In May 2022, the City Council was presented with the major components of the Terminal Development Program (TDP), which is targeting completion of a new terminal with up to 17 gates and its associated enabling projects, by the end of the second quarter of 2028. The new terminal will serve both domestic and international wide-body flights with a new modern Federal Inspection Station (also known as Customs area) and new concession space. The TDP will also include a new ground transportation center and parking garage as well as a terminal roadway realignment for serving all three terminals at the San Antonio International Airport. Construction on the Airport Terminal broke ground in December 2024.

In addition to the TDP, the Airport has other ongoing capital projects that were identified as key components to the SDP. The Terminal A Ground Loading Facility is in construction and will provide three additional gates, five new airplane overnight parking spaces, as well as new passenger amenities and concession space when it opens in late 2025. Other projects include a ground transportation center/parking garage, a terminal road realignment to address passenger needs over the next 20 years, as well as airfield expansion to extend an existing runway up to 10,000 feet. The new terminal and enabling projects are projected to be completed in fiscal year 2028.

World Heritage Center The World Heritage Center, a visitor center serving San Antonio's Spanish colonial missions, opened in February 2025. It is a space where residents and visitors can discover, learn, and celebrate the vibrant culture and history of the five San Antonio Missions — a UNESCO World Heritage Site — and the surrounding communities. Visitors are welcomed with a range of engaging opportunities, including a captivating multi-media exhibition showcasing interviews of mission descendants who share their stories of living in the communities. Additionally, the exhibition displays paintings by local artists that beautifully capture the traditions and legacies of the mission communities.

HPARC Civic Park The City, with the Hemisfair Park Area Redevelopment Corporation (HPARC), continues to work towards the redevelopment of the Hemisfair space, home of the 1968 World's Fair. Working from the Hemisfair Master Plan created in 2012, revitalization of this area is progressing, starting with the first park, Yanaguana Gardens, that opened in 2015. The second garden, Civic Park, is divided into two phases. Phase I of Civic Park opened on September 29, 2023, and is the grandest of Hemisfair's park series with a beautiful urban green space in the heart of San Antonio, to include an open lawn, a shaded promenade, water features, and gardens next to the City's Convention Center. The final phase of Civic Park opened in Spring 2025 and features four main spaces; the Zócalo, an elevated hard-scaped terrace, the Source Plaza, a large plaza with hardscape and landscape producing substantial shade through tree-canopy, the Promenade providing a shaded walkway that seamlessly connects the different areas of Hemisfair, and finally the Stage which provides a space for concerts and larger-scale civic events. The last phase of the Master Plan, Tower Park, is slated to be completed in late 2025. It will be located on the eastern side of Hemisfair near the Tower of the Americas. All three areas will complement one another and unite to form the reimagined district, that is Hemisfair.

MAJOR INITIATIVES – COMMUNITY FOCUS

Community Satisfaction & Budget Priority Survey ETC Institute conducted the City's 2024 Community Satisfaction and Budget Priority Survey to measure satisfaction and help City leaders identify priorities for investment in the fiscal year 2025 budget. The results showed that the City is setting the national standards and breaking local records in resident satisfaction in delivery of its services with an all-time rating of 87% in the overall quality of city services.

Property Tax Relief During the fiscal year 2024 budget process, the City received the certified tax roll for 2023 which showed substantial growth in property values. To provide property tax relief, the fiscal year 2024 budget doubled the General Residence Homestead Exemption from 10% of the appraised value of the residence homestead to the maximum 20% of the appraised value, effective January 1, 2023, for qualifying homes. This increase in the Homestead Exemption is in addition to the existing $85,000 exemption for persons aged 65 years or older or disabled. In addition to these exemptions, the City is one of the few cities in Texas to freeze the amount of property taxes imposed on residence homesteads owned by persons 65 years of age or older or homeowners who are disabled. In fiscal year 2024, the City forwent approximately $134.5 million in property tax revenue from senior and disabled homestead exemptions, frozen City tax payments, and the general homestead exemption.

In 2019, Senate Bill 2 reduced the property tax Rollback Rate (now the Voter Approval Rate) from 8% to 3.5% applicable to the Maintenance and Operations portion of the tax rate. The City cannot adopt a rate above the 3.5% revenue cap without triggering an automatic election. Effective January 1, 2024, the calculation for use of the unused increment rate has changed due to state legislation enacted in 2023. Instead of allowing the unused increment tax rate from the previous three years to be added to the calculated statutorily maximum tax rate, the calculation will now allow only "foregone revenue" to be used from previous years. As a result of this statute, the Fiscal Year 2024 Adopted Budget also reduced the City's property tax rate from 54.161 to a statutorily maximum rate of 54.116 cents per $100 in value. This is the 32nd consecutive year without a tax rate increase.

Resiliency, Energy Efficiency, and Sustainability The City established the Resiliency, Energy Efficiency and Sustainability (REES) Fund to provide resources to support the implementation of the SA Climate Ready Plan. In fiscal year 2024, the Office of Sustainability initiated several programs to reduce greenhouse gas emissions and to adapt to climate change including the Cool Neighborhood Program, the SA Climate Ready Community Action Fund, the Low-Income Neighborhood Resilience Program, and the Climate Ready Neighborhoods Network. Additionally, they focused efforts on implementing a multi-year plan to enhance the City's resiliency.

Solar Initiative The largest on-site solar program by a local Texas government is currently under construction in San Antonio, with 13 of the 42 municipal projects already commissioned. The $30 million initiative involves the installation of rooftop solar photovoltaic and solar canopy shade structures at various City-owned facilities, moving the City closer to its 2040 goal of achieving zero net energy for all municipal buildings. Big Sun Solar, a San Antonio-based commercial solar company, is developing the program under a services agreement with the City.

MAJOR INITIATIVES – CONVENTION & TOURISM

The Convention & Sports Facilities (CSF) Department operates the Henry B. Gonzalez Convention Center and Lila Cockrell Theatre, the Alamodome and the Carver Community Cultural Center. CSF is also responsible for managing several leases including Nelson Wolff Stadium and Toyota Field. In fiscal year 2024, CSF was able to maintain its momentum with continued strong attendance and event numbers in its inventory of high-quality facilities to host conventions, meetings and major sporting events and concerts.

Carver Community Cultural Center The mission of the Carver Community Cultural Center is to celebrate the diverse cultures of our world, nation and community. The Carver continued to gain notice for its headline performance seasons at both the Jo Long Theatre and Little Carver. In fiscal year 2024, that lineup included several Grammy and Oscar Award winners such as Samara Joy, Cedric Burnside and Meshell Ndegeocello. In addition, the Carver realized a longstanding goal when it unveiled its "Creative Cruiser" Mobile Art Lab, a customized 16-foot Sprinter van that enables the historic facility to bring free arts education, performance and engagement into the community, meeting people where they work, learn and play.

Henry B. Gonzalez Convention Center Working alongside Visit San Antonio (VSA), the City's sales and marketing organization, the Convention Center generated slightly more than $24 million in revenue in fiscal year 2024. VSA's continued strategic plan and proactive efforts impacts event numbers for 2024 and beyond, including utilizing the hosting obligation funds allocated to the City to attract short-term business to the Convention Center. During fiscal year 2024, the Convention Center hosted 261 events – 21 more than the previous fiscal year – with more than 609,000 attendees. In June 2024, the City hosted the Cvent CONNECT conference at the Convention Center, the first time the premier event had been held outside Las Vegas over the past 10 years. The four-day meeting brought together hospitality professionals from all over the world to evolve and inspire their meetings and event programs and put cutting-edge strategies into place. VSA estimates a direct economic impact of $6.8 million from the event. Other notable events included the annual San Japan Anime Conference, Ace Hardware, Texas Music Educators Association, Texas High School Coaches Association and the remarkable Pueblos Magicos de Mexico event. Looking ahead to 2025, the Convention Center will host International Society for Technology in Education and American Society of Anesthesiologist with an estimated economic impact of over $26 million each.

Alamodome The Alamodome's 31st year in 2024 included a notable diversity of events that attracted close to one million fans to San Antonio's signature downtown venue. This included concerts, sporting events, graduations and shows. Football provided many of the headlines for the year, including more than 65,000 fans on hand in late December when Brigham Young faced Colorado in the Valero Alamo Bowl. The Alamodome also was home to the first season of the United Football League, which included the San Antonio Brahmas, and UTSA, which earned its fifth straight postseason bowl appearance. International futbol arrived in October when the Clasico Regio was held, for Monterrey-based teams Rayados and Tigres facing off. Concerts, of course, also drew the spotlight to downtown San Antonio. The biggest of the year came in May when country star Luke Combs drew roughly 80,000 fans over two nights of performances. Three months later, in August, approximately 38,000 fans were on hand when classic rock artists Def Leppard, Journey and The Steve Miller Band played. The Alamodome also was the site of Disney on Ice, Ringling Brothers and Barnum & Bailey, the UIL boys and girls state basketball championships and the Fiesta Fiesta celebration for the first time. The facility also introduced a new parking reservation system, Park Whiz, to help ease patrons' access to events. As part of the countdown to the 2025 NCAA Men's Final Four in April, the Alamodome is set to unveil 18 new suites, bringing its overall total to 70, and is providing new finishes to the upper-concourse concession and eating areas.

MAJOR INITIATIVES – ECONOMIC DEVELOPMENT

Proposed Baseball Stadium A multi-purpose ballpark facility with approximately 4,500 fixed seats and total capacity of around 7,500 attendees is proposed to be constructed in the northwest quadrant of downtown San Antonio. The City, Bexar County, Designated Bidders, LLC, and Weston Urban LLC reached agreement on a Memorandum of Understanding with detailed term sheets for the proposed ballpark. Designated Bidders, LLC are the owners of the San Antonio Missions, the Double-A affiliate of the San Diego Padres and Weston Urban LLC is a local development group. The detailed term sheet outlines the framework, key parameters, and major provisions of the definitive agreements to be negotiated and approval actions required to implement the project. These agreements are expected to be completed by late summer of 2025 with a bond issuance occurring in the Fall of 2025 to provide a portion of the funding for the ballpark project.

The estimated cost of the ballpark facility is $160 million inclusive of land and is expected to be completed in time for opening day of the minor league baseball season in April of 2028. The proposed project plan also includes privately funded new surrounding development with an approximate taxable value of $1 billion anticipated to be constructed over four phases through 2031. Revenues derived from the first two phases of private development with a taxable value of approximately $575 million would be guaranteed and utilized for repayment of a portion of the bonds issued for the ballpark project.

Proposed Sports & Entertainment District The City is exploring the creation of a proposed Sports and Entertainment District in the southeast quadrant of downtown San Antonio. The proposed District would include an expansion of the Henry B. Gonzalez Convention Center, a new convention center hotel, land bridge over IH-37, improvements to the Alamodome (a multipurpose stadium), conversion of the John Woods federal courthouse into a live entertainment venue, mixed-use development, infrastructure, and potentially a new NBA arena for the San Antonio Spurs. The City continues its work on feasibility studies and potential funding sources for the proposed Sports and Entertainment District.

MAJOR INITIATIVES – EDUCATION

Early Child Education In November 2012, City voters approved funding for Pre-K 4 SA with a 1/8 cent sales tax that finances the majority of the early childhood education organization's budget. Pre-K 4 SA is a comprehensive initiative designed to change San Antonio's education and workforce trajectory in one generation through high-quality early education. Pre-K 4 SA achieves its mission through four key program components: 1) four model Education Centers; 2) best-in-class professional learning; 3) family outreach and engagement; and 4) competitive grants. In November 2020, City voters renewed adoption of a sales and use tax at the rate of 1/8 cent for the purpose of continued financing of Pre-K 4 SA, an authorized program of the San Antonio Early Childhood Education Municipal Development Corporation, for another eight years.

Ready to Work (RTW) Ready to Work is San Antonio's premier training, education, and employment program. In 2020, as a longer-term investment in San Antonio's workforce ecosystem, voters overwhelmingly approved Ready to Work as an authorized program of the San Antonio Early Childhood Education Municipal Development Corporation. The $200 million program is funded by a separate 1/8 cent sales tax to be collected through December 2025. Eligible participants can earn credentials, certifications, and degrees in targeted industries focused on well-paid jobs in high demand. Over the course of the program, the City anticipates training over 28 thousand residents and providing them with support to help them succeed and find quality employment.

RTW runs through four prime partner agencies, including Workforce Solutions Alamo, Alamo Colleges District, Project Quest, and Restore Education, and many subcontracted community organizations. Now in its second full year, over 10,000 applicants have completed intake interviews and needs assessments, over 5,000 participants have enrolled in approved training courses, and almost 400 participants have been hired by 278 employers. To date, participants are achieving a 65% training completion rate and a 59% job placement rate within 6 months of completing training. Over 380 local employers have pledged to support RTW. After December 2025, the 1/8 cent sales and use tax proceeds associated with the Ready to Work program was approved by voters, in 2020, to be reassigned and collected by VIA Metropolitan for advanced public transportation services, operations, passenger amenities, equipment and other innovative advanced transportation purposes or public transportation mobility enhancement purposes.

MAJOR INITIATIVES – PUBLIC HEALTH SERVICES

The SA Forward Plan In fiscal year 2022, Metro Health introduced SA Forward, a five-year community blueprint to address the most pressing health issues in the community, strengthen the local public health ecosystem, and decrease social and racial disparities in health. Fiscal year 2024 was year three of the initiative and placed an emphasis on addressing mental health, domestic violence, and quality of life for residents:

- ***Mental Health & Community Resilience:*** Mental health problems constitute a large and increasing part of the burden of disease in our community. As such, improving the coordination of mental health services by strengthening community assets to ensure emotional, psychological, and social wellbeing for people and communities is essential. In fiscal year 2024, Metro Health expanded the availability of mental health services to children in areas with higher needs, provided trauma informed certification, and utilized a collaborative program with the SAPD Mental Health Unit and the Center for Health Care Services aimed at addressing community concerns, threats, and those identified at risk of crisis.
- ***Violence Prevention:*** The vision of the Violence Prevention is to stop violence from happening before it starts by building equitable and empowered communities who can heal past harms and grow safer futures and communities. To achieve this vision, Metro Health continues to provide preventative resources associated with family violence, child abuse, parenting skills, and neighborhood or community violence.
- ***Quality of Life:*** The City supported the establishment of a new UT School of Public Health San Antonio with the UT Health Science Center at San Antonio and the University of Texas at San Antonio. This partnership is a $10 million investment over five years from the City. The goal of the investment is to ensure that the Metro Health Department and local public health partners work collectively to include the SA Forward community blueprint.

MAJOR INITIATIVES – PUBLIC HEALTH SERVICES (Continued)

SA Core The San Antonio Community Outreach and Resiliency Effort (SA-CORE) is a partnership between Metro Health, the San Antonio Fire Department (SAFD), San Antonio Police Department (SAPD), Southwest Texas Regional Advisory Council (STRAC), and the Center for Health Care Services (CHCS). SA-CORE enhances the City's response to mental health related 911 calls by dispatching a multi-disciplinary response team comprised of a SAFD paramedic, a SAPD police officer, and a CHCS mental health clinician. The SA-CORE initiative is a key step in improving the first response system for individuals experiencing a mental health emergency, so they may gain access to appropriate, tailored clinical care as soon as possible. In fiscal year 2024, the SA-CORE team responded to 2,500 mental health calls with a success rate of less than 1% resulting in an arrest.

MAJOR INITIATIVES – PLANNING AND COMMUNITY DEVELOPMENT

SA Tomorrow By 2040, San Antonio's population is expected to increase by approximately 1.0 million people from 2020. SA Tomorrow aims to ensure key aspects of growth and development, such as transportation and connectivity, housing, complete neighborhoods, public facilities, community safety, historic preservation, military affairs, natural resources, energy, water supply, jobs, economic competitiveness, education, and more, are addressed in a strategic manner. SA Tomorrow is an innovative effort to guide the City toward smart, sustainable growth through three different plans: comprehensive; sustainability; and multimodal transportation.

Comprehensive Plan was developed with support and collaboration from the City's residents, local organizations, the Department of Planning and Community Development, and other City entities. The purpose of this plan is to unify the visions, goals, and policies of San Antonio's other plans and initiatives and identify specific issues, challenges and needs. It presents preliminary concepts, strategies, and recommendations for various elements of the community.

Sustainability Plan focuses on enhancing a community's quality of life and overall resilience while balancing the impact of the City's expected growth with existing economic, environmental, and social resources. As part of implementing the sustainability plan, SA Climate Ready was developed as a community-driven plan to guide San Antonio's commitment to reduce its greenhouse gas emissions contributions to climate change and prepare for current and future climate impacts. The plan lays out a roadmap for the community and municipal organization to reduce carbon emissions, adapt to a changing climate, and ensure San Antonio remains a healthy, vibrant place for generations to come. In October 2019, the City adopted the Climate Action Plan. The plan states that the City as a whole must within three decades be taking in or offsetting more carbon dioxide and other greenhouse gases than its emitting. This target is based on current climate science and would require shifting almost entirely away from fossil fuels in power supply and transportation and use technology to assist in keeping emissions out of the atmosphere. The goal of the Climate Action Plan is to be a net-zero carbon emission City by 2050, making San Antonio the second major Texas City to adopt such a goal.

Multimodal Transportation Plan effort will explore how to preserve the San Antonio culture and increase livability through ensuring housing and transportation choices as the City grows. The plan covers the entire City including its extraterritorial jurisdictions. It also considers all modes of transportation: auto; freight; rail; transit; biking; and walking. The plan will communicate the City's transportation strategy for the future, develop proposed improvements that address all modes, and provide for a method of prioritizing projects.

FINANCIAL INFORMATION

The management of the City is responsible for establishing a system of internal controls that is designed to provide reasonable assurance that assets are protected from loss, theft, or misuse. The City's accounting system supports the internal controls and procedures, which provide reliable financial records for preparing financial statements in conformity with generally accepted accounting principles. The internal control structure provides reasonable assurance that the City's assets are safeguarded as well as the reliability of financial records for preparing financial statements. The concept of reasonable assurance first recognizes that the cost of a control should not exceed the benefits likely to be derived. Secondarily, the evaluation of costs and benefits require estimates and judgments by management.

Budgetary compliance is a significant tool for managing and controlling governmental activities, as well as ensuring conformance with the City's budgetary limits and specifications. The objective of budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by City Council. Levels of budgetary control, that is the levels at which expenditures cannot legally exceed appropriated amounts, are established at the department level within individual funds. The City utilizes an encumbrance system of accounting as one mechanism to accomplish effective budgetary control. Another budgetary control is the generation of a monthly revenue and expenditure report summarizing by department budget and actual balances with variances which are reviewed by the City's Office of Management and Budget (OMB), Finance, and the City Manager's Office.

Each quarter, OMB and Finance meet with department representatives to assess departments' revenues and expenditures based on actual results to date and projected revenue and expenditures for the remainder of the fiscal year. The projected revenue and expenditures are compared against the legally adopted budget for analysis and are presented to the City Manager's Office and City Council. During the mid-year budget review, an additional step is added related to formal budget adjustment recommendations that are made to City Council for adoption to modify the original budget. At fiscal year-end, as part of the subsequent year's budget adoption, City Council is provided information regarding the current year's estimated final amounts and recommendations to again approve desired budget adjustments and carryforwards for the next fiscal year. The City further implemented available budget controls within its system of record for capital projects and grants. The system warns when cumulative expenditures are within 75.0% of total budget and will not allow the processing of non-payroll transactions which exceed the budget.

Annual Budget Process The annual budget serves as the foundation for the City's financial planning and control. The development of the City's annual budget begins in April. It is a comprehensive effort that involves input from residents, the Mayor and City Council, outside governmental agencies, private organizations, all City departments and offices, and City employees. There are several major components to the process, including gathering input from the community on priorities, the annual policy and goal setting session with the Mayor and City Council, presentation of the proposed budget, public comment on the proposed budget, City Council budget work sessions, and budget adoption.

Five-year Financial Forecast and Trial Budget At the beginning of the budget process, the City prepares a five-year financial forecast (Forecast). The Forecast is a financial and budgetary planning tool that provides a current and long-range assessment of financial conditions and costs for City services. The Forecast includes the identification of service delivery policy issues that will be encountered in the next five years which will have a fiscal impact upon the City's program of services. The Forecast also examines the local and national economic conditions that have an impact on the City's economy and, ultimately, its budget. The Forecast serves as a foundation for development of the proposed budget by projecting revenues and anticipated expenditures under a defined set of assumptions. To give City Council and the community an opportunity to provide feedback on the budget, prior to the proposed budget in August, a Trial Budget was also developed and presented to the City Council for initial thoughts and consideration. The Trial Budget included certain revenue and expenditure assumptions, as well as proposing targeted improvements for the fiscal year 2024 Budget.

Goal – Setting Session A budget goal-setting session was held on April 13, 2023, with the Mayor and City Council. At this session, the City Council discussed financial policies and community input on the fiscal year 2024 Trial Budget, highlighting topics on property taxes and homestead exemptions, public safety, streets and transportation, and civilian compensation.

Public Input A major component of the budget process is community input. Through the City's public outreach campaign, SASpeakUp, residents had the opportunity to provide feedback through a wide variety of channels in both English and Spanish, with an emphasis on reaching residents where they are, whether online, at community-wide events, or at City facilities in their neighborhoods.

Proposed Budget After obtaining the priorities of City Council and the community, the City Manager reviews department budgets to ensure they are in line with priorities and funding availability. The City Manager then presents the proposed budget to the City Council for review in early August. The proposed budget represents the City staff's recommendation of utilizing revenues and expenditures to achieve a balanced budget, while optimizing City service deliveries and addressing priorities of the City Council and residents.

Public Hearing After the budget was proposed, the City Council held 11 sessions to review the proposed service program details and discuss potential City Council budget amendments. The budget work sessions provided a forum for public discourse on significant policy issues as well as an opportunity to review departmental service plans, service enhancement, and revenue changes.

Adopted Budget On September 14, 2023, City Council adopted the fiscal year 2024 Operating and Capital Budget. City Council must adopt a final budget each year no later than September 27th. The appropriated budget is prepared by fund (e.g., General Fund) and department (e.g., Finance Department). The legal level of budgetary control is approved by City Council at the individual fund and departmental level. Expenditures by department and major category (personnel, non-personnel, and capital outlay) are further defined in the budget document. The City Manager or designee may revise the approved department expenditure allotments during the fiscal year, but in no event shall the aggregate departmental expenditure allotment exceed the appropriation available to the department unless approved by City Council. The City Council may at any time transfer unencumbered appropriation balances or any portion thereof within a department, office, or agency to another as requested in writing by the City Manager.

The City continues to follow established Financial Policies. These Financial Policies include:

- Maintain a minimum General Fund ending balance of 15.0% of revenues;
- Maintain Public Safety below 66.0% of the General Fund budget;
- Manage structural balance in the General Fund;
- Maintain a two-year budget plan for the General Fund;
- Maintain a $1,000 contingency in the General Fund and $3,000 in the Capital Budget;
- Address Internal Fund deficits within 3 to 5 years;
- Annually review the impact of the State imposed 3.5% Property Tax Cap on service delivery and provide a recommendation on whether to adjust the Property Tax Rate;
- Annually review property tax relief with a focus on homeowners;
- Annually review and periodically adjust fees and charges to provide for cost recovery, inflation, consumer relief, and/or alignment with policy goals.
- City Payment from Off-System Sales – Revenue from off-system sales is capped at $10 million annually with any City payment from off-system sales above $10 million reserved in a CPS Energy Capital Reserve Fund with any shortfall in the City's payment base budget at year end deducted from the fund to determine the amount eligible to be transferred to CPS Energy for resiliency and reliability initiatives;
- City Payment Base Budget – City payment in excess of 10% over the City's adopted City payment base budget (adopted budget plus 10%) allocated to the following authorized purposes based upon percentages to be determined by the City: CPS Energy resiliency and reliability projects; and the City's Resiliency Energy Efficiency and Sustainability Fund (REES) .

FINANCIAL INFORMATION (Continued)

The City continues to evaluate financial policies as a means of fiscal prudence in consideration with City operations, implications to the City's credit rating, and City Council priorities to maintain a strong and solid financial position coupled with flexibility to adapt to changing economic conditions.

The City further utilizes a comprehensive debt management financial planning program, which is updated annually and is a major component of the City's financial planning. The model projects financing needs, measuring, and assessing the cost and timing of each debt issuance. It involves comprehensive financial analysis, utilizing computer modeling, and incorporates variables such as interest rate sensitivity, assessed value changes, annexations, and current ad valorem tax collection rates. Use of this financial management tool has assisted the City in meeting its financing needs by facilitating timely and thorough planning, thus allowing the City to capitalize on market opportunities.

San Antonio holds a 'AAA' general obligation bond rating from Standard & Poor's, a 'Aaa' from Moody's, and a 'AA+' from Fitch. The 'AAA' bond rating is the highest credit rating an organization can receive and it allows the City to pay the lowest possible interest rates in the market. The outlook for the ratings from both Standard & Poor's and Moody's, respectively, remains stable. The Fitch rating of a 'AA+' maintained a positive outlook which was revised from stable in 2023. The positive outlook means the City's current financial performance and other related criteria is trending toward a potential future rating upgrade.

GRANT FUNDS

The City also actively seeks and applies for Federal and State grants that are in line with the City's core operations and initiatives as an additional tool in providing services to the citizens of San Antonio. In 2024, the City was awarded $278 million in Federal assistance and $15 million in State assistance for a total of $293 million.

AWARDS

The City's Budget Office received the Annual Distinguished Budget Award from the Government Finance Officers Association of the United States and Canada (GFOA). This award recognizes outstanding achievement in preparation of the 2024 Operating and Capital Budget for the 41st consecutive year.

The City's Finance Department received the Achievement of Excellence in Procurement (AEP) award for the 27th consecutive year in recognition of organizational excellence in public procurement.

The Development Services Department was certified to the ISO 45001 Occupational Health and Safety Standard. The ISO 45001 standard is an international standard that helps organizations improve their occupational health and safety performance. This marks the first city development office in the country with this designation.

Parks and Recreation is proud to announce that the City was been officially recognized as a Tree City of the World by the United Nations' Food and Agriculture Organization and the Arbor Day Foundation. This prestigious recognition marks a monumental achievement for our city and its commitment to environmental sustainability. San Antonio is the first city in Texas to earn this recognition.

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

GFOA awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Report for the fiscal year-ended September 30, 2023. This was the 49th consecutive year that the government has achieved this prestigious award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized Annual Report. This report satisfies both GAAP and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe that our current Annual Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

INDEPENDENT AUDITS

State statutes and the City's Charter require that an annual audit by an independent certified public accountant be conducted. The City selected the accounting firm Forvis Mazars, LLP. In addition to meeting the requirements set forth in State statutes and the City's Charter, the audit was also designed to meet the requirements of the Uniform Guidance, the State of Texas Grant Management Standards, and the Federal Aviation Administration *Passenger Facility Charge Audit Guide for Public Agencies*.

The Independent Auditor's Report on the basic financial statements, Management's Discussion and Analysis, required supplementary information, and required disclosures and schedules are included in the Financial Section of this Annual Report. The Federal Single Audit Report has been prepared in accordance with the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.* The State Single Audit Report has been prepared in accordance with the State of Texas Grant Management Standards. The Passenger Facility Charges Report has been prepared in accordance with the Federal Aviation Administration *Passenger Facility Charge Audit Guide for Public Agencies*.

The Federal, State and Passenger Facility Charges Report section is comprised of the Schedules of Expenditures of Federal and State Awards, respectively, the Schedule of Revenues and Expenditures of Passenger Facility Charges, Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* – Independent Auditor's Report, Report on Compliance for each Major Federal Program and Report on Internal Control Over Compliance as Required by the Uniform Guidance – Independent Auditor's Report, Report on Compliance for each Major State Program and Report on Internal Control Over Compliance Required by the State of Texas Grant Management Standards – Independent Auditor's Report, Report on Compliance for the Passenger Facility Charge Program and Report on Internal Control over, the Schedule of Findings and Questioned Costs, Corrective Action Plans, and the Summary Status of Prior Year Findings for both the Federal and State Single Audits and the Passenger Facility Charges Report.

ACKNOWLEDGEMENTS

The preparation of this report could not have been accomplished without the dedicated services of the entire staff of the Controller's Office in the Finance Department. Much time and effort in preparation of this report lies in the Controller's Office, with support from OMB, Department Fiscal Administrators, other Finance Department personnel, and fiscal staff throughout the City. I would like to express my appreciation to all who assisted in this effort. In closing, please accept my sincere gratitude to the Mayor and City Council, City Manager, Deputy City Manager, Assistant City Managers, and their staff for their continued support.

Respectfully submitted,

Ben Gorzell Jr., CPA
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of San Antonio
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2023

Christopher P. Morrill

Executive Director/CEO

City of San Antonio Mayor and City Council

Ron Nirenberg
Mayor

Manuel "Manny" Peláez
District 8

John Courage
District 9

Marina Alderete Gavito
District 7

Marc Whyte
District 10

Melissa Cabello Havrda
District 6

Dr. Sukh Kaur
District 1

Teri Castillo
District 5

Dr. Adriana Rocha Garcia
District 4

Phyllis Viagran
District 3

Jalen McKee-Rodriguez
District 2

CITY OF SAN ANTONIO
Organizational Chart

San Antonio Residents

Mayor & City Council

- Boards & Commissions
- Municipal Court Clerk Judge — Carla Obledo
- City Manager — Erik Walsh
- City Clerk — Debbie Racca-Sittre
- City Auditor — Buddy Vargas

City Manager — Erik Walsh

- Assistant to the City Manager — Joe Frank Picazo (Interim)
- City Attorney — Andy Segovia
  - Diversity, Equity, Inclusion & Accessibility — Jennifer Mata
- Assistant City Manager — Jeff Coyle
  - Aviation — Jesus Saenz
  - Communications & Engagement — Alanna Reed
  - Government Affairs — Sally Basurto
  - Military & Veterans Affairs — Juan Ayala
  - 311 — Paula Stallcup
- Assistant City Manager — David W. McCary
  - Solid Waste — Josephine Valencia (Interim)
  - Sustainability — Douglas Melnick
  - Library — Sukrit Goswami
  - Animal Care Services — Jonathan Gary
  - Parks & Recreation — Homer Garcia
  - Chief Resiliency Officer — Laura Patiño
- Chief Financial Officer — Ben Gorzell
  - Information Technology Services — Craig Hopkins
  - Human Resources — Renee Frieda
  - Risk Management — Debra Ojo
  - Office of City Council — Emily McGinn
  - Finance — Troy Elliott
  - CPS and SAWS — Public Utilities
- Deputy City Manager — María Villagómez
  - Police — William McManus
  - Fire — Valerie Frausto
  - Management & Budget — Justina Tate
  - Integrated Community Safety Office — Maria Vargas
  - Innovation — Kate Kinnison (Interim)
- Assistant City Manager — Lori Houston
  - Human Services — Melody Woosley
  - Historic Preservation — Shanon Miller
  - Neighborhood & Housing Services — Veronica Garcia
  - Arts & Culture — Krystal Jones
  - Center City Development & Operations — John Jacks
  - World Heritage — Colleen Swain
- Assistant City Manager — John Peterek (Interim)
  - Transportation — Catherine Hernandez
  - Development Services — Michael Shannon
  - Public Works — Razi Hosseini
  - Planning — Bridgett White
  - Building & Equipment Services — Jorge Perez
- Assistant City Manager — Alex Lopez
  - Economic Development — Brenda Hicks-Sorensen
  - Pre-K 4 SA — Sarah Baray
  - Convention & Sports Facilities — Patricia Muzquiz Cantor
- SA Metro Health — Claude Jacob
- SA: Ready to Work — Michael Ramsey
- Chief Housing Officer — Mark Carmona

Effective March 3, 2025

CITY OF SAN ANTONIO
TEXAS
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FINANCIAL SECTION

CITY OF SAN ANTONIO
TEXAS
LIBERTATIS CUNABULA

Independent Auditor's Report

Forvis Mazars, LLP
2700 Post Oak Boulevard, Suite 1500
Houston, TX 77056
P 713.499.4600 | F 713.499.4699
forvismazars.us

Independent Auditor's Report

Honorable Mayor and Members of City Council
City of San Antonio, Texas
San Antonio, Texas

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Antonio, Texas (City), as of and for the year ended September 30, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, based on our audit and the reports of the auditors, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of San Antonio, Texas, as of September 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of San Antonio Early Childhood Education Municipal Development Corporation, Municipal Golf Association – San Antonio dba Alamo City Golf Trail, San Antonio Economic Development Corporation, Urban Renewal Agency of the City of San Antonio dba Office of Urban Redevelopment of San Antonio, and Visit San Antonio (blended component units), and San Antonio Fire and Police Pension Fund and Retiree Health & Wellness San Antonio Fire and Police Fund (fiduciary component units), which represent 73%, 82%, and 33%, respectively, of the assets and deferred outflows of resources, net position/fund balances, and revenues/additions of the aggregate remaining fund information as of and for the year ended September 30, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those component units, is based solely on the reports of the other auditors. We also did not audit the financial statements of Brooks Development Authority, CPS Energy, San Antonio Water System, SA Energy Acquisition Public Facility Corporation, and San Antonio Bexar County Soccer Public Facility Corporation, discretely presented component units, which represent 98%, 98%, and 99%, respectively, of the assets and deferred outflows of resources, net position, and revenues of the aggregate discretely presented component units as of and for the year ended September 30, 2024. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for those discretely presented component units, is based solely on the reports of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1 to the financial statements, effective October 1, 2023, the City adopted GASB Statement No. 100, Accounting Changes, and Error Corrections. Our opinions are not modified with respect to this matter.

As discussed in Note 21 to the financial statements, beginning net position of the aggregate discretely presented component units and governmental activities and beginning fund balance of total governmental funds have been restated for changes to or within the financial reporting entity. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison – general fund, pension, and other postemployment benefit information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We and other auditors have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining financial statements and schedules (supplementary information) are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section, statistical section, summary schedule of federal awards by type, and summary schedule of state awards by type but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Forvis Mazars, LLP

Houston, Texas
April 16, 2025

CITY OF SAN ANTONIO
TEXAS
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Management's Discussion and Analysis

(Required Supplementary Information)

(Unaudited)

Management's Discussion and Analysis (Unaudited)

The City of San Antonio (City) presents the following discussion and analysis of the City's financial performance during the fiscal year-ended September 30, 2024. This discussion and analysis are intended to assist readers in focusing on significant financial issues and changes in the City's financial position and identifying any significant variances from the adopted budget. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal and the financial statements provided in this report. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of fiscal year 2024 by $3,449,966 (net position), which is an increase of $267,496 from prior year's net position. A deficit ending balance of $629,584 in unrestricted net position is primarily due to the City's pension and other postemployment benefits liabilities.
- At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of $2,089,186, an increase of $147,527 compared to the fiscal year 2023 fund balance. Of this amount, $31,360 is nonspendable, $1,227,410 is restricted in use, $526,010 is committed, $14,895 is assigned, and $289,511 is unassigned. The unassigned fund balance includes the General Fund's of $369,119 less $79,608 in deficits reported in other governmental funds.
- The establishment and maintenance of appropriate reserves within the General Fund is critical to prudent financial management. City Council approved financial policies requiring the City to maintain a minimum General Fund ending balance of 15.0% of revenues. The General Fund's unassigned fund balance includes $369,119 in financial reserves of which $184,329 or 11.8% of budgeted revenues, was reserved for a two-year balanced budget and $154,045 or 10.0% of the adopted General Fund revenues is the budgeted financial reserve. The General Fund available ending balance is $4,751 better than anticipated when compared to re-estimated fiscal year 2024 budget.

Overview of the Financial Statements

This discussion and analysis are intended to serve as the introduction to the City's basic financial statements, which have three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to private-sector business financial presentation.

The *statement of net position* reports the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources as net position. Over time, increases or decreases in net position may help determine whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position changed during the fiscal year. Changes in net position are recorded when the underlying event giving rise to the change occurs regardless of the timing of the cash flows. Therefore, revenues and expenses reported in this statement for some items will not result in cash flows until future fiscal periods (e.g., uncollected taxes and earned but unused annual leave). The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a

significant portion of their costs through user fees or charges (business-type activities). Governmental activities include general government, public safety, public works, sanitation, health services, culture and recreation, convention and tourism, urban redevelopment and housing, welfare, education, economic development and opportunity, and environmental. The business-type activities of the City include the Airport System, Development Services, Market Square, Parking System, and Solid Waste Management.

In addition, the basic financial statements provide information regarding the City's legally separate discretely presented component units. Discretely presented component unit financial information is reported separately from the primary government in the government-wide financial statements.

Fund Financial Statements

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements are used to present financial information detailing resources that have been identified for specific activities. The focus of the fund financial statements is on the City's major funds, although nonmajor funds are also presented in aggregate and further detailed in the supplementary statements. The City uses fund accounting to ensure and demonstrate compliance with requirements placed on resources. Funds are divided into three categories: governmental, proprietary, and fiduciary. Fund financial statements allow the City to present information regarding fiduciary funds since they are not reported in the government-wide financial statements.

Governmental Funds – Governmental funds are used for essentially the same functions reported in the governmental activities in the government-wide financial statements. However, unlike the government-wide statements, governmental fund financial statements focus on the near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

As the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains five individual governmental fund types for financial reporting purposes. The governmental fund types are General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds, and Permanent Funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General, Debt Service, COVID-19, Categorical Grant-in Aid, and 2022 General Obligation Bonds Funds, all of which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation labeled as Nonmajor Governmental Funds. Individual fund data for each nonmajor governmental fund is provided in the form of combining statements elsewhere in this report.

Proprietary Funds – The City maintains two types of proprietary funds. *Enterprise Funds* are used to report the functions presented in business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Airport System, Development Services, Market Square, Parking, and Solid Waste Management Funds. *Internal Service Funds* are used to accumulate and allocate costs internally among the City's various functions, including self-insurance programs, information services, other internal services, and capital management services. The services provided by these funds predominantly support the governmental rather than the business-type functions. They have been included within the governmental activities in the government-wide financial statements and are reported alongside the enterprise funds in the fund financial statements. Information is presented separately for Airport System and Solid Waste Management Funds, which are considered to be major funds in the proprietary funds' statement of net position and in the proprietary funds' statement of revenues, expenses, and changes in net position. Data from the

other enterprise funds, Development Services Department, Market Square, and Parking Funds, are combined into a single, aggregated presentation labeled "Nonmajor Enterprise Funds". Individual fund data for each nonmajor enterprise fund and each internal service fund is provided in the form of respective combining statements elsewhere in this report. The Internal Service Funds are combined into a single aggregated presentation in the proprietary fund financial statements.

Fiduciary Funds – The City maintains two different types of fiduciary funds. The Pension (and Other Employee Benefit) Trust Funds are used to report resources held in trust for retirees and beneficiaries covered by the San Antonio Fire and Police Pension Fund, the Retiree Health & Wellness SA Fire and Police Fund and the City of San Antonio Retiree Health Care Fund. The Custodial Funds report resources, not in a trust, that are held by the City for other parties outside of the City's reporting entity.

Fiduciary funds are used to account for resources held for the benefit of parties outside the primary government. Fiduciary funds are not reflected in the government-wide financial statements as the resources of those funds are not available to support the City's programs and operations. The accounting for fiduciary funds is much like that used for the proprietary funds.

Notes to the financial statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Required Supplementary Information and Supplementary Information – In addition to the basic financial statements and the accompanying notes, this report also presents the required supplementary information of (a) the City's General Fund budgetary comparison schedules that demonstrate compliance with their budget, and (b) pension and other postemployment benefits schedules. The budgets for the Debt Service Fund, various Special Revenue Funds, and a Permanent Fund, which are legally adopted on an annual basis, are also included as supplementary schedules within the Combining Financial Statements and Schedules. Additionally, this document presents the Financial Reporting and Compliance Report on Federal and State Grants, or Single Audit Reports, and the Airport Passenger Facility Charges.

Government-Wide Financial Statement Analysis

The following tables, graphs, and analysis discuss the financial position and changes to the financial position for the City as a whole as of and for the year-ended September 30, 2024.

Net Position
As of September 30, 2024
(With Comparative Totals as of September 30, 2023)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023 (Restated)*	2024	2023	2024	2023 (Restated)*
Current and Other Assets	$ 2,946,813	$ 2,876,212	$ 668,071	$ 731,463	$ 3,614,884	$ 3,607,675
Capital Assets	6,070,417	5,769,227	817,283	762,196	6,887,700	6,531,423
Total Assets	9,017,230	8,645,439	1,485,354	1,493,659	10,502,584	10,139,098
Total Deferred Outflows of Resources	854,347	1,012,841	49,256	66,464	903,603	1,079,305
Current and Other Liabilities	741,648	819,050	98,562	140,867	840,210	959,917
Long-term Liabilities	5,688,015	5,502,453	765,272	823,073	6,453,287	6,325,526
Total Liabilities	6,429,663	6,321,503	863,834	963,940	7,293,497	7,285,443
Total Deferred Inflows of Resources	527,827	594,516	134,897	156,750	662,724	751,266
Net Position:						
Net Investment in Capital Assets	3,241,934	3,162,410	322,560	288,098	3,564,494	3,450,508
Restricted	208,537	195,668	306,519	275,879	515,056	471,547
Unrestricted (Deficit)	(536,384)	(615,817)	(93,200)	(124,544)	(629,584)	(740,361)
Total Net Position	$ 2,914,087	$ 2,742,261	$ 535,879	$ 439,433	$ 3,449,966	$ 3,181,694

*See Note 21 Restatements for additional information.

As of September 30, 2024, total assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $3,449,966. Investment in capital assets which represents the largest portion of the City's net position, $3,564,494, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings attributable to the acquisition, construction, or improvement of those assets. Capital assets are used to provide services to the citizens of San Antonio and are not available for further spending. The City's investment in capital assets is reported net of related debt and any related deferred outflows of resources. The resources needed to repay the debt must be provided from other sources, as capital assets cannot be used to liquidate liabilities. The restricted portion of the total net position totaling $515,056 represents resources that are subject to external restrictions on how they may be used.

The following schedule provides a detail of the changes to the City's net position:

Changes in Net Position
Year-Ended September 30, 2024
(With Comparative Totals for the Year-Ended September 30, 2023)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023 (Restated)*	2024	2023	2024	2023 (Restated)*
Revenues:						
Program Revenues:						
Charges for Services	$ 251,312	$ 264,320	$ 358,574	$ 307,208	$ 609,886	$ 571,528
Operating Grants and Contributions	472,237	353,574	36	19,004	472,273	372,578
Capital Grants and Contributions	54,585	59,843	53,849	51,078	108,434	110,921
General Revenues:						
Property Taxes	809,895	765,507			809,895	765,507
Other Taxes	678,310	662,897			678,310	662,897
Revenues from Utilities	500,488	487,646			500,488	487,646
Investment Earnings	137,959	81,677	35,322	13,487	173,281	95,164
Miscellaneous	101,639	112,231	1,639	4,837	103,278	117,068
Special Items	(31,135)		31,135		-	
Total Revenues	2,975,290	2,787,695	480,555	395,614	3,455,845	3,183,309
Expenses:						
Primary Government:						
Governmental Activities:						
General Government	195,810	146,465			195,810	146,465
Public Safety	1,027,190	1,009,008			1,027,190	1,009,008
Public Works	438,995	409,149			438,995	409,149
Sanitation	13,297	12,889			13,297	12,889
Health Services	124,759	121,572			124,759	121,572
Culture and Recreation	258,340	252,864			258,340	252,864
Convention and Tourism	92,716	91,784			92,716	91,784
Urban Redevelopment and Housing	100,428	74,021			100,428	74,021
Welfare	270,173	243,551			270,173	243,551
Education	129,276	107,452			129,276	107,452
Economic Development and Opportunity	55,479	63,711			55,479	63,711
Environmental	3,619	1,866			3,619	1,866
Bond Issuance Costs	2,731				2,731	
Interest on Long-Term Debt	94,944	86,637			94,944	86,637
Business-Type Activities:						
Airport System			171,412	152,352	171,412	152,352
Development Services			50,322	48,530	50,322	48,530
Market Square			2,901	2,854	2,901	2,854
Parking System			9,889	9,558	9,889	9,558
Solid Waste Management			144,185	150,982	144,185	150,982
Total Expenses	2,807,757	2,620,969	378,709	364,276	3,186,466	2,985,245
Before Transfers	167,533	166,726	101,846	31,338	269,379	198,064
Transfers, Net	4,293	288	(5,400)	(701)	(1,107)	(413)
Net Change in Net Position	171,826	167,014	96,446	30,637	268,272	197,651
Beginning Net Position (Previously Reported)	2,742,261	2,576,023	439,433	408,796	3,181,694	2,984,819
Change to Financial Reporting Entity						
(Removal of Blended Component Unit)		(776)				(776)
Net Position, as adjusted or restated	2,742,261	2,575,247	439,433	408,796	3,181,694	2,984,043
Ending Net Position	$ 2,914,087	$ 2,742,261	$ 535,879	$ 439,433	$ 3,449,966	$ 3,181,694

* See Note 21 Restatements for additional information.

The City's total revenues were $3,455,845 for fiscal year-ended September 30, 2024. Revenues from Governmental Activities totaled $2,975,290 (86.1%) and revenues from Business-Type Activities totaled $480,555 (13.9%). Expenses for the City totaled $3,186,466; Governmental Activities expenses totaled $2,807,757 (88.1%) and Business-Type Activities expenses totaled $378,709 (11.9%).

Governmental Activities

Overall governmental activities increased the City's net position by $171,826.

Revenues for Governmental Activities were $2,975,290 compared to prior year's revenues of $2,787,695. The increase of $187,595 is due to the following:

- Charges for Services for Governmental Activities decreased by $13,008;
    - Public Safety revenue decreased by $6,681 in fiscal year 2024 because the City received less reimbursements for EMS Transports. The City participates in the Charity Care EMS reimbursement program, which reimburses EMS transport expenses for those who are below the poverty line and are not on Medicare/Medicaid. The Health and Human Service Committee revised their allocation methodology to be consistent with Centers for Medicare and Medicaid guidance. With this new methodology, the City is no longer reimbursed for readiness cost and travel time, but instead only direct medical utilization, thereby decreasing the City's portion of revenues.
    - Health revenue decreased by $2,383 due to a decrease in Medicaid Waiver receipts as the program ended in fiscal year 2023. The City is now using it's program funding to continue services.
    - Culture and Recreation revenue experienced a decline of $4,263, primarily attributed to a reduction in Alamodome event revenue, which saw a decrease of $5,878 in commissions, merchandise, and box office sales when compared to fiscal year 2023. The Alamodome hosted fewer major revenue-generating events such as sporting competitions and concerts compared to fiscal year 2023.
- Operating Grants and Contributions revenue increased by $118,663, primarily attributed to the following:
    - Public Safety increased by $87,585 due to the reimbursement of $91,944 from the State and Local Fiscal Recovery Funds (SLFRF). This reimbursement pertains to uniform salary and benefit expenditures incurred between March 3, 2021 and December 31, 2024. The allocation of SLFRF funds was executed to fully obligate and expend SLFRF by September 30, 2024.
    - Public Works increased by $6,904 due to the recognition of revenue for new funds allocated to Morgan's Wonderland and Texas Biomed for capital facility improvements of their respective campuses. Furthermore, funding for street maintenance rose by approximately $2,800 compared to the previous fiscal year. This initiative remains a priority for the City Council.
    - Health Services increased by $3,922 due to the receipt of SLFRF grant revenue, which was allocated to support programs addressing both domestic violence prevention and mental health awareness.
    - Culture and Recreation experienced a reduction of $3,736, attributed to a decline in revenue from the SLFRF ARPA 4 Arts Grant Program, which supports individual artists and nonprofit arts organizations in their recovery beyond the pandemic. No awards were granted in fiscal year 2024, as the program is nearing its conclusion.
    - Convention and Tourism decreased by $7,960 due to the City exhausting the remaining usage of federal stimulus funds from ARPA in fiscal year 2023.
    - Urban Redevelopment and Housing experienced an increase of $7,413, attributed to the receipt of revenue associated with expenditures for housing stability and support programs, which operated for a full year compared to the previous year when the City Council approved multiple contracts. Furthermore, the HOME program obtained reimbursement from HUD for expenditures related to two significant multi-family housing projects initiated in fiscal year 2024.
    - The increase in Welfare amounting to $23,951 can be attributed mainly to a reimbursement of $13,436 for expenditures related to the Head Start grants, which resulted from a higher grant award in fiscal

year 2024. This increase was further supported by an enrollment rise of 330 participants compared to fiscal year 2023. In addition, the Shelter and Services Program experienced an additional $11,789 in grant reimbursement for fiscal year 2024, marking its first complete year of operations in contrast to the previous year.

- Capital Grant and Contributions revenue decreased by $5,258, primarily attributed to the following:
    - General Government decreased by $4,063 since there were no contributions from Bexar County and CPS Energy for the Radio and System Replacement in fiscal year 2024 because the project has been substantially completed.
    - Public Works decreased by $4,034 due to less grant spending on the South Presa Street and Harry Wurzbach projects as the grant funding for these projects are substantially spent.
    - Urban Redevelopment and Housing experienced an increase of $3,025 in revenue due to the new housing loans issued through the 2022 Housing Bond Program.
- Property Tax Revenues increased by $44,388 due to an increase in new construction and increase in taxable property valuation on existing properties when compared to fiscal year 2023. The City's property tax rate is at 54.159 cents per $100 of valuation for fiscal year 2024; of this rate, 33.009 cents per $100 is deposited in the General Fund for Maintenance and Operations, with the remaining 21.150 cents per $100 being deposited in the Debt Service Fund to pay principal and interest on outstanding debt.
- Other Taxes Revenues increased by $15,413. The General Sales and Use Taxes increase of $12,286 is primarily due to inflationary price increases and sales within the lodging and food service sectors. The City has additionally seen an increase in sales from online shopping which generates sales tax at the place of order.
- Revenue from Utilities increased by $12,842. In the fiscal year 2024, CPS Energy experienced an increase in off-system sales, and on February 1, 2024, the CPS Energy enacted a rate increase of 4.25%.
- Investment Earnings reflected an increase by $56,282 in fiscal year 2024 due to an average interest rate of 4.5% in fiscal year 2024 compared to an average interest rate of 3.1% in fiscal year 2023, having more cash, and the increase in market value of securities held in the City's investment portfolio.
- Miscellaneous Revenue had a decline of $10,592 due to activities that took place during fiscal year 2023. This included a one-time payment of $3,000 made to Visit San Antonio for the Integrated Precision Warfare (IPW) conference, along with $4,701 allocated from the Opioid Abatement Trust by the Texas Comptroller's Office for the establishment of opioid prevention initiatives. Additionally, the City received its final reimbursement for the Medicaid Waiver Fund from HHSC in fiscal year 2023, and will continue to operate using previously received revenues.
- Special Items decreased by $31,135 due to the transfer of Solid Waste Management debt from business-type debt to governmental long-term debt.

Expenses for Governmental Activities were $2,807,757 compared to prior year's expenses of $2,620,969. The increase of $186,788 is due primarily to the following:

- The increase of $49,345 in General Government expenses is due to; a minimum 4.0% increase in salaries for all civilian employees, and a $25,876 General Fund grant to CPS Energy to be used for resiliency and reliability projects, specifically the Reclosers Program and Power Plant Reliability Investments.
- The increase of $18,182 in Public Safety expenses is due to uniform salary increases as a result of Police's and Fire's respective Collective Bargaining Agreements. Police Uniform personnel received a 3.5% salary increase, Fire Uniform personnel received a 2.5% salary increase, and both Police and Fire Uniform personnel received a 3.0% increase based on longevity.
- The increase of $29,846 in Public Works is primarily due to the spending on the 2022 Bond Program, the City's largest bond program to be approved by the voters. Major projects include the neighborhood improvements and rental housing production and acquisitions. There were new funds allocated to Morgan's Wonderland and Texas Biomed for capital facility improvements of their respective campuses.
- The increase of $3,187 in Health Services is due to City-wide 4.0% salary increases for full-time and part-time employees within the SA Metro Health and Animal Care Services departments.

- The increase of $5,476 in Culture and Recreation is due to City-wide 4.0% salary increases for full-time and part-time employees within the Center City Development Operations, Parks and Recreation and Library departments.
- The increase of $26,407 in Urban Redevelopment and Housing are attributed to expenses associated with housing stability and support initiatives, which operated for a complete year compared to the previous year when the City Council approved multiple contracts. Furthermore, expenditures were incurred for two significant new multi-family housing projects under the HOME program in fiscal year 2024.
- The increase of $26,622 in Welfare is due to $13,436 of expenditures related to the Head Start grants, which resulted from a higher grant award in fiscal year 2024. This increase was further supported by an enrollment rise of 330 participants compared to fiscal year 2023. In addition, the Shelter and Services Program experienced an additional $11,789 in expenditures for fiscal year 2024, marking its first complete year of operations in contrast to the previous year.
- The increase of $21,824 in Education is attributed to a 4.0% salary increment for both full-time and part-time staff, as well as a heightened involvement in case management and tuition and training programs at the San Antonio Early Childhood Education Municipal Development Corporation's Ready to Work program as it completed the first full year of operations.
- Economic Development & Opportunity decreased by $8,232 due to LiftFund expenditures in fiscal year 2023 with no new expenditures in fiscal year 2024. LiftFund was awarded a portion of the City's ARPA funds to help support small businesses affected by the pandemic.
- Interest on Long-Term Debt increased by $8,307 due to interest payments on new debt issuances for 2023 General Obligations Bonds, 2023 Tax Notes, and 2023 Certificates of Obligation Bonds.

Business-Type Activities

Business-Type Activities increased the City's net position by $96,446.

Revenues for Business-Type Activities totaled $480,555 compared to prior year's revenues of $395,614. The increase of $84,941 is due to the following:

- Charges for Services for business-type activities increased $51,366;
    - The San Antonio International Airport revenues increased by $27,613 due to increased passenger activity compared to fiscal year 2023. Total passengers have increased 6.7% and aircraft landings have increased 8.4% compared to fiscal year 2023.
    - Solid Waste Management revenues increased by $21,652 due to a rate increase in fiscal year 2024. The garbage carts monthly rates increased by $1.00 and $3.49 (amounts not in thousands) for the medium and large carts, respectively, per customer. The environmental fee monthly rate increased by $1.26 (amounts not in thousands) per customer.
- Special Items increase of $31,135 is due to the transfer of Solid Waste Management debt from business-type debt to governmental-type long-term debt.
- Investment Earnings reflected an increase by $21,835 in fiscal year 2024 due to an average interest rate of 4.5% in fiscal year 2024 compared to an average interest rate of 3.1% in fiscal year 2023.
- Operating Grants and Contributions decrease of $18,968 is due to fully expending federal stimulus funds from CARES in fiscal year 2023. No additional funds were received in fiscal year 2024.
- Capital Grants and Contributions increase of $2,771 is due to increases in Passenger Facility Charge and Customer Facility Charge revenues. Total passengers have increased 6.7% and aircraft landings have increased 8.4% compared to fiscal year 2023.

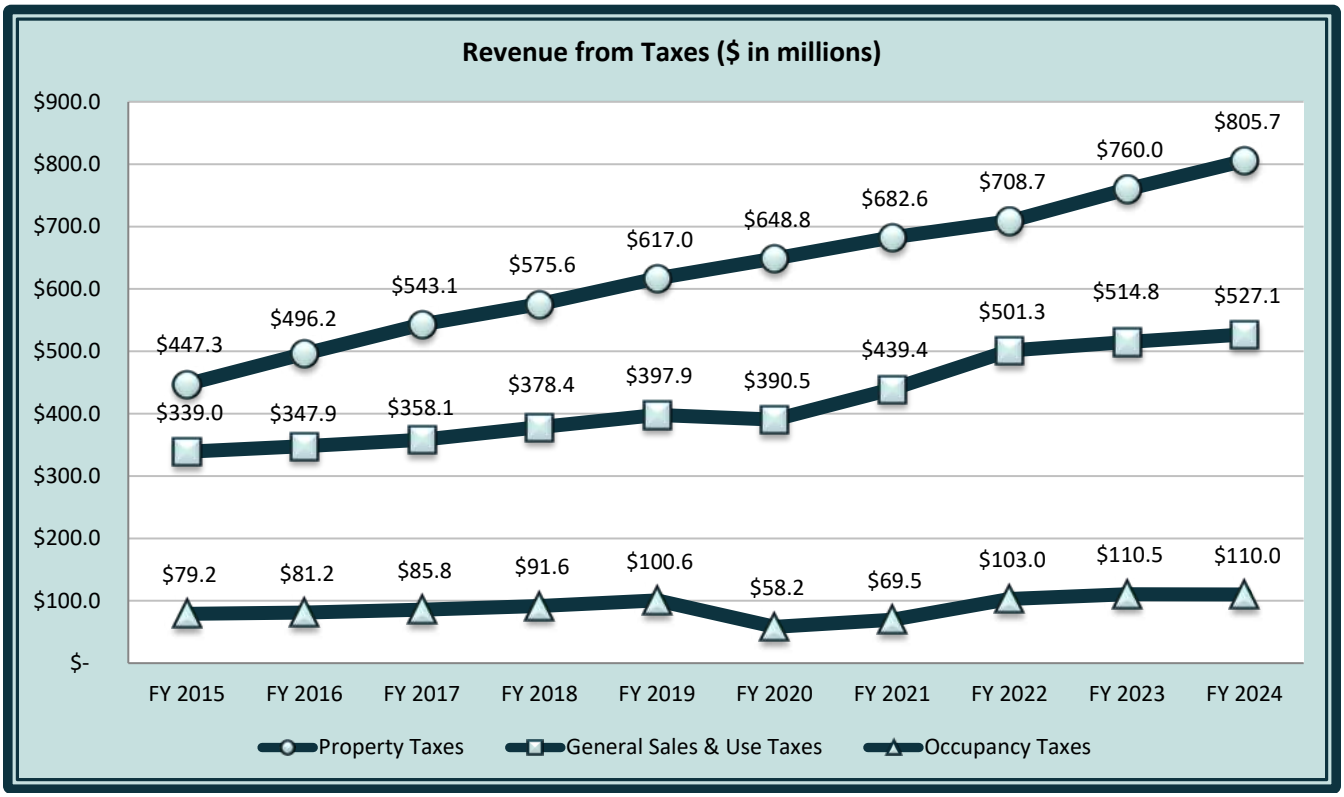
Expenses for Business-Type Activities were $378,709 compared to prior year's expenses of $364,276. The increase of $14,433 is due primarily to the following:

- Airport System increase of $19,060 in expenses is driven by the 2023 Airport Taxable Tax Note interest expense payment increase of $13,939 in fiscal year 2024.
- Solid Waste Management decrease of $6,797 is due to pension and OPEB liabilities decreasing as a result of higher investment earnings from positive performance in the markets.

Financial Analysis of Governmental Funds

Activities of the Primary Government's General Fund, Special Revenue Funds, Debt Service Fund, and Capital Projects Funds are considered general government functions. The General Fund is the City's primary operating fund. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purposes other than debt service or capital projects. The Debt Service Fund is used to account for financial activity related to the City's general bonded indebtedness, as well as other long-term obligations. The Capital Projects Funds are used to account for financial activity related to the City debt for Capital Projects, other agency contributions, and the operating activities of those projects.

- Revenues from taxes increased by $56,623, which is primarily attributable to: (1) a $45,750 increase in property tax revenues (2) a $12,286 increase in general sales and use tax, and (3) a $500 decrease in occupancy tax revenues. The increase in property taxes is due to an 4.4% increase in value for existing taxable property valuation, while new taxable property valuation increased by approximately 2.1%. The increase in general sales and use taxes is a result of the lodging and food services increasing over last year. The decrease in occupancy tax revenues is due to a decrease of 0.4% in occupancy levels. The offset decrease in taxes is from liquor by the drink tax and business and franchise taxes.



The total fund balance of the General Fund at year-end was $583,400, an increase of $18,148 from the total fund balance of $565,252 in fiscal year 2023. The fund balance is categorized as follows: $11,771 in nonspendable, $202,506 in committed, $4 in assigned, and $369,119 in unassigned fund balances. The unassigned fund balance includes $184,329 in budgeted financial reserves held by the City, as well as amounts available for additional appropriations at the end of the fiscal year inclusive of a $154,045 reserve for Two-Year Budget Plan.

The total fund balance of the Debt Service Fund at year-end was $43,932, a decrease of $2,682 from the total fund balance of $46,614 in fiscal year 2023 due to a decrease in transfers from the Convention and Visitors Facilities fund for the Alamodome debt which will now be covered by ad valorem taxes. The entire fund balance is restricted for payment of debt service.

The COVID-19 Funds have a total fund balance of $93,373 at year-end, an increase of $111,860 from the total deficit fund balance of $18,487 in fiscal year 2023. The fund balance is due to operating funds transferred into the COVID-19 Funds to complete programs approved by City Council. The COVID-19 Funds are restricted or committed, depending upon funding source, for disbursements related to the City's response to the COVID-19 pandemic.

The Categorical Grant-in Aid Fund has a deficit fund balance of $33,501 at year-end, a decrease of $18,817 from the total deficit fund balance of $14,684 in fiscal year 2023. The negative fund balance is a result of timing of reimbursements from the federal or state government for grant reimbursements. The Categorical Grant-in Aid Fund is restricted for disbursements related to the City's awarded federal and state grants.

The total fund balance of the 2022 General Obligation Bonds at year-end was $375,891, an increase of $66,840 from the total fund balance of $309,051 in fiscal year 2023. The increase is from the second year of sales of obligation bonds issued to support capital expenditures associated with the $1,200,000 bond program approved by voters in fiscal year 2022.

General Fund Budgetary Highlights

Variances in Budget Appropriations
Year-Ended September 30, 2024
(Budgetary Basis)
General Fund

	Original Budget	Final Budget	Actual Results	Variances	
				Budget	Final to Actual
Resources (Inflows):					
Taxes	$ 916,145	$ 893,936	$ 893,436	$ (22,209)	$ (500)
Licenses and Permits	10,172	10,360	10,047	188	(313)
Intergovernmental	11,208	107,390	108,753	96,182	1,363
Revenues from Utilities	454,163	500,796	500,488	46,633	(308)
Charges for Services	70,624	71,951	69,403	1,327	(2,548)
Fines and Forfeits	9,193	9,678	9,655	485	(23)
Miscellaneous	16,792	18,157	20,747	1,365	2,590
Investment Earnings	11,601	22,922	27,103	11,321	4,181
Transfers from Other Funds	21,087	20,481	20,845	(606)	364
Total	$ 1,520,985	$ 1,655,671	$ 1,660,477	$ 134,686	$ 4,806
Charges to Appropriations (Outflows):					
General Government	$ 110,144	$ 142,779	$ 141,142	$ 32,635	$ 1,637
Public Safety	931,984	948,101	948,526	16,117	(425)
Public Works	82,410	102,892	102,805	20,482	87
Health Services	72,355	73,441	73,417	1,086	24
Culture and Recreation	152,145	155,904	155,681	3,759	223
Urban Redevelopment and Housing	41,271	46,573	46,446	5,302	127
Welfare	58,531	60,496	60,243	1,965	253
Economic Development and Opportunity	18,314	21,162	17,746	2,848	3,416
Environmental	8,892	11,788	8,659	2,896	3,129
Transfers to Other Funds	106,574	276,234	275,481	169,660	753
Total	$ 1,582,620	$ 1,839,370	$ 1,830,146	$ 256,750	$ 9,224

Changes from the adopted budget revenues to the final amended budget resulted in a net increase of $134,686. This increase can be summarized by the following:

- Current Property Tax budget was decreased by $7,958 because of more than anticipated protests and appeals, as well as more individuals receiving a Homestead, Over-65, or Disabled Persons exemption.
- City Sales Tax budget decreased by $10,241 as growth trended less than the rate of inflation indicating a slowing in spending by both businesses and consumers on an inflation-adjusted basis.
- Intergovernmental budget was increased by $95,560 due to the allocation of State and Local Fiscal Recovery Funds (SLFRF) into the General Fund. This funding was designated to reimburse expenditures related to uniform salaries and benefits incurred between March 3, 2021, and December 31, 2024. The reimbursement was executed to guarantee that SLFRF were fully obligated and expended by September 30, 2024.
- Revenues from Utilities budget was increased by $46,633 to reflect higher than anticipated off-system sales and to consider the impact of the 4.25% CPS rate adjustment which took effect February 1, 2024.
- Investment Earnings budget increased by $11,321 due to rates being originally budgeted at an annual average rate of 3.1% while actual earnings were at an annual average rate of 4.3%.

Final budgeted revenue for the General Fund were $1,655,671 while actual revenues on a budgetary basis were $1,660,477, creating a favorable variance of $4,806. Variance explanations are listed below:

- Charges for Services unfavorable variance is due to lower than anticipated reimbursements for EMS Transports. The City participates in the Charity Care EMS reimbursement program, which reimburses EMS transport expenses for those who are below the poverty line and are not on Medicare/Medicaid. For fiscal year 2024, the Health and Human Service Committee revised their allocation methodology to be consistent with Centers for Medicare and Medicaid guidance. With this new methodology, the City is no longer reimbursed for readiness cost and travel time, only direct medical utilization. As a result, the reimbursement was $3,500 less than what was anticipated.
- Miscellaneous revenues are higher than planned due to deployment reimbursements for City uniform personnel to assist with natural disasters.
- Investment Earnings revenues are $4,181 higher than the 2024 estimate attributed final interest rate revenues coming in slightly higher, annual average of 4.5%, than final budgeted projections, annual average of 4.3%.

Changes in original expenditure budget appropriations to the final amended budget appropriations resulted in a net $256,750 increase in appropriations. This increase can be summarized by the following:

- General Government increased by $32,635 to capture prior year carryforwards related to City-wide planning and capital outlay of computer replacements, generators, and other essential equipment.
- Public Safety increased by $16,117 to capture prior year carryforwards related to capital outlay for replacement duty weapons, computer replacements, computer equipment, vehicles, and other essential equipment.
- Public Works increased by $20,482 to capture prior year carryforwards including a $10,000 contribution to VIA, $9,025 for streets, and $1,906 for various traffic and transportation programs.
- Urban Redevelopment and Housing increased by $5,302 to capture prior year carryforwards of $6,370 for Neighborhood and Housing primarily for the Home Owner-Occupied Rehabilitation Program.
- Economic Development budget increased by $2,848 to capture $4,929 of prior year carryforwards for the Economic Development Incentive Fund, for multi-year incentive agreements with multiple entities, and $1,823 for other economic development initiatives funded from the General Fund.
- Transfers to Other Funds increased by $169,660, to reflect the $91,945 transfer for SLFRF to cover existing contracts and commitments associated with the City's response and recovery from COVID-19, the $25,586 General Fund grant to CPS Energy, as well as to capture the carryforwards for the public safety warehouse, the San Antonio African American Museum, Vision Zero and various public works projects like street maintenance and sidewalks.

Final budgeted expenditure appropriations for the General Fund were $1,839,370 while actual expenditures on a budgetary basis were $1,830,146, creating a favorable variance of $9,224. Variance explanations are listed below:

- General Government savings of $1,637 was driven by less spending in legal fees associated with collective bargaining and professional services, City language contracts, and accounting software used for GASB implementations.

- Economic Development savings amounting to $3,416 are attributed to contractual obligations in Economic Development Agreements and International Initiatives.
- Environmental savings of $3,129 are primarily attributed to new processes for business incentives and community programs leading to longer application, enrollment and validation. Excess funds are reserved for future use to support this program.

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2024, amounts to $6,887,700 (net of accumulated depreciation). This investment in capital assets includes land, other non-depreciable assets, buildings, improvements, infrastructure, machinery and equipment, intangible assets, and construction in progress. The net increase in the City's investment in capital assets for the current fiscal year was $356,277, which is comprised of an increase of $301,190 in governmental activities and an increase of $55,087 in business-type activities.

Capital Assets
as of September 30, 2024
(With Comparative Totals as of September 30, 2023)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023 (Restated)*	2024	2023	2024	2023 (Restated)*
Land	$ 1,452,090	$ 1,448,684	$ 15,796	$ 15,796	$ 1,467,886	$ 1,464,480
Construction in Progress	583,775	403,438	105,336	37,258	689,111	440,696
Non-Depreciable Intangible	270,747	256,735			270,747	256,735
Depreciable Intangible Assets	123	211	3,515	6,395	3,638	6,606
Buildings	997,211	1,002,464	319,273	335,284	1,316,484	1,337,748
Improvements	607,078	619,649	341,119	348,520	948,197	968,169
Infrastructure	1,689,821	1,672,961			1,689,821	1,672,961
Machinery & Equipment	283,781	261,938	13,822	14,768	297,603	276,706
Leases	94,890	84,419	11,137	192	106,027	84,611
Subscriptions	90,901	18,728	7,285	3,983	98,186	22,711
Total Capital Assets	$ 6,070,417	$ 5,769,227	$ 817,283	$ 762,196	$ 6,887,700	$ 6,531,423

* See Note 21 Restatements for additional information.

During fiscal year 2024, the City transferred $238,978 of construction in progress for completed capital projects, mainly comprised of city-wide streets and drainage projects, parks improvements, and building improvements.

The following schedule provides a summary of the City's changes in capital assets:

Change in Capital Assets
Year-Ended September 30, 2024

	Governmental Activities	Business-Type Activities	Total
Beginning Balance	$ 5,769,227	$ 762,196	$ 6,531,423
Additions	641,246	112,338	753,584
Deletions	(29,953)	(5,400)	(35,353)
Accumulated Depreciation	(310,103)	(51,851)	(361,954)
Ending Balance	$ 6,070,417	$ 817,283	$ 6,887,700

Additional information on the City's capital assets can be found in Note 5 Capital Assets.

Debt Administration

Standard & Poor's, Moody's, and Fitch's underlying ratings for City obligations during fiscal year 2024 were as follows:

Bond Ratings
Year-Ended September 30, 2024

	Standard & Poor's	Moody's	Fitch
General Obligation/Certificates of Obligation/Tax Notes	AAA	Aaa	AA+
Airport System	A+	A1	A+
Airport PFC	A	A2	A
Airport CFC	A	A3	BBB+
Municipal Drainage Utility System Revenue Bonds	AA+	Aa2	AA+
Municipal Facilities Corporation Lease Revenue Bonds	AA+	Aa1	AA
Public Facilities Corporation Lease Revenue Bonds	AA+	Aa2	AA
Starbright Industrial Development Corporation Contract Revenue Bonds	AA+	Aa1	AA

Long-Term Obligations

At the end of the current fiscal year, the City had a total of $3,816,735 in bonds, certificates, and notes outstanding. Additional information on the City's long-term debt, including descriptions of the new issues, can be found in Note 8 Long-Term Obligations.

Outstanding Debt
as of September 30, 2024
(With Comparative Totals as of September 30, 2023)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2024	2023	2024	2023	2024	2023
Bonds Payable:						
Tax-Exempt General Obligation Bonds	$ 1,287,030	$ 1,193,425	$ -	$ 1,105	$ 1,287,030	$ 1,194,530
Taxable General Obligation Bonds	410,060	470,515		1,580	410,060	472,095
Tax-Exempt Certificates of Obligation	558,300	431,300	5,140	32,980	563,440	464,280
Taxable Certificates of Obligation	160,790	134,420			160,790	134,420
Taxable Tax Notes	70,645	67,660	269,635	269,635	340,280	337,295
Revenue Bonds	693,485	705,865	309,970	331,230	1,003,455	1,037,095
Notes from Direct Placements	30,000	30,000			30,000	30,000
Bonds from Direct Placements	21,680	25,295		62,000	21,680	87,295
Total	$ 3,231,990	$ 3,058,480	$ 584,745	$ 698,530	$ 3,816,735	$ 3,757,010

Governmental Activities

On July 10, 2024, the City issued $29,445 in Variable Lease Revenue Bonds, Series 2021 (2024 Tax-Exempt Remarketing) to remarket taxable bonds that were issued for the City Tower Renovation Project financing in June 2021, which had a three-year mandatory redemption on August 1, 2024, through the Texas Municipal Facilities Corporation. The Variable Rate Lease Revenue Bonds included a premium of $1,333 and have maturities ranging from 2049 to 2050, with an interest rate of 5.0%, and a mandatory redemption on August 1, 2027.

On May 7, 2022, voters approved a $1,200,000 bond program, the largest bond program in the City's history. On August 20, 2024, the City issued $175,975 in General Improvement Bonds, Series 2024. The General Improvement Bonds, Series 2024 proceeds and premium were issued to finance improvements to streets, bridges, and sidewalks; drainage and flood

control; parks and recreation; library and cultural facilities; and public safety facilities. These Bonds represent the third installment of the Bond Program approved by voters in May 2022.

Additionally, on August 20, 2024 the City issued $123,850 in Combination Tax and Revenue Certificates of Obligation, Series 2024; $32,355 in Combination Tax and Revenue Certificates of Obligation, Taxable Series 2024, and $55,100 in Tax Notes, Series 2024. The Tax-Exempt Certificates of Obligation were issued to finance improvements to drainage, public safety, streets, information technology, municipal facilities, and parks and recreation. The Taxable Certificates of Obligation proceeds were issued to finance Alamodome improvements and solar projects. The Tax Notes proceeds were issued to finance improvements for information technology, municipal facilities, parks and recreation, street maintenance projects, police, and council district improvements.

Business-Type Activities

The City did not issue debt for business-type activities in fiscal year 2024.

The Constitution of the State of Texas and the City Charter limit the amount of debt the City may incur. For more information related to these limits and the City's long-term obligations see Note 8 Long-Term Obligations.

Currently Known Facts

For more information on other currently known facts, please see Note 22 Subsequent Events.

Requests for Information

This financial report is designed to provide a general overview of the City's position for those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, P.O. Box 839966, San Antonio, TX 78283-3966 or via email at http://www.sanantonio.gov/Finance/about/contactandfeedback.

CITY OF SAN ANTONIO
TEXAS
LIBERTATIS CUNABULA

Basic Financial Statements

Statement of Net Position
As of September 30, 2024
(In Thousands)

	PRIMARY GOVERNMENT			
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
Assets:				
Current Assets:				
Cash and Cash Equivalents	$ 217,159	$ 13,880	$ 231,039	$ 661,262
Investments	669,966	64,113	734,079	511,211
Receivables, Net	196,832	20,314	217,146	538,346
Materials and Supplies, at Cost	14,137	1,362	15,499	225,087
Internal Balances	8,613	(15,161)	(6,548)	
Due From Other Governmental Agencies, Net	4,224	78	4,302	987
Deposits	304		304	
Prepaid Expenses	12,701	101	12,802	179,262
Lease Receivables	3,228	9,666	12,894	26,265
Other Assets				8
Restricted Assets:				
Cash and Cash Equivalents	557,381	164,906	722,287	633,141
Investments	917,855	330,264	1,248,119	1,445,676
Receivables, Net	121,286	6,688	127,974	9,654
Materials and Supplies, at Cost	1,647		1,647	
Deposits	15		15	
Prepaid Expenses	9,954	264	10,218	
Lease Receivables	2,367		2,367	3,902
Due From Other Governmental Agencies, Net	92,556	150	92,706	
Total Current Assets	2,830,225	596,625	3,426,850	4,234,801
Noncurrent Assets:				
Capital Assets:				
Non-Depreciable	2,306,612	121,132	2,427,744	2,788,863
Depreciable, Net	3,578,014	677,729	4,255,743	15,432,267
Lease Assets, Net	94,890	11,137	106,027	5,809
Subscription Assets, Net	90,901	7,285	98,186	34,669
Cash and Cash Equivalents				236,379
Investments	700		700	346,861
Receivables, Net	63,869		63,869	4,356
Prepaid Expenses				52,365
Pension Regulatory Asset				244,586
Lease Receivables	52,019	71,446	123,465	213,487
Other Noncurrent Assets				1,069,928
Total Noncurrent Assets	6,187,005	888,729	7,075,734	20,429,570
Total Assets	9,017,230	1,485,354	10,502,584	24,664,371
Total Deferred Outflows of Resources	854,347	49,256	903,603	892,928
Liabilities:				
Current Liabilities:				
Accounts Payable and Other Current Liabilities	107,988	28,929	136,917	858,154
Accrued Interest	34	54	88	
Unearned Revenue	4,550	1,220	5,770	2,190
Current Portion of Long-Term Obligations	163,349	9,444	172,793	78,008
Liabilities Payable From Restricted Assets:				
Accounts Payable and Current Liabilities	148,561	27,221	175,782	75,558
Accrued Interest on Bonds and Certificates	17,528	6,322	23,850	20,769
Unearned Revenue	15,198	576	15,774	
Due To Other Governmental Agencies	11		11	
Current Portion of Long-Term Obligations	284,429	24,796	309,225	302,335
Total Current Liabilities	741,648	98,562	840,210	1,337,014
Noncurrent Liabilities:				
Noncurrent Portion of Long-Term Obligations	5,688,015	765,272	6,453,287	14,220,939
Total Noncurrent Liabilities	5,688,015	765,272	6,453,287	14,220,939
Total Liabilities	6,429,663	863,834	7,293,497	15,557,953
Total Deferred Inflows of Resources	527,827	134,897	662,724	515,035
Net Position:				
Net Investment in Capital Assets	3,241,934	322,560	3,564,494	6,788,312
Restricted for:				
Debt Service	43,302	38,691	81,993	243,523
Capital Projects	(4,663)	267,828	263,165	942,831
Operating and Other Reserves	149,559		149,559	128,479
Perpetual Care:				
Expendable	13,387		13,387	
Nonexpendable	6,952		6,952	
Unrestricted (Deficit)	(536,384)	(93,200)	(629,584)	1,381,166
Total Net Position	$ 2,914,087	$ 535,879	$ 3,449,966	$ 9,484,311

The accompanying notes are an integral part of these basic financial statements.

Statement of Activities

Year-Ended September 30, 2024

(In Thousands)

FUNCTION/PROGRAM ACTIVITIES	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: PRIMARY GOVERNMENT: GOVERNMENTAL ACTIVITIES	PRIMARY GOVERNMENT: BUSINESS-TYPE ACTIVITIES	PRIMARY GOVERNMENT: TOTAL	COMPONENT UNITS
Primary Government:								
Governmental Activities:								
General Government	$ 195,810	$ 19,773	$ 15,320	$ 1	$ (160,716)	$ -	$ (160,716)	
Public Safety	1,027,190	41,629	112,268		(873,293)		(873,293)	
Public Works	438,995	69,763	13,956	50,779	(304,497)		(304,497)	
Sanitation	13,297	11,356	23		(1,918)		(1,918)	
Health Services	124,759	11,350	54,680		(58,729)		(58,729)	
Culture and Recreation	258,340	90,744	2,262		(165,334)		(165,334)	
Convention and Tourism	92,716		7,950		(84,766)		(84,766)	
Urban Redevelopment and Housing	100,428	1,160	41,105	3,025	(55,138)		(55,138)	
Welfare	270,173		214,547		(55,626)		(55,626)	
Education	129,276	2,156	1,621	780	(124,719)		(124,719)	
Economic Development and Opportunity	55,479	2,677	8,232		(44,570)		(44,570)	
Environmental	3,619	704	273		(2,642)		(2,642)	
Bond Issuance Costs	2,731				(2,731)		(2,731)	
Interest on Long-Term Debt	94,944				(94,944)		(94,944)	
Total Governmental Activities	2,807,757	251,312	472,237	54,585	(2,029,623)		(2,029,623)	
Business-Type Activities:								
Airport System	171,412	150,292	36	53,849		32,765	32,765	
Development Services	50,322	45,911				(4,411)	(4,411)	
Market Square	2,901	2,310				(591)	(591)	
Parking System	9,889	7,534				(2,355)	(2,355)	
Solid Waste Management	144,185	152,527				8,342	8,342	
Total Business-Type Activities	378,709	358,574	36	53,849		33,750	33,750	
Total Primary Government	$ 3,186,466	$ 609,886	$ 472,273	$ 108,434	(2,029,623)	33,750	(1,995,873)	
Discretely Presented Component Units:								
CPS Energy	$ 3,268,807	$ 3,359,249	$ -	$ 103,062				$ 193,504
SAWS	835,327	862,770		344,933				372,376
Brooks	34,419	17,934		240				(16,245)
Port Authority of San Antonio	74,737	66,081		2,064				(6,592)
SABC Soccer Public Facility Corporation	1,222	794						(428)
SA Energy Acquisition Public Facility Corporation	35,164	26,564						(8,600)
Total Discretely Presented Component Units	$ 4,249,676	$ 4,333,392	$ -	$ 450,299				534,015
General Revenues:								
Taxes:								
Property					809,895		809,895	
General Sales and Use					527,129		527,129	
Selective Sales and Use					12,425		12,425	
Gross Receipts Business					17,486		17,486	
Occupancy					113,944		113,944	
Penalties and Interest on Delinquent Taxes					7,326		7,326	
Revenues from Utilities					500,488		500,488	
Investment Earnings					137,959	35,322	173,281	225,739
Miscellaneous					101,639	1,639	103,278	22,079
Special Item - Indebtedness Assumed by Governmental Activities					(31,135)	31,135		
Transfers, net					4,293	(5,400)	(1,107)	
Total General Revenues, Special Items and Transfers					2,201,449	62,696	2,264,145	247,818
Change in Net Position					171,826	96,446	268,272	781,833
Net Position - Beginning of Fiscal Year, as previously reported					2,743,037	439,433	3,182,470	8,709,417
Change in Accounting Principle								(98)
Change To Financial Reporting Entity (Removal of Blended Component Unit)					(776)		(776)	(6,841)
Net Position, as adjusted or restated					2,742,261	439,433	3,181,694	8,702,478
Net Position - End of Fiscal Year					$ 2,914,087	$ 535,879	$ 3,449,966	$ 9,484,311

The accompanying notes are an integral part of these basic financial statements.

Balance Sheet
Governmental Funds
As of September 30, 2024
(In Thousands)

	MAJOR FUNDS						
	GENERAL	DEBT SERVICE	COVID-19 FUNDS	CATEGORICAL GRANT IN-AID	2022 GENERAL OBLIGATION BONDS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Assets:							
Cash and Cash Equivalents	$ 104,792	$ -	$ -	$ -	$ -	$ 53,507	$ 158,299
Investments	351,836					118,503	470,339
Receivables, Net	193,842					1,325	195,167
Materials and Supplies, at Cost	10,190					394	10,584
Prepaid Expenditures	1,581					668	2,249
Lease Receivables	9,954					7,406	17,360
Due From Other Funds	65,761					1,800	67,561
Due From Other Governmental Agencies, Net	2,484					1,455	3,939
Restricted Assets:							
Cash and Cash Equivalents		41,281	27,846	2,136	80,121	405,889	557,273
Investments		2,050	80,038	421	293,952	541,974	918,435
Receivables, Net	33,753	15,949	495	1,015	4,843	129,100	185,155
Materials and Supplies, at Cost			28	842		777	1,647
Deposits						15	15
Prepaid Expenditures			5,506	22		4,426	9,954
Lease Receivables						38,416	38,416
Due From Other Funds		435	5,416			8,990	14,841
Due From Other Governmental Agencies, Net	1,130		21,831	59,771		9,824	92,556
Total Assets	$ 775,323	$ 59,715	$ 141,160	$ 64,207	$ 378,916	$ 1,324,469	$ 2,743,790
Liabilities, Deferred Inflows of Resources, and Fund Balances:							
Liabilities:							
Vouchers Payable	$ 18,737	$ -	$ -	$ -	$ -	$ 2,357	$ 21,094
Accounts Payable - Other	41,187					9,398	50,585
Accrued Payroll	13,001					133	13,134
Accrued Leave Payable	8,130						8,130
Unearned Revenue	4,247					267	4,514
Due To Other Funds	5,851						5,851
Liabilities Payable From Restricted Assets:							
Vouchers Payable	7		2,758	7,922		66,807	77,494
Accounts Payable - Other	22	575	4,307	8,015		57,809	70,728
Accrued Payroll	25		196	805		2,619	3,645
Accrued Leave Payable						253	253
Unearned Revenue			1,025	3,286		10,887	15,198
Due To Other Funds		100	20,802	44,168		18,070	83,140
Due To Other Governmental Agencies				11			11
Total Liabilities	91,207	675	29,088	64,207		168,600	353,777
Deferred Inflows of Resources	100,716	15,108	18,699	33,501	3,025	129,778	300,827
Fund Balances (Deficits):							
Nonspendable	11,771		5,534	864		13,191	31,360
Restricted		43,932			375,891	807,587	1,227,410
Committed	202,506		111,181			212,323	526,010
Assigned	4					14,891	14,895
Unassigned	369,119		(23,342)	(34,365)		(21,901)	289,511
Total Fund Balances (Deficits)	583,400	43,932	93,373	(33,501)	375,891	1,026,091	2,089,186
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	$ 775,323	$ 59,715	$ 141,160	$ 64,207	$ 378,916	$ 1,324,469	$ 2,743,790

The accompanying notes are an integral part of these basic financial statements.

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

As of September 30, 2024

(In Thousands)

Fund Balances - Total Governmental Funds		$ 2,089,186
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Governmental Capital Assets:		
Depreciable and Non-Depreciable Assets		
Land	1,452,090	
Construction In Progress	583,775	
Non-Depreciable Intangible Assets	270,747	
Depreciable Intangible Assets	4,091	
Buildings	1,678,665	
Improvements	1,281,005	
Infrastructure	4,392,077	
Machinery and Equipment	511,335	
Less: Accumulated Depreciation	(4,432,716)	
Total Depreciable and Non-Depreciable Assets	5,741,069	
Governmental Lease Assets	91,565	
Less: Accumulated Amortization (Lease Assets)	(24,109)	
Total Governmental Lease Assets	67,456	
Governmental Subscription Assets	79,705	
Less: Accumulated Amortization (Subscription Assets)	(13,221)	
Total Governmental Subscription Assets	66,484	
Governmental Capital Assets:		5,875,009
Deferred inflows of resources-unavailable revenue not reported in the Statement of Net Position		
Revenues previously recorded as unavailable revenue in the fund financial statements		220,303
Internal Service Funds are used by management to charge the cost of certain activities to individual funds. The assets and liabilities of the Internal Service Funds are included in the governmental activities in the Statement of Net Position.		185,758
Deferred outflows of resources related to pensions, OPEB, loss on bond refunding, and asset retirement obligations not reported in the Governmental Funds		823,571
Deferred inflows of resources related to pensions and OPEB not reported in the Governmental Funds		(412,402)
Long-term liabilities are not due and payable in the current year, therefore are not reported in the governmental funds.		
Governmental Bonds Payable	(3,227,809)	
Unamortized Discount/(Premium) on Bonds, Net	(189,856)	
Lease Liability	(54,909)	
Subscription Liability	(67,194)	
Financed Purchases	(5,169)	
Net OPEB and Pension Liability	(2,041,905)	
Accrued Interest Payable	(17,528)	
Arbitrage Rebate Payable	(12,613)	
Pollution Remediation Payable	(2,052)	
Accrued Leave Payable	(248,273)	
Other Payable	(30)	
		(5,867,338)
Net Position of Governmental Activities		$ 2,914,087

The accompanying notes are an integral part of these basic financial statements.

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year-Ended September 30, 2024
(In Thousands)

	MAJOR FUNDS						
	GENERAL	DEBT SERVICE	COVID-19 FUNDS	CATEGORICAL GRANT IN-AID	2022 GENERAL OBLIGATION BONDS	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Revenues:							
Taxes:							
Property	$ 459,838	$ 295,141	$ -	$ -	$ -	$ 50,747	$ 805,726
General Sales and Use	401,918					125,211	527,129
Selective Sales and Use	12,425						12,425
Gross Receipts Business	15,768					1,718	17,486
Occupancy						110,048	110,048
Penalties and Interest on Delinquent Taxes	3,487	2,234				961	6,682
Licenses and Permits	10,047						10,047
Intergovernmental	108,753		92,726	225,467		67,300	494,246
Revenues from Utilities	500,488						500,488
Charges for Services	69,075					158,805	227,880
Fines and Forfeits	9,655					304	9,959
Miscellaneous	21,439	430	1	359		55,635	77,864
Investment Earnings	35,484	5,311	7,958	98	14,525	59,986	123,362
Contributions				17,536		6,876	24,412
Total Revenues	1,648,377	303,116	100,685	243,460	14,525	637,591	2,947,754
Expenditures:							
Current:							
General Government	131,306	1,412	7,086	3,621		14,936	158,361
Public Safety	996,403		213	22,835		10,648	1,030,099
Public Works	69,285		12,093	15,043		63,403	159,824
Health Services	67,382		25,551	18,351		9,082	120,366
Sanitation				23		12,586	12,609
Welfare	54,428		16,934	192,941		1,204	265,507
Culture and Recreation	150,007			197		74,034	224,238
Convention and Tourism						77,945	77,945
Urban Redevelopment and Housing	37,439		11,680	3,419		32,520	85,058
Education			297	554		140,161	141,012
Economic Development and Opportunity	9,929		5,562			41,226	56,717
Environmental	3,225			280		114	3,619
Capital Outlay						553,157	553,157
Debt Service:							
Principal Retirement		234,610				38,349	272,959
Interest		87,936				30,340	118,276
Arbitrage						2,731	2,731
Issuance Costs					1,180	1,551	2,731
Leases:							
Principal Retirement	2,902		1,319	2,966		3,033	10,220
Interest	497		25	409		497	1,428
Subscription:							
Principal Retirement	6,755			57		702	7,514
Interest	2,236					53	2,289
Total Expenditures	1,531,794	323,958	80,760	260,696	1,180	1,108,272	3,306,660
Excess (Deficiency) of Revenues Over (Under) Expenditures	116,583	(20,842)	19,925	(17,236)	13,345	(470,681)	(358,906)
Other Financing Sources (Uses):							
Issuance of Long-Term Debt					175,975	242,042	418,017
Issuance of Lease Liabilities	1,343					2,630	3,973
Issuance of Subscription Liabilities	63,529					758	64,287
Premium on Long-Term Debt					20,313	15,074	35,387
Transfers In	20,845	18,160	91,935	7,094		727,430	865,464
Transfers Out	(184,152)			(8,675)	(142,793)	(544,651)	(880,271)
Total Other Financing Sources (Uses), Net	(98,435)	18,160	91,935	(1,581)	53,495	443,283	506,857
Net Change in Fund Balances (Deficits)	18,148	(2,682)	111,860	(18,817)	66,840	(27,398)	147,951
Fund Balances (Deficits) October 1, as previously reported	565,252	46,614	(18,487)		309,051	1,039,229	1,941,659
Change Within Financial Reporting Entity (Nonmajor to Major Fund)				(14,684)		14,684	
Change to Financial Reporting Entity (Removal of Blended Component Unit)						(424)	(424)
Fund Balances (Deficits) October 1, as Restated	565,252	46,614	(18,487)	(14,684)	309,051	1,053,489	1,941,235
Fund Balances (Deficits) September 30	$ 583,400	$ 43,932	$ 93,373	$ (33,501)	$ 375,891	$ 1,026,091	$ 2,089,186

The accompanying notes are an integral part of these basic financial statements.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year-Ended September 30, 2024

(In Thousands)

Net change in Fund Balances - Total Governmental Funds		$ 147,951
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeds depreciation in the current year.		
Expenditures for Capital Assets	465,478	
Pollution Remediation Capitalization	350	
Donated Capital Assets	791	
Less: Current Year Depreciation	(252,769)	
Less: Current Year Deletions	(16,693)	
		197,157
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements.		18,565
The issuance of long-term debt (e.g. bonds, notes and loans) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is first issued. This amount is the net effect of these differences in the treatment of long-term debt and related items.		
Bond, Note, Loan and Financed Purchases Amounts Issued	(418,017)	
(Premium)/Discount on Long-term Debt	(35,387)	
Debt Transfer from Enterprise Funds	(31,135)	
Amortization of Bond Premiums/Discounts and Deferred Charges, Net	28,460	
Principal Payments	272,959	
		(183,120)
The following expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:		
Interest Expense	(2,561)	
Accrued Leave Payable	(8,412)	
Net OPEB and Pension Expenses	(38,929)	
Pollution Remediation	4,506	
Principal Amounts on Financed Purchases and Notes	575	
Arbitrage	(10,462)	
Net Effect of Lease Activity	15,225	
Net Effect of Subscription Activity	(1,692)	
		(41,750)
Internal Service Funds are used by management to charge the cost of certain activities to individual funds. The change in net position remaining after allocation of business-type activities of the Internal Service Funds is reported with governmental activities.		33,023
Change in Net Position of Governmental Activities		$ 171,826

The accompanying notes are an integral part of these basic financial statements.

CITY OF SAN ANTONIO
TEXAS
LIBERTATIS CUNABULA

Statement of Net Position
Proprietary Funds
As of September 30, 2024
(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	SOLID WASTE MANAGEMENT	NONMAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
Assets:					
Current Assets:					
Unrestricted Assets:					
Cash and Cash Equivalents	$ 4,358	$ 1,413	$ 8,109	$ 13,880	$ 58,860
Investments	30,860	4,722	28,531	64,113	199,627
Receivables, Net	6,887	12,582	845	20,314	1,665
Materials and Supplies, at Cost	1,001	43	318	1,362	3,553
Deposits					304
Prepaid Expenses			101	101	10,452
Lease Receivables	8,200	127	1,339	9,666	285
Due From Other Funds			41	41	
Due From Other Governmental Agencies, Net	77		1	78	285
Total Unrestricted Assets	51,383	18,887	39,285	109,555	275,031
Restricted Assets:					
Debt Service Accounts:					
Cash and Cash Equivalents	42,982		107	43,089	74
Investments	1,384		325	1,709	4
Receivables, Net			2	2	
Construction Accounts:					
Cash and Cash Equivalents	36,239	34	20	36,293	34
Investments	115,505		67	115,572	116
Receivables, Net	702			702	
Prepaid Expenses	264			264	
Improvement and Contingency Accounts:					
Cash and Cash Equivalents	82,851		226	83,077	
Investments	212,216		767	212,983	
Receivables, Net	4,789		5	4,794	
Other Restricted Assets:					
Cash and Cash Equivalents	27	2,420		2,447	
Receivables, Net	1,190			1,190	
Due From Other Governmental Agencies, Net	150			150	
Total Restricted Assets	498,299	2,454	1,519	502,272	228
Total Current Assets	549,682	21,341	40,804	611,827	275,259
Noncurrent Assets:					
Capital Assets:					
Depreciable and Non-Depreciable:					
Land	5,323	1,107	9,366	15,796	
Buildings	542,764	11,147	27,128	581,039	179
Improvements	691,368	15,223	15,580	722,171	715
Machinery and Equipment	43,211	36,167	14,637	94,015	402,622
Depreciable Intangible	353		14,404	14,757	250
Construction in Progress	104,281		1,055	105,336	
Less: Accumulated Depreciation	636,035	43,978	54,240	734,253	260,209
Depreciable and Non-Depreciable, Net	751,265	19,666	27,930	798,861	143,557
Lease Assets	11,904	140	23	12,067	31,764
Less: Accumulated Amortization	862	57	11	930	4,330
Lease Assets, Net	11,042	83	12	11,137	27,434
Subscription Assets	6,449	748	3,776	10,973	34,535
Less: Accumulated Amortization	1,106	525	2,057	3,688	10,118
Subscription Assets, Net	5,343	223	1,719	7,285	24,417
Net Capital Assets	767,650	19,972	29,661	817,283	195,408
Lease Receivables	64,532		6,914	71,446	1,553
Total Noncurrent Assets	832,182	19,972	36,575	888,729	196,961
Total Assets	1,381,864	41,313	77,379	1,500,556	472,220
Total Deferred Outflows of Resources	20,436	17,858	10,962	49,256	30,776

(Continued)

The accompanying notes are an integral part of these basic financial statements.

Statement of Net Position
Proprietary Funds (Continued)
As of September 30, 2024
(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	SOLID WASTE MANAGEMENT	NONMAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
Liabilities:					
Current Liabilities:					
Payable from Current Unrestricted Assets:					
Vouchers Payable	$ 9,719	$ 2,013	$ 661	$ 12,393	$ 17,971
Accounts Payable - Other	6,125	3,359	4,249	13,733	3,052
Claims Payable					30,365
Accrued Payroll	924	1,119	760	2,803	2,152
Accrued Interest	3	51		54	34
Current Portion of Accrued Leave Payable	2,500	2,147	1,657	6,304	4,865
Unearned Revenue	1,188		32	1,220	36
Current Portion of Lease Liability	529	18	2	549	927
Current Portion of Subscription Liability	466	5	420	891	9,136
Current Portion of Financed Purchases	225	1,316		1,541	
Current Portion of Landfill Postclosure Costs		159		159	
Current Portion of Asset Retirement Obligations					263
Total Payable from Current Unrestricted Assets	21,679	10,187	7,781	39,647	68,801
Payable from Current Restricted Assets:					
Vouchers Payable	10,477		38	10,515	
Accrued Payroll	20			20	
Accrued Interest	6,322			6,322	
Current Portion of Accrued Leave Payable	65			65	
Unearned Revenue	576			576	
Current Portion of Bonds and Certificates (net of premium/discount)	24,407		324	24,731	222
Other Payables	16,686			16,686	
Total Payable from Current Restricted Assets	58,553		362	58,915	222
Total Current Liabilities	80,232	10,187	8,143	98,562	69,023
Noncurrent Liabilities:					
Bonds and Certificates (net of current portion & discount/premium)	563,486		5,439	568,925	4,008
Claims Payable (net of current portion)					59,417
Accrued Leave Payable (net of current portion)	1,225	660	35	1,920	1,835
Lease Liability (net of current portion)	11,053	67	10	11,130	28,092
Subscription Liability (net of current portion)	4,877		926	5,803	13,157
Financed Purchases (net of current portion)	290	6,797		7,087	
Net OPEB and Pension Liabilities	58,439	67,001	42,907	168,347	120,182
Pollution Remediation (net of current portion)	1,274			1,274	
Asset Retirement Obligations (net of current portion)	786			786	1,825
Total Noncurrent Liabilities	641,430	74,525	49,317	765,272	228,516
Total Liabilities	721,662	84,712	57,460	863,834	297,539
Total Deferred Inflows of Resources	91,091	22,331	21,475	134,897	34,901
Net Position (Deficit):					
Net Investment in Capital Assets	288,753	11,803	22,004	322,560	140,016
Restricted:					
Debt Service	38,270		421	38,691	44
Capital Projects	266,323		1,505	267,828	150
Unrestricted (Deficit)	(3,799)	(59,675)	(14,524)	(77,998)	30,346
Total Net Position (Deficit)	$ 589,547	$ (47,872)	$ 9,406	$ 551,081	$ 170,556
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(15,202)	
			Net position of business-type activities	$ 535,879	

The accompanying notes are an integral part of these basic financial statements.

Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
Year-Ended September 30, 2024
(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	SOLID WASTE MANAGEMENT	NONMAJOR ENTERPRISE FUNDS	TOTAL	INTERNAL SERVICE FUNDS
Operating Revenues:					
Charges for Services	$ 150,292	$ 152,527	$ 55,755	$ 358,574	$ 480,420
Total Operating Revenues	150,292	152,527	55,755	358,574	480,420
Operating Expenses:					
Personal Services	44,766	52,587	37,250	134,603	119,507
Contractual Services	32,546	42,648	7,728	82,922	55,797
Commodities	3,516	9,583	1,218	14,317	4,040
Materials and Supplies					36,655
Claims					193,733
Other	14,814	32,610	11,232	58,656	63,068
Depreciation	42,529	2,572	4,653	49,754	37,582
Total Operating Expenses	138,171	140,000	62,081	340,252	510,382
Operating Income (Loss)	12,121	12,527	(6,326)	18,322	(29,962)
Nonoperating Revenues (Expenses):					
Investment Earnings	32,576	442	2,304	35,322	14,612
Other Nonoperating Revenue	1,186	435	13	1,634	21,632
Gain (Loss) on Sale of Capital Assets	41			41	3,855
Interest and Debt Expense	(30,884)	(55)	(235)	(31,174)	(212)
Other Nonoperating Expense	(811)	(2,424)	(26)	(3,261)	(24)
Total Nonoperating Revenues (Expenses), Net	2,108	(1,602)	2,056	2,562	39,863
Change in Net Position Before Capital Contributions, Transfers, and Special Items	14,229	10,925	(4,270)	20,884	9,901
Capital Contributions	53,849			53,849	
Transfers In (Out):					
Transfers In	300	91	4,259	4,650	25,087
Transfers Out	(1,070)	(5,199)	(3,781)	(10,050)	(5,987)
Total Transfers In (Out), Net	(770)	(5,108)	478	(5,400)	19,100
Special Items:					
Indebtedness Assumed by Governmental Activities		31,135		31,135	
Change In Net Position	67,308	36,952	(3,792)	100,468	29,001
Net Position (Deficit) - October 1	522,239	(84,824)	13,198		141,555
Net Position (Deficit) - September 30	$ 589,547	$ (47,872)	$ 9,406	$ 100,468	$ 170,556
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(4,022)	
Change in Net Position of Business-Type Activities				$ 96,446	

The accompanying notes are an integral part of these basic financial statements.

Statement of Cash Flows
Proprietary Funds
Year-Ended September 30, 2024
(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	SOLID WASTE MANAGEMENT	NONMAJOR ENTERPRISE FUNDS	TOTALS	INTERNAL SERVICE FUNDS
Cash Flows from Operating Activities:					
Cash Received from Customers	$ 141,555	$ 150,215	$ 56,069	$ 347,839	$ 480,563
Cash Payments to Suppliers for Goods and Services	(47,879)	(83,228)	(20,449)	(151,556)	(343,033)
Cash Payments to Employees for Service	(44,639)	(57,871)	(37,974)	(140,484)	(117,054)
Cash Received from Other Cash Receipts	1,186	435	13	1,634	21,633
Net Cash Provided by (Used for) Operating Activities	50,223	9,551	(2,341)	57,433	42,109
Cash Flows from Noncapital Financing Activities:					
Transfers In from Other Funds		91	4,259	4,350	25,087
Transfers Out to Other Funds	(770)	(5,199)	(3,781)	(9,750)	(5,987)
Due From Other Funds			(6)	(6)	
Net Cash Provided By (Used for) Noncapital Financing Activities	(770)	(5,108)	472	(5,406)	19,100
Cash Flows from Capital and Related Financing Activities:					
Acquisitions and Construction of Capital Assets	(75,635)	(3,231)	(1,544)	(80,410)	(59,700)
Contributed Capital	53,849			53,849	
Interest and Fees Paid on Long-Term Debt	(30,162)	(253)	(237)	(30,652)	(213)
Interest Paid on Notes and Leases	(1)			(1)	
Principal Payments on Long-Term Debt	(83,479)		(1,902)	(85,381)	(213)
Principal Payments on Notes and Leases		(471)		(471)	
Proceeds from Issuance of Notes and Leases		4,439		4,439	
Proceeds from Sale of Assets	2			2	4,500
Net Cash Provided by (Used for) Capital and Related Financing Activities	(135,426)	484	(3,683)	(138,625)	(55,626)
Cash Flows from Investing Activities:					
Purchases of Investment Securities	(464,192)	(3,117)	(19,580)	(486,889)	(131,883)
Maturity of Investment Securities	545,508	(910)	21,774	566,372	113,684
Investments Earnings	31,805	442	2,260	34,507	14,430
Net Cash Provided by (Used for) Investing Activities	113,121	(3,585)	4,454	113,990	(3,769)
Net Increase (Decrease) in Cash and Cash Equivalents	27,148	1,342	(1,098)	27,392	1,814
Cash and Cash Equivalents, October 1	139,309	2,525	9,560	151,394	57,154
Cash and Cash Equivalents, September 30	$ 166,457	$ 3,867	$ 8,462	$ 178,786	$ 58,968
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Operating Income (Loss)	$ 12,121	$ 12,527	$ (6,326)	$ 18,322	$ (29,962)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:					
Depreciation	42,529	2,572	4,653	49,754	37,582
Other Nonoperating Revenues	1,186	435	13	1,634	21,632
Other Nonoperating Expenses					(24)
Changes in Assets, Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources:					
(Increase) Decrease in Accounts Receivable	(6,837)	(2,254)	60	(9,031)	86
Decrease in Lease Receivables	12,136	124	5,081	17,341	274
(Increase) Decrease in Due from Other Governmental Agencies	25			25	(75)
(Increase) Decrease in Materials and Supplies	8	(21)	(56)	(69)	544
Decrease in Prepaid Expenses			378	378	194
Increase in Vouchers Payable	2,358	996	96	3,450	3,575
Increase in Claims Payable					6,629
Increase (Decrease) in Accounts Payable - Other	583	719	(688)	614	(638)
Increase in Accrued Payroll	182	214	164	560	540
Increase (Decrease) in Accrued Leave Payable	325	(43)	158	440	317
(Decrease) in Landfill Postclosure Liability		(81)		(81)	
(Decrease) in Net OPEB Liability and Pension Liability	(5,804)	(11,458)	(4,842)	(22,104)	(8,277)
(Decrease) in Pollution Remediation Liability					(17)
Increase in Asset Retirement Obligations	48			48	
Decrease in Deferred Outflows of Resources Related to OPEB and Pension	5,423	7,013	4,452	16,888	11,794
(Decrease) in Deferred Inflows of Resources	(15,245)		(5,475)	(20,720)	(2,085)
(Decrease) in Deferred Inflows of Resources Related to Gain on Bond Refunding		(1,133)		(1,133)	
Increase (Decrease) in Unearned Revenue	1,185	(59)	(9)	1,117	20
Net Cash Provided by (Used for) Operating Activities	$ 50,223	$ 9,551	$ (2,341)	$ 57,433	$ 42,109
Noncash Investing, Capital and Financing Activities:					
Acquisitions of Leased Capital Assets	$ 11,570	$ 51	$ 13	$ 11,634	$ 40
Acquisitions of Subscription Capital Assets	5,468			5,468	26,466
Indebtedness Assumed by Governmental Activities		31,135		31,135	

The accompanying notes are an integral part of these basic financial statements.

Statement of Fiduciary Net Position
Fiduciary Funds
As of September 30, 2024
(In Thousands)

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS	CUSTODIAL FUNDS
Assets:		
Current Assets:		
Cash and Cash Equivalents	$ 100,626	$ 3,310
Security Lending Collateral	87,732	
Investments:		
Common Stock	1,753,788	
U.S. Government Securities	302,621	2,276
Corporate Bonds	527,400	
Mutual Funds	103,063	
Hedge Funds	25,120	
Real Estate	343,636	
Alternative	1,308,006	
Receivables:		
Accounts	5,248	829
Accrued Interest	6,636	14
Accrued Revenue	8,904	
Prepaid Expenses	41	
Total Current Assets	4,572,821	6,429
Noncurrent Assets:		
Capital Assets:		
Depreciable and Non-Depreciable		
Land	14,303	
Machinery and Equipment	2,513	
Buildings	17,496	
Less: Accumulated Depreciation	2,335	
Depreciable and Non-Depreciable, Net	31,977	-
Assets Held for Resale	13,153	
Lease Assets	1,408	
Less: Accumulated Amortization	534	
Lease Assets, Net	874	-
Net Capital Assets	46,004	-
Total Noncurrent Assets	46,004	-
Total Assets	$ 4,618,825	$ 6,429
Liabilities:		
Vouchers Payable	$ 3,393	$ -
Accounts Payable - Other	13,391	
Claims Payable	5,109	
Accrued Payroll	447	
Securities Lending Obligation	87,732	
Total Liabilities	110,072	-
Net Position:		
Restricted for Pensions	3,923,604	
Restricted for Other Postemployment Benefits	585,149	
Restricted for individuals, organizations, and other governments		6,429
Total Net Position	$ 4,508,753	$ 6,429

The accompanying notes are an integral part of these basic financial statements.

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year-Ended September 30, 2024
(In Thousands)

	PENSION (AND OTHER EMPLOYEE BENEFIT) TRUST FUNDS	CUSTODIAL FUNDS
Additions:		
Contributions:		
Employer	$ 144,658	$ -
Employee	70,326	
Other Contributions	2,887	
Total Contributions	217,871	-
Investment Earnings:		
Net Increase in Fair Value of Investments	395,051	38
Real Estate Income, Net	9,806	
Interest and Dividends	67,041	106
Securities Lending	7,667	
Other Income	171	
Total Investment Earnings	479,736	144
Less: Investment Expenses		
Investment Management Fees and Custodian Fees	(10,903)	
Less: Securities Lending Expenses		
Borrower Rebates and Lending Fees	(7,236)	
Net Investment Earnings	461,597	144
Collections:		
Tax Collections for Other Governments		46,589
Fee and Fine Collections for Other Governments		8,412
Payments Collected on Behalf of Others		279
Total Collections	-	55,280
Total Additions	679,468	55,424
Deductions:		
Benefits	292,141	
Refunds of Contributions	2,211	
Administrative Expenses	9,992	847
Fees and Fines Disbursed to Other Governments		7,670
Payments Disbursed on Behalf of Others		132
Tax Collections Disbursed to Other Governments		44,992
Other Disbursements		2,744
Total Deductions	304,344	56,385
Change in Net Position	375,124	(961)
Net Position - Beginning of Fiscal Year	4,133,629	7,390
Net Position - End of Fiscal Year	$ 4,508,753	$ 6,429

The accompanying notes are an integral part of these basic financial statements.

Statement of Net Position
Discretely Presented Component Units
As of September 30, 2024
(In Thousands)

	CPS ENERGY	SAN ANTONIO WATER SYSTEM	NONMAJOR COMPONENT UNITS	TOTAL
Assets:				
Current Assets:				
Unrestricted Assets:				
Cash and Cash Equivalents	$ 394,213	$ 234,813	$ 32,236	$ 661,262
Investments		471,940	39,271	511,211
Receivables, Net	442,370	93,011	2,965	538,346
Materials and Supplies, at Cost	216,904	7,960	223	225,087
Due from Other Governmental Agencies			987	987
Prepaid Expenses	151,124	8,772	19,366	179,262
Other Assets			8	8
Lease Receivables			26,265	26,265
Total Unrestricted Assets	1,204,611	816,496	121,321	2,142,428
Restricted Assets:				
Debt Service Accounts:				
Cash and Cash Equivalents	320,431	75,083		395,514
Capital Projects Accounts:				
Cash and Cash Equivalents	1,337	75,404		76,741
Ordinance Accounts:				
Cash and Cash Equivalents	104,874			104,874
Investments	682,863			682,863
Receivables, Net	4,033			4,033
Other Restricted Accounts:				
Cash and Cash Equivalents	28,303		27,709	56,012
Investments	678,974	83,839		762,813
Receivables, Net	4,612		1,009	5,621
Lease Receivables			3,902	3,902
Total Restricted Assets	1,825,427	234,326	32,620	2,092,373
Total Current Assets	3,030,038	1,050,822	153,941	4,234,801
Noncurrent Assets:				
Capital Assets:				
Depreciable and Non-Depreciable				
Land	121,672	181,075	57,291	360,038
Land Easements and Water Rights	107,611	249,251		356,862
Depreciable Intangible Assets	217,324	1,354		218,678
Infrastructure			136,690	136,690
Buildings			566,274	566,274
Utility Plant in Service	15,366,607	8,961,618		24,328,225
Machinery and Equipment		641,188	27,711	668,899
Construction in Progress	1,220,274	830,450	21,239	2,071,963
Nuclear Fuel	1,283,333			1,283,333
Less: Accumulated Depreciation	8,586,701	2,869,426	313,705	11,769,832
Depreciable and Non-Depreciable, Net	9,730,120	7,995,510	495,500	18,221,130
Lease Assets	5,819		2,344	8,163
Less: Accumulated Amortization	2,204		150	2,354
Lease Assets, Net	3,615	-	2,194	5,809
Subscription Assets	48,228	6,892	255	55,375
Less: Accumulated Amortization	18,853	1,691	162	20,706
Subscription Assets, Net	29,375	5,201	93	34,669
Net Capital Assets	9,763,110	8,000,711	497,787	18,261,608
Other Noncurrent Assets:				
Cash and Cash Equivalents		231,216	5,163	236,379
Investments		295,618	51,243	346,861
Receivables, Net		3,635	721	4,356
Prepaid Expenses			52,365	52,365
Pension Regulatory Asset	244,586			244,586
Lease Receivables			213,487	213,487
Other Noncurrent Assets	1,025,288	44,640		1,069,928
Total Other Noncurrent Assets	1,269,874	575,109	322,979	2,167,962
Total Noncurrent Assets	11,032,984	8,575,820	820,766	20,429,570
Total Assets	14,063,022	9,626,642	974,707	24,664,371
Deferred Outflows of Resources	747,712	142,507	2,709	892,928

(Continued)

The accompanying notes are an integral part of these basic financial statements.

Statement of Net Position
Discretely Presented Component Units (Continued)
As of September 30, 2024
(In Thousands)

	CPS ENERGY	SAN ANTONIO WATER SYSTEM	NONMAJOR COMPONENT UNITS	TOTAL
Liabilities:				
Current Liabilities:				
Payable from Current Unrestricted Assets:				
Accounts Payable and Other Current Liabilities	$ 752,305	$ 90,617	$ 15,025	$ 857,947
Unearned Revenues			2,190	2,190
Current Portion of Accrued Leave Payable			23	23
Current Portion of Long-Term Lease/Notes Payable		17,708	7,006	24,714
Current Portion of Lease Liability			142	142
Current Portion of Subscription Liability			42	42
Current Portion of Other Payables	44,221	8,938	135	53,294
Total Payable from Current Unrestricted Assets	796,526	117,263	24,563	938,352
Payable from Restricted Assets:				
Accounts Payable and Other Current Liabilities		75,404	154	75,558
Accrued Interest on Bonds and Certificates		17,874	2,895	20,769
Current Portion of Long-Term Lease/Notes Payable			77	77
Current Portion of Bonds and Certificates (net of premium/discount)	181,295	100,113	16,000	297,408
Current Portion of Commercial Paper		4,850		4,850
Total Payable from Restricted Assets	181,295	198,241	19,126	398,662
Total Current Liabilities	977,821	315,504	43,689	1,337,014
Noncurrent Liabilities:				
Bonds and Certificates (net of current portion & premium/discount)	6,824,052	3,270,279	187,189	10,281,520
Commercial Paper (net of current portion)	351,400	220,095		571,495
Asset Retirement Obligations	1,054,040	50,729		1,104,769
Long-Term Lease/Notes Payable (net of current portion)		851,233	220,285	1,071,518
Accrued Leave Payable (net of current portion)			58	58
Lease Liability (net of current portion)			2,040	2,040
Subscription Liability (net of current portion)			14	14
Net OPEB and Pension Liabilities	349,979	73,045		423,024
Other Payables (net of current portion)	696,986	16,680	52,835	766,501
Total Noncurrent Liabilities	9,276,457	4,482,061	462,421	14,220,939
Total Liabilities	10,254,278	4,797,565	506,110	15,557,953
Deferred Inflows of Resources	192,401	43,280	279,354	515,035
Net Position:				
Net Investment in Capital Assets	2,682,503	3,915,779	190,030	6,788,312
Restricted for:				
Debt Service	173,427	70,096		243,523
Capital Projects	791,770	149,299	1,762	942,831
Operating and Other Reserves		128,479		128,479
Unrestricted	716,355	664,651	160	1,381,166
Total Net Position	$ 4,364,055	$ 4,928,304	$ 191,952	$ 9,484,311

The accompanying notes are an integral part of these basic financial statements.

Statement of Activities
Discretely Presented Component Units
Year-Ended September 30, 2024
(In Thousands)

	EXPENSES	PROGRAM REVENUES: CHARGES FOR SERVICES	PROGRAM REVENUES: OPERATING GRANTS AND CONTRIBUTIONS	PROGRAM REVENUES: CAPITAL GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: CPS ENERGY	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: SAN ANTONIO WATER SYSTEM	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION: NONMAJOR COMPONENT UNITS	TOTALS
CPS Energy	$ 3,268,807	$ 3,359,249	$ -	$ 103,062	$ 193,504	$ -	$ -	$ 193,504
San Antonio Water System	835,327	862,770		344,933		372,376		372,376
Nonmajor Component Units	145,542	111,373		2,304			(31,865)	(31,865)
Total	$ 4,249,676	$ 4,333,392	$ -	$ 450,299	193,504	372,376	(31,865)	534,015
General Revenues:								
Investment Earnings					139,336	69,974	16,429	225,739
Miscellaneous						6,449	15,630	22,079
Total General Revenues					139,336	76,423	32,059	247,818
Change in Net Position					332,840	448,799	194	781,833
Net Position - Beginning of Fiscal Year, as previously reported					4,031,215	4,479,603	198,599	8,709,417
Change in Accounting Principle						(98)		(98)
Change to Financial Reporting Entity							(6,841)	(6,841)
Net Position, as adjusted or restated					4,031,215	4,479,505	191,758	8,702,478
Net Position - End of Fiscal Year					$ 4,364,055	$ 4,928,304	$ 191,952	$ 9,484,311

The accompanying notes are an integral part of these basic financial statements.

Annual Comprehensive Financial Report

Notes to Financial Statements

Year-Ended September 30, 2024

Note 1	Summary of Significant Accounting Policies	28
Note 2	Property Taxes	59
Note 3	Tax Abatements	60
Note 4	Cash and Cash Equivalents, Securities Lending and Investments	64
Note 5	Capital Assets	96
Note 6	Receivables and Payables	103
Note 7	Deferred Outflows and Inflows of Resources	106
Note 8	Long-Term Obligations	109
Note 9	Commercial Paper Programs	133
Note 10	Pension and Retirement Plans	136
Note 11	Other Postemployment Benefits	170
Note 12	CPS Energy South Texas Project (STP)	195
Note 13	Commitments and Contingencies	200
Note 14	Leases and Subscription-Based Information Technology Arrangements (SBITAs)	217
Note 15	Other Obligations	230
Note 16	Risk Financing	235
Note 17	Interfund Transfers	246
Note 18	Fund Balance Classifications	248
Note 19	Deficits in Fund Balances / Net Position	251
Note 20	Other Disclosures	253
Note 21	Restatements	256
Note 22	Subsequent Events	258

Note 1 Summary of Significant Accounting Policies

The financial statements of the City of San Antonio (the City) have been prepared in conformity with U.S. Generally Accepted Accounting Principles (GAAP) for local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted body for establishing governmental accounting and financial reporting standards. The following is a summary of significant accounting policies of the City.

Reporting Entity

In the evaluation of how to define the City for financial reporting purposes, management considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GASB Statement No. 14, *The Financial Reporting Entity,* as amended. The underlying concept of the Statement is improving guidance for including, presenting, and disclosing information about component units and equity interest transactions of a financial reporting entity.

The financial reporting entity consists of: (a) the primary government (in these financial statements the primary government is the City), (b) component units, which are legally separate organizations for which the City is financially accountable or the services rendered by the component unit are provided entirely or almost entirely to the City (blended), (c) component units, which are fiduciary in nature such as certain public employee retirement systems or pension trust funds with the City (fiduciary), and (d) component units, for which the City is financially accountable or the nature and significance of their relationship with the City is such that exclusion from the reporting entity's financial statements would be misleading or incomplete (discretely presented).

Using the criteria of GASB Statement No. 14, as amended and outlined below, potential component units were evaluated for inclusion in or exclusion from the reporting entity, whether the organizations were financially accountable or not, and were further evaluated for financial statement presentation. Based on their individual relationships with the City, some component unit financial statements were blended as though they are part of the City and others were discretely presented.

GASB Statement No. 80, *Blending Requirements for Certain Component Units* – an amendment of GASB Statement No. 14 was issued in January 2016, and it established an additional criterion for determining whether or not a potential component unit should be blended. If a component unit is a not-for-profit corporation in which the primary government is the sole corporate member as identified in the corporation's articles of incorporation or bylaws, the component unit's financial statements are to be blended.

The following criteria (as set forth in GASB Statement No. 14, as amended) were used in the evaluation of potential component units of the City:

1) Legally separate
2) Financial accountability
   a) Appointment of a voting majority
   b) Imposition of will
   c) Financial benefit to or burden on the City
   d) Fiscal dependency with financial benefit to or burden on the City
3) The relationship with the City is such that exclusion would cause these financial statements to be misleading or incomplete.
4) Service rendered by the potential component unit is provided entirely or almost entirely to the City
5) The City or its component units are entitled to or have the ability to access the majority of the resources received or held by the separate organization.

Note 1 Summary of Significant Accounting Policies (Continued)

Reporting Entity (Continued)

The criteria outlined on the previous page were excerpted from GASB Statement No. 14, as amended. For a more detailed explanation of the criteria established by the Statements, refer to the *Codification of Governmental Accounting and Financial Reporting Standards*, as of June 30, 2024, published by GASB, Sections 2100 and 2600. GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, further clarifies that a "not-for-profit" may not be financially accountable to the City, but may be considered a component unit based on the nature and significance of its relationship with the City. Predicated upon the application of the criteria outlined above, the following is a brief overview of component units included in the reporting entity.

Blended Component Units

The relationships among the following component units and the City meet the criteria, as set forth in GASB Statement No. 14, as amended, for inclusion in the reporting entity and are such that the financial statements are blended with those of the City.

Following is a brief description of the City's blended component units:

City of San Antonio, Texas Municipal Council Aides Corporation
100 Military Plaza,
San Antonio, TX 78205
Contact: Emily McGinn
Telephone No. (210) 207-7041

City of San Antonio, Texas Municipal Council Aides Corporation (Council Aides) was established in fiscal year 2021 in accordance with state laws for the purposes of, solely aiding and acting on behalf of the City to accomplish certain governmental purposes of the City through the employment of council aides for purposes of assisting council members in the performance of their official public duties as members of the City Council of the City, all at the request of the Council. Council Aides' governing board is the same as the City's governing board, providing the City the ability to impose its will. Council Aides has additionally met the fiscal dependency and financial benefit/burden criteria.

Hemisfair Park Area Redevelopment Corporation
630 E. Nueva St.
San Antonio, TX 78205
Contact: Melissa Chamrad
Telephone No. (210) 709-4750

The Hemisfair Park Area Redevelopment Corporation (HPARC) was established in fiscal year 2009 in accordance with state laws for the purposes of, and to act on behalf of the City in, assisting with acquiring property, planning, developing, constructing, managing, and financing projects within Hemisfair Park and its surrounding area in order to promote economic development, employment, and to stimulate business, housing, tourism, and commercial activity within the City. Though HPARC does not directly provide services to the City, its services benefit the City. The HPARC is governed by 11 members appointed by the City Council. The City's ability to impose its will on HPARC is through City Council having the power to remove board members. HPARC has additionally met the fiscal dependency and financial benefit/burden criteria.

Note 1 Summary of Significant Accounting Policies (Continued)

Blended Component Units (Continued)

Municipal Golf Association – San Antonio DBA Alamo City Golf Trail
2315 Avenue B
San Antonio, TX 78215
Contact: Joe Nunez
Telephone No. (210) 908-5921

Municipal Golf Association – San Antonio DBA Alamo City Golf Trail (MGA-SA) was established in fiscal year 2007 in accordance with state laws for the purposes of, and to act on behalf of the City in, operating and promoting the City's municipal golf facilities. MGA-SA is governed by a 15-member board of directors, which is comprised of seven members selected by MGA-SA according to the approved process contained in its by-laws; two ex-officio member positions from City staff who are appointed by the City Manager; and six members appointed by the City Council. MGA-SA provides services entirely to the City through managing the City's eight golf courses.

Prosper West San Antonio
630 S.W. 41st Street
San Antonio, TX 78237
Contact: Ryan Kuhl
Telephone No. (210) 501-0192

Prosper West San Antonio (PWSA), formerly known as Westside Development Corporation, was established in fiscal year 2006 in accordance with state laws for the purposes of promoting economic development and redevelopment opportunities in the west side of San Antonio. PWSA seeks to generate new capital investment, create higher paying jobs, and reduce the poverty level in the area. In addition, PWSA functions as a land development corporation that has the power to buy, sell, and accept land as a nonprofit without the restrictions placed upon a municipality. Therefore, although PWSA does not directly provide services to the City, it benefits the City. PWSA is governed by a board of directors nominated by a City Council committee and appointed by the City Council. The policy-setting oversight authority consists of 17 members, comprised of representatives of key stakeholders and PWSA advocates. The City can remove board members at will, providing the City the ability to impose its will. PWSA has met the financial benefit/burden criteria. The City did not receive PWSA's audited financial statements; therefore, its financial data is not disclosed in the City's financial statements. PWSA is considered immaterial to the opinion unit.

San Antonio Early Childhood Education Municipal Development Corporation
7031 S. New Braunfels Ave.
San Antonio, TX 78223
Contact: Dr. Sarah Baray & Mike Ramsey
Telephone No. (210) 206-2755

The San Antonio Early Childhood Education Municipal Development Corporation (ECEMDC) was established in fiscal year 2012 in accordance with state laws for the purpose of, and to act on behalf of the City, to develop and implement programs for early childhood development, job training, and any other undertaking that the board determines will directly facilitate the development of a skilled workforce and foster economic opportunity. As such in 2012, Pre-K 4 SA was established to develop and implement authorized programs for early childhood education services. Additionally, in 2020, SA: Ready to Work was established to ensure that unemployed, underemployed, or underserved residents can access and successfully complete training and education that lead to current and anticipated high-demand, well-paid careers. ECEMDC is governed by a board of trustees appointed by the City Council. ECEMDC's debt, including leases, is expected to be repaid almost entirely with the resources of the City comprised of a 1/8 cent sales tax increase approved by San Antonio residents for each program. The City has the ability to impose its will and has met the fiscal dependency and financial benefit/burden criteria.

Note 1 Summary of Significant Accounting Policies (Continued)

Blended Component Units (Continued)

San Antonio Economic Development Corporation
100 W. Houston St.
San Antonio, TX 78205
Contact:
Brenda Hicks-Sorenson
Telephone No. (210) 207-3970

The San Antonio Economic Development Corporation (EDC) was established in fiscal year 2010 as a nonprofit corporation to promote, assist, and enhance economic development activities for the City. EDC was organized for the purposes of undertaking any statute-authorized projects to benefit and accomplish the public purpose of promoting economic development in the City. The affairs of EDC are managed by a board of directors appointed by the City Council. The City Council may remove a director at any time without cause. EDC's budget is not effective until approved by the City Council. EDC provides services entirely to the City, as contracts or agreements cannot be executed without City Council approval. The City has the ability to impose its will.

San Antonio Education Facilities Corporation
100 W. Houston St.
San Antonio, TX 78205
Contact:
Brenda Hicks-Sorenson
Telephone No. (210) 207-3970

The San Antonio Education Facilities Corporation (EFC), formerly the City of San Antonio Higher Education Authority, was established in 1984 in accordance with state laws for the purpose of aiding nonprofit institutions of higher education in providing educational, housing, and other related facilities in accordance with, and subject to, the provisions of Section 53.35 (b) Texas Education Code (the Code), all to be done on behalf of the City and its duly constituted authority and instrumentality. The Code authorizes EFC to issue revenue bonds, for which the City is not obligated in any manner, to finance qualified projects that meet the purpose of the Code. The EFC is governed by a board of directors, which is comprised of the City Council. EFC met the financial benefit/burden and operational responsibility criteria, and the City has the ability to impose its will.

San Antonio Health Facilities Development Corporation
100 W. Houston St.
San Antonio, TX 78205
Contact:
Brenda Hicks-Sorenson
Telephone No. (210) 207-3970

The San Antonio Health Facilities Development Corporation (HFDC) was established by Ordinance No. 55400, dated June 3, 1982, in accordance with state laws for the purposes of, and to act on behalf of the City as, a corporation under the Texas Health Facilities Development Act of 1981. The HFDC is authorized to issue tax-exempt health facility revenue bonds, for which the City is not obligated in any manner, to finance health related projects in support of the promotion, expansion, and improvement of health facilities. The HFDC is governed by a board of directors, which is comprised of the City Council. HFDC met the financial benefit/burden and operational responsibility criteria, and the City has the ability to impose its will.

Note 1 Summary of Significant Accounting Policies (Continued)

Blended Component Units (Continued)

San Antonio Industrial Development Authority
100 W. Houston St.
San Antonio, TX 78205
Contact:
Brenda Hicks-Sorenson
Telephone No. (210) 207-3970

The San Antonio Industrial Development Authority (IDA) was established by Resolution No. 79-48-100, dated October 11, 1979, in accordance with state laws for the purposes of benefiting and accomplishing public purposes of, and to act on behalf of the City as, a corporation under the Development Corporation Act of 1979. The IDA is authorized to issue tax- exempt industrial revenue bonds, for which the City is not obligated in any manner, to finance qualified projects, which may further the promotion and development of commercial, industrial, and manufacturing enterprises to advance and encourage employment and public welfare. The IDA is governed by a board of directors, which is comprised of the City Council. IDA met the financial benefit/burden and operational responsibility criteria, and the City has the ability to impose its will.

San Antonio Texas Municipal Facilities Corporation
100 W. Houston St.
San Antonio, TX 78205
Contact: Margaret U. Villegas
Telephone No. (210) 207-8632

The San Antonio Texas Municipal Facilities Corporation (TMFC) was established in fiscal year 2001 in accordance with state laws for the purposes of, and to act on behalf of the City in, acquiring, constructing, equipping, financing, operating, and maintaining land and other municipal facilities for the City. The TMFC is governed by a board of directors, which is comprised of the City Council. The City can impose its will, and TMFC also meets the operational responsibility criteria.

Starbright Industrial Development Corporation
100 W. Houston St.
San Antonio, TX 78205
Contact: Margaret U. Villegas
Telephone No. (210) 207-8632

The Starbright Industrial Development Corporation (SIDC) was established in fiscal year 2003 in accordance with state laws for the purposes of, and to act on behalf of the City in, the promotion and development of commercial, industrial, and manufacturing enterprises, to advance and encourage employment and public welfare, including but not limited to the acquisition of land. The SIDC is governed by a board of directors, which is comprised of the City Council. SIDC met the financial benefit/burden and the operational responsibility criteria. The City has the ability to impose its will.

Texas Public Facilities Corporation
100 W. Houston St.
San Antonio, TX 78205
Contact: Margaret U. Villegas
Telephone No. (210) 207-8632

Texas Public Facilities Corporation (TPFC) was established in fiscal year 2012 in accordance with state laws for the purpose of, and to act on behalf of the City in, effectuating the buyout of the City's existing Hotel Revenue Bonds and funding for the expansion of the City's Convention Center through issuance of 2012 Lease Revenue Bonds. The TPFC is governed by a board of directors, which is comprised of the City Council. TPFC's governing board is substantially the same as the City's governing board, and TPFC meets the operational responsibility criteria. The City has the ability to impose its will.

Note 1 Summary of Significant Accounting Policies (Continued)

Blended Component Units (Continued)

Urban Renewal Agency of the City of San Antonio DBA Office of Urban Redevelopment of San Antonio 100 W. Houston St. San Antonio, TX 78205 Contact: Veronica Garcia Telephone No. (210) 207-6459	The Urban Renewal Agency of the City of San Antonio DBA Office of Urban Redevelopment of San Antonio (OUR SA) was created under the provisions of the Urban Renewal Law of the State of Texas. OUR SA is responsible for implementing the City's Urban Renewal Program and may designate for urban renewal in such areas as it deems advisable, subject to approval by the City Council. OUR SA receives a majority of its operating funds from the City. OUR SA is governed by a six-member board of commissioners appointed by the City Council. The City's management has operational responsibility for Our SA. The City has the ability to impose its will.
Visit San Antonio 317 Alamo Plaza San Antonio, TX 78205 Contact: Natalie Balderrama Telephone No. (210) 244-2026	Visit San Antonio (VSA) was established in fiscal year 2016 in accordance with state laws for the purposes of providing destination and marketing services, attracting leisure visitors, events and conventions to the City's Henry B. Gonzalez Convention Center and other owned facilities. VSA will also serve as a liaison to local businesses, including hoteliers, sports foundations, and other similar entities to attract visitors and events to the City. VSA has a 21-member board, of which the City Manager and two Council members are appointed by the Mayor. VSA provides services almost entirely to the City, and met the financial benefit/burn criteria.

ECEMDC's fiscal year-end is June 30th; financial information disclosed in the City's Annual Comprehensive Financial Report is as of June 30, 2024.

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Note 1 Summary of Significant Accounting Policies (Continued)

Fiduciary Component Units

The relationships among the following component units and the City meet the criteria, as set forth in GASB Statement No. 14, as amended, for inclusion in the reporting entity and are such that the financial statements are presented as fiduciary funds of the City.

As set forth in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, the City excludes fiduciary funds and component units that are fiduciary in nature from the government-wide financial statements. The City's component units that are fiduciary in nature are the San Antonio Fire and Police Pension Fund, the Retiree Health & Wellness SA Fire and Police Fund, and the City of San Antonio Retiree Health Care Fund. These component units are presented in the Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position.

San Antonio Fire and Police Pension Fund
11603 W. Coker Loop, Ste. 201
San Antonio, TX 78216
Contact: Warren J. Schott
Telephone No. (210) 534-3262

The San Antonio Fire and Police Pension Fund (Pension Fund) is a single-employer defined benefit pension plan established in accordance with state law. The Pension Fund is administered by a nine-member board of trustees, including two members of the City Council, the Mayor or his appointee, two active police officers, two active firefighters, and two uniformed retirees. The City and its active uniformed personnel are obligated to make all contributions to the Pension Fund in accordance with rates established by state laws. Benefit levels are also set by state laws. Services rendered by the Pension Fund are exclusively for the benefit of eligible firefighters and police officers, upon retirement. The Pension Fund provides services entirely to the City's uniformed personnel.

Retiree Health & Wellness SA Fire and Police Fund
11603 W. Coker Loop, Ste. 210
San Antonio, TX 78216
Contact: James Bounds
Telephone No. (210) 494-6500

The City of San Antonio Firefighters' and Police Officers' Retiree Prefunded Group Health Plan was created in October 1989 in accordance with the provisions of the City's contracts with the local fire and police unions, respectively, to provide postemployment health care benefits to uniformed employees who retired on or after October 1, 1989. Pursuant to the passage of Senate Bill 1568 in 1997, a separate and distinct statutory trust, the Retiree Health & Wellness SA Fire and Police Fund (Health Fund), was created to provide these postemployment health care benefits for eligible uniformed employees of the City. The Health Fund is administered by a nine- member board of trustees, including two members of the City Council, the Mayor or his appointee, two active police officers, two active firefighters, and two uniformed retirees. The City, active uniform employees, and retirees on behalf of their dependents are obligated to make all contributions to the Health Fund in accordance with rates established by state laws. Benefits are established pursuant to legislation enacted by the State with the Health Fund Board's ability to modify those benefits within certain parameters. The Health Fund provides services entirely to the City's active and retired uniformed personnel.

Note 1 Summary of Significant Accounting Policies (Continued)

Fiduciary Component Units (Continued)

City of San Antonio Retiree Health Care Fund
100 W. Houston St.
San Antonio, TX 78205
Contact: Renee Frieda
Telephone No. (210) 207-8705

The City of San Antonio's Retiree Health Care Fund was created to provide postemployment health care benefits entirely to civilian retirees and uniformed employees who retired prior to October 1, 1989. The Retiree Health Care Fund is governed by a board of directors, which is comprised of the City Council. The City and its eligible retirees make all contributions to the Retiree Health Care Fund in accordance with assessments and rates adopted by City Council through passage of the annual adopted budget. Additionally, benefits are established pursuant to adoption of annual budget. The Retiree Health Care Fund's governing board is the same as the City's governing board, it meets the financial benefit/burden and the operational responsibility criteria. The City has the ability to impose its will.

It is management's belief that to exclude essential disclosures from the City's financial statements as they pertain to the Pension Fund and Health Fund would be misleading. Therefore, relevant disclosures have been included in the City's financial statements.

The Pension Fund and Health Fund's fiscal year-end are December 31st; financial information disclosed in the City's Annual Comprehensive Financial Report for both entities is as of December 31, 2023.

Discretely Presented Component Units

The relationships among the following component units and the City meet the criteria, as set forth in GASB Statement No. 14, as amended, for inclusion in the reporting entity as discretely presented component units.

Brooks
3201 Sidney Brooks
San Antonio, TX 78235
Contact: Leo Gomez
Telephone No. (210) 678-3318

Brooks is a special district and political subdivision of the State of Texas. It was established on September 27, 2001, as a defense base development authority in accordance with state laws for the purposes of, and to act on behalf of the City in, improving mission effectiveness, reducing the cost of providing quality installation support through improved capital asset management, and promoting economic development for Brooks Air Force Base and in the surrounding community. An 11-member board of directors appointed by the City Council governs Brooks for two-year terms and oversees the Brooks Technology and Business Park in support of the Brooks City-Base Project. The City's ability to impose its will on Brooks is through City Council having the power to remove board members.

CPS Energy
P.O. Box 1771
San Antonio, TX 78296
Contact: David Ramirez
Telephone No. (210) 216-2639

CPS Energy, a municipally owned utility, provides electricity and natural gas to San Antonio and the surrounding areas. CPS Energy is governed by a board of trustees, which is comprised of four members appointed by City Council and has the City's Mayor as an ex-officio member. The City has the ability to impose its will on CPS Energy through the setting of user rates for services and charges and the issuance of bonds approved by the City Council.

Note 1 Summary of Significant Accounting Policies (Continued)

Discretely Presented Component Units (Continued)

Port Authority of San Antonio DBA Port San Antonio
907 Billy Mitchell Blvd.
San Antonio, TX 78226
Contact: Patrick Cruzen
Telephone No. (210) 362-7834

The Port Authority of San Antonio DBA Port San Antonio (the Port) is a special district and political subdivision of the State of Texas that was originally established in 1996 as a local development authority under the Development Corp Act of 1979 for the purpose of monitoring the proposed closing of Kelly Air Force Base (Kelly). The Port was to conduct comprehensive studies of all issues related to the closure, conversion, redevelopment, and future use of Kelly, and submit and implement the plan to the appropriate agency or agencies of the federal government. The Port is authorized to issue bonds, for which the City is not obligated in any manner, to finance projects as permitted by state laws. The Port is governed by an 11-member board of directors, appointed at will by City Council, providing the City the ability to impose its will.

SA Energy Acquisition Public Facility Corporation
P.O. Box 1771
San Antonio, TX 78296
Contact: David Ramirez
Telephone No. (210) 216-2639

SA Energy Acquisition Public Facility Corporation (SAEAPFC) was established in 2007 in accordance with state laws for the purposes of, and to act on behalf of the City in, the financing and acquisition of electric energy and power, oil, gas, coal, and other liquid, gaseous or solid hydrocarbon fuels for the electric and gas systems of the City. SAEAPFC is governed by a seven-member board of directors appointed by City Council for two-year terms. Board members are subject to removal by City Council for cause or at will. The issuance of bonds is approved by City Council, meeting fiscal dependency criteria.

San Antonio Bexar County Soccer Public Facility Corporation
100 Military Plaza
San Antonio, TX 78205
Contact: Alejandra Lopez
Telephone No. (210) 207-3975

San Antonio Bexar County Soccer Public Facility Corporation (SABC PFC) is a nonprofit corporation established in fiscal year 2016 in accordance with state laws for the purposes of, and to act on behalf of the City in, the renovation and operation of a facility and related property and infrastructure to be used for and to support professional soccer within the City. SABC PFC is governed by a four-member board of directors comprised of two appointees from the City and two from the County, all who must be approved by City Council, providing the City the ability to impose its will. The issuance of bonds is approved by City Council, meeting fiscal dependency criteria.

San Antonio Housing Trust Finance Corporation
8200 IH-10 West, Suite 501
San Antonio, TX 78230
Contact: Pedro Alanis
Telephone No. (210) 735-2772

The San Antonio Housing Trust Finance Corporation (HTFC) was established in 1997 under the Texas Housing Finance Corporations Act (the Act), in accordance with state laws for the purposes of, and to act on behalf of the City in, carrying out the purposes of the Act, including the issuance of single family and multi-family revenue bonds. HTFC's board of directors is appointed by City Council, consisting of five City Council members. The City can remove board members at will, providing the City the ability to impose its will. The City did not receive HTFC's audited financial statements; therefore, its financial data is not disclosed in the City's financial statements. HTFC is considered immaterial to the opinion unit.

Note 1 Summary of Significant Accounting Policies (Continued)

Discretely Presented Component Units (Continued)

San Antonio Housing Trust Foundation, Inc.
8200 IH-10 West, Suite 501
San Antonio, TX 78230
Contact: Pedro Alanis
Telephone No. (210) 735-2772

San Antonio Housing Trust Foundation, Inc. (HTF) is a nonprofit entity incorporated in 1990 under the laws of the State of Texas. HTF was organized for the purposes of supporting charitable, educational, and scientific undertakings, and specifically for providing housing for low- and middle-income families, promoting public health, safety, convenience, and welfare, revitalizing neighborhoods, and the downtown area through appropriate housing activities, and providing administrative and other support for the operations of the City of San Antonio Housing Trust Fund, a Special Revenue Fund of the City. HTF is governed by an 11-member board of directors appointed by City Council. The City can remove board members at will, providing the City the ability to impose its will. The City did not receive HTF's audited financial statements; therefore, its financial data is not disclosed in the City's financial statements. HTF is considered immaterial to the opinion unit.

San Antonio Housing Trust Public Facility Corporation
8200 IH-10 West, Suite 501
San Antonio, TX 78230
Contact: Pedro Alanis
Telephone No. (210) 735-2772

San Antonio Housing Trust Public Facility Corporation (HTPFC) was established in fiscal year 2010 as a nonprofit corporation organized for the purpose of assisting the City in financing, refinancing, or providing public facilities. HTPFC enables housing resources to be better coordinated and directed to accomplish the City's revitalization goals and gives the City another tool to establish housing in downtown and other areas targeted for development. HTPFC's board of directors is appointed by City Council and consists of five City Council members. The City can remove board members at will, providing the City the ability to impose its will. The City did not receive HTPFC's audited financial statements; therefore, its financial data is not disclosed in the City's financial statements. HTPFC is considered immaterial to the opinion unit.

San Antonio Housing Trust Reinvestment Corporation
8200 IH-10 West, Suite 501
San Antonio, TX 78230
Contact: Pedro Alanis
Telephone No. (210) 735-2772

San Antonio Housing Trust Reinvestment Corporation (HTRC) was created to act as a duly constituted authority of the City and is authorized by the City Council to aid, assist, and act on behalf of the City to promote for the common good and general welfare of reinvestment zones. The City must approve the issuance of bonds, providing fiscal dependency. As HTRC had no activity through September 30th, an audit is not deemed necessary in fiscal year 2024.

San Antonio Water System
P.O. Box 2449
San Antonio, TX 78298
Contact: Anthony Turrietta
Telephone No. (210) 233-3803

On May 19, 1992, the consolidation of water systems, agencies, and activities into one institution through a refunding of the then outstanding water and sewer bonds of the former City Water Board, Alamo Water Conservation and Re-Use District, and the City's Sewer and Stormwater System, resulted in the creation of the San Antonio Water System (SAWS). The City Council determined that the interests of the citizens and the customers would best be served by placing authority for management and control of SAWS, as consolidated, with a board of trustees. This board of trustees includes the City's Mayor as an ex-officio member, along with six members appointed by City Council for four-year staggered terms. The City has the ability to impose its will on SAWS through the setting of user rates for services and charges and the issuance of bonds approved by the City Council.

Note 1 Summary of Significant Accounting Policies (Continued)

Discretely Presented Component Units (Continued)

It is management's belief that to exclude essential disclosures from the City's financial statements as they pertain to CPS Energy and SAWS would be misleading. CPS Energy and SAWS have been identified as major discretely presented component units as they both relate to total component units and to the primary government. Therefore, relevant disclosures have been included in the City's financial statements.

SAWS' s fiscal year-end is December 31st while CPS Energy's and SA Energy Acquisition Public Facility is January 31st; financial information disclosed in the City's Annual Comprehensive Financial Report is as of December 31, 2023 for SAWS and January 31, 2024 for CPS Energy and SA Energy Acquisition Public Facility.

Essential disclosures related to the previously mentioned discretely presented, fiduciary, and blended component units are included in the complete financial statements of each of the individual component units. These statements may be obtained at the respective entity's administrative office.

Related Organizations

The City Council appoints members to the board of commissioners for Opportunity Home San Antonio. However, the City's accountability for this entity does not extend beyond making appointments to its board and the coordination and approval of strategic plans.

Basic Financial Statements - GASB Statement No. 34

Government-Wide and Fund Financial Statements – The basic financial statements include three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. The government-wide financial statements report information on all non-fiduciary activities of the primary government and its component units. MD&A introduces the basic financial statements and provides an analytical overview of the City's financial activities. Additionally, the effect of interfund activity has been removed from the statements.

The Statement of Net Position – Reflects both short-term and long-term assets and liabilities as well as deferred inflows and outflows of resources. In the government-wide Statement of Net Position, governmental activities are reported separately from business-type activities. Governmental activities are supported by taxes and intergovernmental revenues, whereas business-type activities are normally supported by user fees and charges for services. Long-term assets, such as capital assets, long-term obligations, such as debt, and any deferred inflows and outflows of resources are now reported in the governmental activities. The components of Net Position are presented in three separate categories: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Interfund receivables and payables within governmental and business-type activities have been eliminated in the government-wide Statement of Net Position, which minimizes the duplication within the governmental and business-type activities. Discretely presented component units are also reported in the Statement of Net Position.

Note 1 Summary of Significant Accounting Policies (Continued)

Basic Financial Statements - GASB Statement No. 34 (Continued)

The Statement of Activities – Reflects both the gross and net expense format. The net expense (by function or business-type activity) is usually covered by general revenues (property tax, sales and use tax, revenues from utilities, etc.). Direct (gross) expenses of a given function or segment are offset by charges for services, operating and capital grants and contributions. Program revenues must be directly associated with the function of program activity. The presentation allows users to determine which functions are self-supporting and which rely on the tax base in order to complete their mission. Internal Service Fund balances, whether positive or negative, have been eliminated against the expenses and program revenues shown in the governmental and business-type activities of the Statement of Activities. The net amount of interfund transfers between governmental and proprietary funds is the balance reported in the Statement of Activities.

Fund Accounting

A reconciliation detailing the change in net position between the government-wide financial statements and the fund financial statements is presented separately for governmental funds. In order to achieve a break-even result in the Internal Service Fund activity, differences in the basis of accounting and reclassifications are allocated back to user departments. These allocations are reflected in the government-wide statements. Any residual amounts of the Internal Service Funds are reported in the governmental activity column. The proprietary funds have a reconciliation presented in the proprietary funds' Statement of Net Position and Statement of Revenues, Expenses, and Changes in Net Position related to the Internal Service Fund allocation.

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and other debits, liabilities, fund balances and other credits, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the proceeds of revenue sources, those proceeds' restrictions or commitments for which they are to be spent and the means by which spending activities are controlled.

The City has three types of funds: governmental, proprietary, and fiduciary. The fund financial statements provide more detailed information about the City's most significant funds but not about the City as a whole. Major governmental and enterprise funds are reported separately in the fund financial statements. Nonmajor funds are aggregated in the fund financial statements and independently presented in the combining statements.

The criteria used to determine if a governmental or enterprise fund should be reported as a major fund are as follows: the total assets and deferred outflows of resources, the total liabilities and deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10.0% of the corresponding element total for all funds of that category or type (that is, total governmental or total enterprise funds), and the same element that met the 10.0% criterion above in the governmental or enterprise fund is at least 5.0% of the corresponding element total for all governmental and enterprise funds combined.

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

The following is a brief description of the major governmental funds that are separately presented in the fund financial statements:

- The General Fund is always presented as a major fund.
- The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs, except those that are accounted for in enterprise funds.
- The Categorical Grant-In-Aid Fund, a special revenue fund, accounts for the receipt and disbursement of all federal and state grants (with non-cash in-kind contributions from external agencies for federal and state grants), except for Community Development Block Grants, HOME Investment Partnership Grants, and Confiscated Property.
- The COVID-19 Funds accounts for the receipt and disbursements of federal, state, local, and private money designated to be spent towards the City's response to the COVID-19 pandemic and better prepare the City after the pandemic though through infusion of cash aid and services to the community.
- The 2022 General Obligation Bonds Fund, a capital projects fund, accounts for the receipt and disbursement of bond proceeds for physical infrastructure development and improvement projects approved in an $1,200,000 bond election held on May 7, 2022.

The following is a brief description of the major enterprise funds that are separately presented in the fund financial statements:

- The Airport System accounts for the operation of the San Antonio International Airport and Stinson Municipal Airport. Financing for the Airport System's operations is provided by user fees, while financing for the Airport System's capital is primarily funded by City issued revenue bonds (repaid with user fees), tax notes, grants and facility charges assessed to users.
- Solid Waste Management accounts for all revenues and expenses associated with the operations and maintenance of the City's solid waste and environmental management programs, as well as construction and management of Solid Waste Management's assets.

Governmental Funds

General Fund is the primary operating fund for the City, which accounts for and reports all financial resources of the general government not accounted for and reported in another fund.

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes other than debt service and capital projects. The specific revenue sources are the foundation for the fund's designation and are expected to continue to comprise a substantial portion of the inflows reported in the fund. If the fund no longer expects that a substantial portion of the inflows will derive from restricted or committed revenue sources, the fund's remaining resources and activities are reported in the General Fund.

Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for principal and interest as well as financial resources that are being accumulated for principal and interest maturing in future years.

Note 1 Summary of Significant Accounting Policies (Continued)

Fund Accounting (Continued)

Governmental Funds (Continued)

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets, except those financed by enterprise funds.

Permanent Funds are used to account for and report resources that are restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs - that is, for the benefit of the government or its citizenry.

The governmental funds that have legally adopted budgets are the General Fund, Debt Service Fund, Special Revenue Funds (excluding HOME Program, Categorical Grant-In-Aid, COVID-19 Funds, Community Development Program, Early Education, Ready to Work SA, Tax Increment Reinvestment Zone, San Antonio Housing Trust, and most Community Services Funds), and City Cemeteries.

Proprietary Funds

Enterprise Funds are used to account for and report operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the expenses (including depreciation) of providing goods or services to the general public on a continuing basis should be financed or recovered primarily through user charges.

Internal Service Funds are used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis. The City's self-insurance programs, data processing programs, other internal service programs, and Capital Management Services (CMS) are accounted for in these funds.

Fiduciary Funds

The Trust and Custodial Funds are used to account for, and report assets held by the City in a trustee capacity or as a custodian for individuals, private organizations, and other governmental units. The San Antonio Fire and Police Pension Fund is a statutory trust fund established to provide pension benefits to eligible uniformed employees. The Retiree Health & Wellness SA Fire and Police Fund is a statutory trust fund established to provide Other Postemployment Benefits (OPEB) for retired uniformed employees and their dependents. The City's Retiree Health Care Fund meets the criteria of a fiduciary fund and manages OPEB for retired City civilian employees. The Custodial Funds account for unclaimed property, taxes, fines, fees, and deposits collected by the City for remittance to the State of Texas and other governmental entities.

Fire and Police Pension Fund, Retiree Health & Wellness SA Fire and Police Fund, City Retiree Health Care Fund, and Custodial Funds are accounted for in essentially the same manner as proprietary funds.

Note 1 Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting

Primary Government (City)

The government-wide financial statements present information about the City as a whole. Government-wide financial statements exclude both fiduciary funds and fiduciary component units. The Statement of Net Position and the Statement of Activities are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The City recognizes revenue from property taxes in the period for which they were levied. Other taxes and fees are recognized as revenue in the year they are earned. Revenues from grants and similar items are recognized in the fiscal year the qualifying expenditures are made and all other eligibility requirements have been satisfied.

Program revenues are presented in the government-wide Statement of Activities. The City reports program revenues in three categories: (1) charges for services, (2) operating grants and contributions, and (3) capital grants and contributions. They are presented separately as a reduction of the total expense to arrive at the net expense of each functional activity. Program revenues are revenues generated by charges to those who purchase, use, or directly benefit from a program. They also include amounts such as grants and contributions received from outside parties that restrict the use of those resources to specific programs.

1) Charges for services are revenues generated by those who purchase goods or services from the City. Examples of charges for services include airport landing fees, solid waste collection and disposal fees, and flat rate parking fees. Fines and forfeitures, licenses and permits, and intergovernmental revenues as reported in the General Fund are also reported under charges for services.
2) Operating grants and contributions are those revenues that are restricted in the way they may be spent for operations of a particular program.
3) Capital grants and contributions are also restricted revenues whose resources may only be spent to purchase, build, or use capital assets for specified programs.

All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that principally only current assets and current liabilities are included in their balance sheets, and revenues are recognized in the accounting period in which they become available and measurable. Available means collectible within the current period, or soon enough thereafter, to be used to pay liabilities of the current period.

Revenues from property taxes, sales and use taxes, occupancy taxes, gross receipts taxes, municipal court fines and fees, licenses, revenues from utilities, and investment earnings are susceptible to accrual. The City's availability period is no more than 60 days beyond the end of the fiscal year. Grant revenues are recognized when reimbursable expenditures are made, all other eligibility requirements imposed by the provider have been met, and the City receives reimbursement within 60 days of the fiscal year-end. Grant funds received in advance are recorded as unearned revenue until earned and available.

Gross receipts and sales and use taxes are considered available when received by intermediary collecting governments and are recognized at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Note 1 Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

Primary Government (City) (Continued)

Expenditures are recognized in the accounting period in which the fund liability is incurred; however, accrued leave, debt service expenditures, claims and judgments, arbitrage rebates, pension, postemployment obligations, asset retirement obligations and pollution remediation obligations are recorded only when the liability is matured.

The reported fund balance for each fund is considered a measure of current financial resources. Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of current financial resources during the period.

Special reporting treatments are applied to governmental fund materials and supplies, prepaid expenditures, and deposits to indicate that they do not represent current financial resources, since they do not represent spendable assets. Such amounts are generally offset by fund balance nonspendable accounts.

Proprietary, fiduciary, and governmental and business-type activities are accounted for using the accrual basis of accounting. Their revenues/additions are recognized when they are earned, and their expenses/deductions and related liabilities, including claims, judgments, and accrued leave, are recognized when they are incurred. These funds are accounted for on a cost of services or economic resources measurement focus. Consequently, all assets and all liabilities (whether current or noncurrent), as well as deferred inflows and outflows of resources associated with its activity, are included in their Statement of Net Position. The reported proprietary fund net position is segregated into three components: (1) net investment in capital assets, (2) restricted, and (3) unrestricted. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net position.

Proprietary funds report both operating and nonoperating revenues and expenses in the Statement of Revenues, Expenses, and Changes in Net Position. The City defines operating revenues as those receipts generated by a specified program offering either a good or service. For example, parking garage and surface lot charges are operating revenues of the Parking System. This definition is consistent with GASB Statement No. 9, *Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting,* which defines operating receipts as cash receipts from customers and other cash receipts that do not result from transactions defined as capital and related financing, noncapital financing or investing activities. Operating expenses include personal services, contractual services, commodities, other expenses (such as insurance), and depreciation on capital assets. Revenues and expenses not fitting the above definitions are considered nonoperating.

CPS Energy

Revenues and expenses related to providing energy services in connection with CPS Energy's principal ongoing operations of the electric and gas systems are classified as operating. All other revenues and expenses are classified as nonoperating and reported as nonoperating income (expense).

Note 1 Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

CPS Energy (Continued)

Revenues are recorded when earned. Customers' meters are read, or periodically estimated, and bills are prepared monthly based on billing cycles. Rate tariffs include adjustment clauses that permit recovery of electric and gas fuel costs. CPS Energy uses historical information from prior fiscal years as partial bases to estimate and record earned revenue not yet billed (unbilled revenue). This process involves an extrapolation of customer usage over the days since the last meter read through the last day of the monthly period. Also included in unbilled revenue are the over/under-recoveries of electric and gas fuel costs and regulatory assessments. Unbilled revenue receivable recorded on January 31, 2024, including estimates for electric fuel and gas costs, was $28,420.

CPS Energy's rate tariffs contain a fuel cost adjustment clause which also permits recovery of regulatory assessments. CPS Energy recovers assessments from the Public Utility Commission of Texas (PUCT) for transmission access charges and from the Texas Independent System Operator, also known as the Electric Reliability Council of Texas (ERCOT), for its operating costs and other charges applicable to CPS Energy as a wholesale provider of power to other utilities. Regulatory assessments for fiscal year 2024 was $99,828.

The allowance for uncollectible accounts is management's best estimate of the amount of probable credit losses based on account delinquencies, historical write-off experience and current energy market conditions. Account balances are written off against the allowance when it is probable the receivable will not be recovered. The allowance for uncollectible accounts totaled $121,965 fiscal year-ended January 31, 2024.

In June 2020, CPS Energy established the customer outreach program to expand efforts to contact customers by proactively calling those that were largely impacted by the pandemic and educating them on various discounts and affordability programs offered. Customers who applied or have been approved for financial assistance through an approved CPS Energy program or reside in a HUD low-income qualified census tract will not be scheduled for disconnect. In fiscal year 2023, CPS Energy began residential customer disconnects and continued through the entire fiscal year to mitigate outstanding past due accounts. In fiscal year 2024, CPS Energy paused residential customer disconnects during the extreme summer weather conditions, but they were resumed as conditions improved and continued through the end of the fiscal year.

CPS Energy records bad debts for its estimated uncollectible accounts related to electric and gas services as a reduction to the related operating revenues. CPS Energy's bad debt provision totaled $27,689 for the fiscal year-ended January 31, 2024. On January 31, 2024, customer accounts receivables, net were $323,114.

In fiscal year 2022, the City approved the use of regulatory accounting related to the fuel expenses that were incurred as a result of Winter Storm Uri in February 2021 that severely impacted the CPS Energy service area. CPS Energy incurred unprecedented costs associated with the winter storm that included purchases of natural gas and purchased power, along with financing costs to cover short-term liquidity needs, and legal costs for ongoing legal disputes over excessive amounts invoiced by gas suppliers. On January 13, 2022, the City approved the ordinance that established a rate-supported regulatory asset for the winter storm costs incurred and recovery of paid fuel costs totaling $418,000 to be recovered over a 25-year period, commencing in March 2022. Recovery of additional amounts for costs include in the regulatory asset must be approved by CPS Energy's Board of Trustees and City Council. On January 31, 2024, fuel costs to be recovered in future years totaled $763,167.

Note 1 Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

CPS Energy (Continued)

CPS Energy accounts for its legal obligation to decommission STP Units 1 and 2 in accordance with GASB Statement No. 83, C*ertain Asset Retirement Obligations (ARO).* CPS Energy has recognized its pro rata share of an ARO based on the best estimate of the current values of outlays expected to be incurred to decommission the units, determined by the most recent cost study performed in May 2023. A new cost study is performed every five years; in years after the latest study, GASB Statement No. 83 requires the current value of the CPS Energy's ARO be adjusted for the effects of inflation or deflation, at least annually. In addition to the ARO, CPS Energy has recorded deferred outflows of resources that are being amortized over the remaining useful life of the plant.

Additionally, due to requirements under the Code of Federal Regulations governing nuclear decommissioning trust funds, a zero-net position approach is applied in accounting for the Decommissioning Trusts. Accordingly, current year and prior year activity in the Trusts is reported in the nonoperating income (expense) section of the Statements of Revenues, Expenses and Changes in Net Position as decommissioning net costs recoverable (refundable). The cumulative effect of activity in the Trusts is reported on the Statements of Net Position as a noncurrent liability referred to as Decommissioning net costs refundable since any excess funds are payable to customers. Going forward, prolonged unfavorable economic conditions could result in the assets of the Trusts being less than the estimated decommissioning liability. In that case, instead of an excess as currently exists, there would be a deficit that would be reported as decommissioning net costs recoverable and would be receivable from customers.

Periodically, federal or state grants are made available to CPS Energy as a subrecipient for a portion of grant funds allocated to the State of Texas or as direct awards. Grant receipts are recorded as nonoperating income and generally reimburse CPS Energy for costs, recorded as operating expenses, incurred in the administration of the program. This accounting treatment results in no impact to CPS Energy's net position. Federal or state grants that subsidize in whole or a partial amount of capital assets are recognized as contributed capital. Revenues associated with the grant-related programs are exempt from payments of a percentage of gross revenues made to the City. Grant funding received by CPS Energy is subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

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Note 1 Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting (Continued)

San Antonio Water System (SAWS)

SAWS' revenues are recorded as goods or services are provided. Customers' meters are read, and bills are prepared monthly based on billing cycles. SAWS uses historical information to estimate, and record earned revenue not yet billed.

SAWS' principal operating revenues are charges to customers for water supply, water delivery, wastewater, and chilled water services. Operating expenses include costs of service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Current Year GASB Statement Implementations

Primary Government (City)

GASB Statement No. 99, *Omnibus 2022*, the primary objective of this Statement is to enhance comparability in accounting and financial reporting and improve consistency of authoritative literature by addressing (1) practice issues from implementation and application of certain other GASB statements and (2) accounting and financial reporting for financial guarantees. Among other things, this Statement clarifies that instruments within scope of GASB Statement No. 53 that do not meet the definition of an investment derivative or of a hedging derivative are considered as other derivative instruments. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of GASB Statement No. 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter. The City implemented GASB Statement No. 99 where applicable in fiscal year 2024. The adoption of GASB Statement No. 99 had no effect on beginning net position or fund balances.

GASB Statement No. 100, *Accounting Changes and Error Corrections* – an amendment of GASB Statement 62, the primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for decision making and assessing accountability. Accounting changes in this Statement are defined as changes in accounting principles, estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature and quantitative effects. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. The City implemented GASB Statement No. 100 where applicable in fiscal year 2024. See Note 21 for the effect of adopting GASB Statement No. 100.

Note 1 Summary of Significant Accounting Policies (Continued)

Future GASB Statement Implementations

Primary Government (City)

GASB Statement No. 101, *Compensated Absences,* the primary objective of this Statement is to meet the information needs of financial statement users by updating recognition and measurement guidance for compensated absences. That is achieved by aligning the recognition and measurement guidance under a unified model and amending certain previous required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave that is accumulated is carried forward from the reporting period to a future reporting period in which it may be used, paid, or settled. Leave that is likely to be settled through conversion to defined benefit postemployment benefits should not be included in liability for compensated absences. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. The Statement establishes guidance for liability measurement; generally, this is the pay rate of the employee as of date of the financial statements. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The City will assess and implement this Statement where applicable in fiscal year 2025.

GASB Statement No. 102, *Certain Risk Disclosures,* the primary objective of this Statement is to disclose essential information about risks related to vulnerabilities due to certain concentrations or constraints. This is achieved by requiring governments to disclose information about a concentration or constraint if all of the following criteria are met (a) the concentration or constraint is known to the government prior to issuing the financial statements, (b) the concentration or constraint makes the government vulnerable to the risk of a substantial impact, (c) an event or events associated with the concentration or constraint that could cause a substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date financial statements are issued. The disclosures should include descriptions of the following (1) the concentration or constraint, (2) each event associated with the concentration or constraint that could cause a substantial impact if the event has occurred or has begun to occur prior to the issuance of the financial statements, (3) actions taken by the government to mitigate the risk prior to the issuance of the financial statements. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024. The City will assess and implement this Statement where applicable in fiscal year 2025.

GASB Statement No. 103, *Financial Reporting Model Improvements*, the objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025. The City will assess and implement this Statement where applicable in fiscal year 2026.

Note 1 Summary of Significant Accounting Policies (Continued)

Future GASB Statement Implementations (Continued)

Primary Government (City) (Continued)

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, establishes requirement for certain types of capital assets to be disclosed separately for purposes of note disclosures. It also establishes requirements for capital assets held for sale and requires additional disclosures for those capital assets. Statement 104 requires separate disclosure for four types of capital assets: lease assets reported under Statement 87, by major class of underlying asset; intangible right-to-use assets recognized by an operator under Statement 94, by major class of underlying asset; subscription assets reported under Statement 96; and intangible assets other than listed above, by major class of asset. Statement 104 establishes requirements for capital assets held for sale. A capital asset is a capital asset held for sale if the government has decided to pursue the sale of the asset, and it is probable the sale will be finalized within a year of the financial statement date. A government should disclose the historical cost and accumulated depreciation of capital assets held for sale, by major class of asset. The requirements of Statement 104 are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The City will assess and implement this Statement where applicable in fiscal year 2026.

The City has not fully determined the effects that implementation of these statements will have on its financial statements.

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Note 1 Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents and Investments

Primary Government (City)

The City's investment practices are governed by state statutes and by the City's own Investment Policy. City cash is required to be deposited in Federal Deposit Insurance Corporation (FDIC) insured banks located within the State of Texas. A pooled cash and investment strategy is utilized, which enables the City to have one central depository. Investments are pooled into two primary categories: operating funds and debt service funds. The balances in these funds are invested in an aggregate or pooled amount, with principal and interest income distributed to each respective fund on a prorated basis. In addition, the City may purchase certain investments with the available balance of a specific fund for the sole benefit of such fund. Fair value of the City's investments is determined by quoted market prices and valuations using interest rate curves and credit spreads applied to the terms of the debt instrument, while also considering the counterparty rating. The City's policy with respect to money market investments, which have a remaining maturity of one year or less at the time of purchase, is to report those investments at amortized cost, which approximates fair value. Amortization of premium or accretion of discount is recorded over the term of the investments. As of September 30, 2024, the City's investment portfolio did not contain any derivative instruments or alternative investment products, nor was it leveraged in any way. Derivative instruments or alternative investment products are found only where noted in the Pension Fund and Health Fund. For a listing of authorized investments, see Note 4 Cash and Cash Equivalents, Securities Lending and Investments.

For purposes of the Statement of Cash Flows, the City considers all highly liquid investments with an original maturity of approximately 90 days or less to be cash equivalents.

Materials and Supplies and Prepaid Items

Materials and supplies consist principally of expendable items held for consumption and are stated at cost, based on first-in, first-out and lower of average cost or market methods. For governmental and proprietary fund types, the "consumption" method is used to account for certain materials and supplies. Under the consumption method, these acquisitions are recorded in materials and supplies accounts and charged as expenditures for governmental funds and as expenses for proprietary funds when used.

Prepaid items are goods and services that are paid in advance. These payments reflect costs applicable to future accounting periods and are recorded in both government-wide and fund financial statements. Using the consumption method, prepaid items are charged as expenditures for governmental funds and as expenses for proprietary funds as the goods or services are used.

Capital Assets and Depreciation

Primary Government (City)

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, works of art, historical treasures, or capital assets received in a service concession agreement are valued at acquisition value. Capital assets recorded under financed purchases are recorded at the present value of future minimum payments. Depreciation on all exhaustible capital assets of the City is charged as an expense with accumulated depreciation being reported in the Statement of Net Position. Depreciation is provided over the estimated useful lives of the assets using the straight-line method.

Note 1 Summary of Significant Accounting Policies (Continued)

Capital Assets and Depreciation (Continued)

Primary Government (City) (Continued)

The City has established capitalization thresholds for automotive equipment, computer software, computer equipment, machinery and equipment, buildings, improvements, infrastructure, and depreciable intangible (e.g., right of ways, easements, internally generated software). Some intangible assets may have an indefinite life. For those assets, depreciation is not calculated. Capital assets are tested for impairment when a significant unexpected decline in its service utility occurs. Losses are recorded net of any insurance recovery when the recovery is realizable in the respective fiscal year.

The estimated useful lives and capitalization thresholds applied are as follows:

Assets	Useful Life (Years)	Capitalization Threshold
Automotive Equipment	5-10	$ 5
Computer Software	5-10	5
Computer Equipment	5-10	5
Machinery and Equipment	5-20	5
Infrastructure- Sidewalks	20	5
Buildings	10-40	100
Depreciable Intangible	5-40	100
Improvements (other than buildings)	10-40	100
Infrastructure	10-100	100

Lease and SBITA asset threshold is $5 and are amortized over the lesser of the life of the associated contract or useful life of the asset.

CPS Energy

The costs of additions and replacements of assets identified as major components or property units are capitalized. Maintenance and replacements of minor items are charged to operating expense. Except for certain assets that may become impaired, the cost of a depreciable plant that is retired, plus removal costs and less salvage, is charged to accumulated depreciation. Per the financial reporting requirements of GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, any losses associated with capital asset impairments will be charged to operations, not to accumulated depreciation.

CPS Energy's utility plant is stated at the cost of construction, including expenses for contracted services; direct equipment, material and labor; indirect costs, including general engineering, labor, equipment and material overheads.

Proceeds from customers to partially fund construction expenses are reported as capital grants and contributions in the Statement of Activities as increases in net position in accordance with the requirements of GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*. The amount reported for capital grants and contributions was $103,062 for the period ending January 31, 2024, including donated assets of $5,319. The remaining portion of this balance, $97,743 for fiscal year 2024, represents contributions received from customers as payments for utility extensions and services, as well as funding for community initiatives and other local partnership projects.

Note 1 Summary of Significant Accounting Policies (Continued)

Capital Assets and Depreciation (Continued)

CPS Energy (Continued)

Except for nuclear fuel, which is amortized over units of production, CPS Energy computes depreciation using the straight-line method over the estimated service lives of the depreciable property according to asset type. Total depreciation as a percent of total depreciable assets, excluding nuclear fuel, was 3.2% for fiscal year 2024.

The estimated useful lives of depreciable capital assets are as follows:

Depreciable Capital Assets	Useful Life (Years)
Buildings and Structures	45
Utility Plant in Service:	
Generation	34-59
Transmission and Distribution	6-63
Gas	30-65
Machinery and Equipment	4-20
Intangibles:	
Software	8
Other	20-30
Mineral Rights and Other	20-40

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Note 1 Summary of Significant Accounting Policies (Continued)

Capital Assets and Depreciation (Continued)

CPS Energy (Continued)

In fiscal year 2023, CPS Energy engaged an independent third-party consulting firm to conduct a depreciation study, which is performed every five years. The new depreciation rates resulting from the study were retroactively applied to the beginning of fiscal year 2023. As a result of the study, based on the plant in service as of January 31, 2022, total annual depreciation increased by approximately 7.6% based on the updated estimated useful lives and increases in Plant-In-Service balances.

Separately, right-to-use lease assets and subscriptions assets are amortized over the lesser of the life of the assets or the term of the lease, using the straight-line method.

Thresholds contained in CPS Energy's capitalization policy for fiscal year 2024 are as follows:

Assets	Capitalization Threshold
Land, Land Improvements and Certain Easements	Capitalize All
Buildings and Building Improvements	$ 10
Computer Software:	
Purchased	50
Internally Developed	50
Enhancements/Upgrades	50
Computer Hardware	3
All Other Assets	3

CPS Energy adopted GASB Statement No. 87, *Leases*, during fiscal year 2022, which no longer differentiates between capital and operating leases. GASB Statement No. 87 establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under this Statement, CPS Energy as a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and as a lessor is required to recognize a lease receivable and a deferred inflow of resources.

CPS Energy adopted GASB Statement No. 96, *Subscription Based Information Technology Agreements*, during fiscal year 2023. GASB Statement No. 96 establishes an accounting model for subscription assets. Under this Statement, CPS Energy is required to recognize a SBITA liability and an intangible right-to-use subscription asset.

San Antonio Water System (SAWS)

SAWS' capital assets in service are capitalized when the unit cost is greater than or equal to $5. Utility plant additions are recorded at cost, which includes materials, labor, and direct internal costs during construction. Capital assets include intangible assets, which consist of purchased water rights and land capital easements, costs associated with acquiring additional Certificates of Convenience and Necessity (CCN) related to new service areas, and development costs for internally generated computer software. Assets acquired through capital leases are recorded as assets in Utility plant in service and the lease contracts recorded as liabilities in contract and leases payable in SAWS' financial statements using the present value of lease payments and any other non-executory costs. Assets acquired through contributions, such as those from developers, are recorded at estimated acquisition value at date of donation. Maintenance, repairs, and minor renewals are charged to operating expense, while major plant replacements are capitalized.

Note 1 Summary of Significant Accounting Policies (Continued)

Capital Assets and Depreciation (Continued)

San Antonio Water System (SAWS) (Continued)

Capital assets are depreciated on the straight-line method. This method is applied to all individual assets except distribution and collection mains and intangible assets. Groups of mains are depreciated on the straight-line method over an estimated average useful life of 50 years. Mains are included in the distribution and transmission system asset category and the collection system category. Intangible assets not considered to have indefinite useful lives are amortized over their estimated useful life. Capital assets are tested for impairment when a significant unexpected decline in its service utility occurs.

The following table shows an estimated range of useful lives used in providing for depreciation of capital assets:

Assets	Useful Life (Years)
Structures and Improvements	25-50
Pumping and Purification Equipment	10-50
Distribution and Transmission System	17.5-50
Collection System	50
Treatment Facilities	25
Machinery and Equipment	5-20
Furniture and Fixtures	3-10
Computer Equipment	5
Software	3-10
Intangible Assets (Definite Useful Life)	2 - 20

Capital contributions consist of plant contributions from developers, capital recovery fees, and contributions in aid of construction and/or grant proceeds received from governmental agencies for facility expansion.

Capital recovery fees are charged to customers to connect to the water or wastewater system. By Texas law, these fees are to be used for capital expenditures that expand infrastructure capacity or to reimburse SAWS for the cost associated with existing excess infrastructure capacity. In certain instances, infrastructure that facilitates expansion of SAWS' service capacity is contributed by developers. In these instances, SAWS records the donated infrastructure as plant contributions and may abate future capital recovery fees due from the developer equal to a portion of the acquisition value of the infrastructure contributed. SAWS abated future capital recovery fees of $7,764 in 2023. These abatements are conditional based on the type of development and in certain instances, time requirements and geographic restrictions.

Note 1 Summary of Significant Accounting Policies (Continued)

Accrued Leave

Primary Government (City)

The City accrues annual leave and associated employee related costs when matured for both civilian and uniformed employees. Beginning in fiscal year 2020 the City implemented a new personal leave policy for temporary and part-time civilians as well as school crossing guards that enabled the matured leave to be paid out upon separation. The City accrued available sick leave at year-end for these employees. The City has a use or lose sick leave policy for its full-time civilian employees; and therefore, does not accrue said leave. The City accrues the matured portion of its uniformed employees' accrued sick leave, holiday, and bonus pay up to the allowed limit in accordance with their respective collective bargaining agreements.

For governmental fund types, the matured current portion of the liability resulting from the accrual of these leave liabilities is recorded in the respective governmental fund and reported in the fund financial statements, while the entire liability is reported in the government-wide financials. The current and long-term portions of the liability related to proprietary fund types are accounted for in the respective proprietary funds.

CPS Energy

Employees earn vacation benefits based upon their employment status and years of service. CPS Energy does not accrue a liability for sick leave since there is no cash payment made of sick leave when an employee terminates or retires.

San Antonio Water System (SAWS)

It is SAWS' policy to accrue earned but unused employee vacation pay as well as the employer portion of Social Security taxes and required employer pension contributions related to the accrued vacation pay. The total vacation paid in the current year is used as the estimated amount to be due within one year. SAWS provides other compensated absences such as sick and personal leave. These other forms of paid leave are not accrued as a terminating employee is only paid for accrued vacation leave.

Insurance

Primary Government (City)

Activity for the City's self-insurance programs is recorded in the Internal Service Funds. Assets and obligations related to property and casualty liability, employee health benefits, workers' compensation, unemployment compensation, and employee wellness are included. Retired employee health benefit activity is reported in a Fiduciary Component Unit Fund.

The City is insured for property loss on a primary basis through Alliant Property Insurance Programs. The City is completely self-insured for liability claims. Related liabilities are accrued based on the City's estimates of the aggregate liability for claims made and claims incurred but not reported prior to the end of the fiscal year. The City determines and accrues loss liabilities based on an actuarial assessment, performed after fiscal year-end, of historical claim data and industry trends, less expenditures and accrued claims during close out that were included in the reserve census data given to the actuaries.

Note 1 Summary of Significant Accounting Policies (Continued)

Insurance (Continued)

Primary Government (City) (Continued)

The City also provides employee health insurance, which includes funding a prorated share of retiree health benefit costs, workers' compensation, and unemployment benefits under its self-insurance programs. In 2023 the City purchased medical claims stop-loss insurance from HM Life Insurance Company. On January 1, 2024, the City purchased medical claims stop-loss insurance from BCBS. The stop-loss insurance covers civilian and uniformed active employees, non-Medicare eligible retirees, and eligible dependents for claims paid exceeding $1,200.

Employee and retiree health benefit liabilities are determined and accrued based upon the City's estimates of aggregate liabilities for unpaid benefits utilizing claim lag data from the City's third-party administrator. The City additionally determines and accrues postemployment liabilities based on an actuarial assessment of historical claim data performed and reviewed annually. Current year unpaid benefit liabilities for retirees are netted against the postemployment liability as additional contributions.

The City is a member of the Texas Municipal League Workers' Compensation Joint Insurance Fund and uses this fund as a mechanism for administering workers' compensation claims that occurred prior to September 30, 1986. Workers' compensation claims that occurred after October 1, 1986 are administered by third-party administrators. The City records all workers' compensation loss contingencies, including claims incurred but not reported. The City determines and accrues workers' compensation liabilities based on an actuarial assessment of historical claim data and industry trends performed annually. The City has been completely self-insured for workers' compensation claims since May 1, 2013. In fiscal year 2020, the City purchased worker's compensation stop loss insurance for claims that exceed $3,000. Additionally, in fiscal year 2023, the City purchased workers' compensation stop loss insurance for claims that exceed $2,000 for civilian employees and $5,000 for uniformed employees.

Regarding unemployment compensation, the City is subject to the State of Texas Employment Commission Act. Under this Act, the City's method for providing unemployment compensation is to reimburse the State for claims paid by the State.

All insurance carriers providing coverage for the City are required to possess an A.M. Best Company rating of 'A-' or better, where 'A-' denotes Excellent. A.M. Best is an industry recognized rating service for insurance companies. For more detailed explanation of the City's self-insurance programs, see Note 16 Risk Financing.

CPS Energy

CPS Energy maintains property and liability insurance programs that combine self-insurance with commercial insurance policies to cover major risks.

San Antonio Water System (SAWS)

SAWS is self-insured for a portion of workers' compensation, employee's health, employer's liability, public officials' liability, property damage, and certain elements of general liability. A liability has been recorded for the estimated amount of eventual loss, which will be incurred on claims arising prior to the end of the period including incurred but not reported claims.

Note 1 Summary of Significant Accounting Policies (Continued)

Pensions and Postemployment Benefits (OPEB)

Primary Government (City)

For purposes of measuring the net pension liability and total and net OPEB liability, deferred outflows of resources and deferred inflows of resources related to pensions and OPEB, and pension and OPEB expense, information (where applicable) about the fiduciary net position of the plans (where applicable) and additions to/deductions from the Plan's fiduciary net position (where applicable) have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. See Note 10 Pension and Retirement Plans and Note 11 Other Postemployment Benefits for more information.

Fund Balances

Fund balances are classified as nonspendable, restricted, committed, assigned, and unassigned based on the extent to which the City is bound to observe constraints imposed on the use of the resources in the governmental funds. The classifications are as follows:

- Nonspendable – The nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories and prepaids.
- Restricted – The fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through enabling legislation.
- Committed – The committed fund balance includes amounts that can be used only for the specific purposes imposed by formal action (ordinance) of City Council. Those committed amounts cannot be used for other purposes unless City Council removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.
- Assigned – Amounts in the assigned fund balance are intended to be used by the City for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by the City Council, City Manager, Executive Leadership Team, and Department Directors.
- Unassigned – Unassigned fund balance is the residual classification for the General Fund. This classification represents fund balance that has not been assigned to other funds and does not have a specific purpose. In the governmental funds other than the General Fund, if expenditures incurred exceed the amounts restricted, committed or assigned, the fund may report a negative unassigned fund balance.

Generally, the City would apply restricted, committed, or assigned resources prior to unassigned resources when an expenditure is incurred for purposes for which more than one of the classifications of fund balance is available. See Note 18 Fund Balance Classifications for more detail.

Assets associated with cash and receivables received from restricted sources (grants, bond issuances, legislative items, or other third-party restrictions) as well as associated obligations are categorized as restricted.

Note 1 Summary of Significant Accounting Policies (Continued)

Allocation of Indirect Expenses

Primary Government (City)

The City recovers indirect costs in the General Fund through the application of departmental indirect cost rates. These rates are developed and documented in the City's departmental indirect cost rate plan. In this plan, each department is classified by function. Indirect costs are budgeted by department and are used as a basis for the City's actual indirect cost allocation. Base rates are then applied to actual indirect costs recovered, and indirect costs are reclassified to reduce general government expenditures. For fiscal year 2024, general government expenditures in the General Fund were reduced by $25,531, resulting in increased expenditures/expenses in other governmental functions and in business-type activities in the amounts of $16,939 and $8,592 respectively.

Long-Term Obligations

In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are amortized over the life of the debt. For current refundings and advance refundings of debt resulting in defeasance of debt, the difference between the reacquisition price and the carrying amount of the old debt are deferred as a deferred outflow of resources or deferred inflow of resources and amortized over the shorter of the life of the old debt or the life of the new debt. The reacquisition price differentiates between current and advance refunding. Per GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* in a current refunding, this includes principal of the old debt and any call premium. In an advance refunding, it is the amount placed in escrow that, together with interest earnings, is necessary to pay interest and principal on the old debt and any call premium.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the period of issuance. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts are reported as other financing uses.

Elimination of Internal Activity

Elimination of internal activity, particularly related to internal service fund and blended component unit transactions, is needed to make the transition from governmental funds to government-wide activities. The overriding objective in eliminating the effects of internal service fund activity is to adjust the internal charges to cause a break-even result. The main objective in eliminating the effect of funding and reimbursement of costs between the primary government and blended component unit is to remove duplication of same activities.

Eliminating the effect of internal service fund activity requires the City to look back and adjust the Internal Service Funds' internal charges. Net income derived from internal service fund activity would cause a prorated reduction in the charges made to the participating funds/functions. Conversely, an internal service fund net loss would require a prorated increase in the amounts charged to the participating funds/functions.

Therefore, eliminations made to the Statement of Activities remove the doubling up effect of internal service fund activity. The residual internal balances between the governmental and business-type activities are reported in the Statement of Net Position and the internal balance amounts that exist within the governmental funds or within business-type funds are eliminated. The City reports internal service fund balances in both governmental and business-type activities, based on the prorated share of the amounts charged to the participating funds/functions.

Note 1 Summary of Significant Accounting Policies (Continued)

Elimination of Internal Activity (Continued)

Primary Government (City) (Continued)

The City has four Internal Service Funds: Other Internal Services (OISF), Information Services, Self-Insurance Funds, and CMS. Through tracking charges to the applicable departments in each fund, the net income or loss will be allocated back to the user department, based on actual charges incurred over time.

OISF reports on activities of five funds: City Tower Fund, Purchasing Fund, Equipment Renewal and Replacement Fund, Building Maintenance Fund, and Fleet Services Fund. The City Tower Fund generates revenues through parking operations for the on-site garage, facility, rental, and efficiency and rental savings from departments moved into the City Tower. The Purchasing Fund generates its revenue through fixed assessments charged to various funds each year for procurement services, as well as charge-backs for postage and printing. The Equipment Renewal and Replacement Fund charges fixed assessments associated with the replacement of vehicles and heavy equipment. Building Maintenance Fund charges user fees based on the space occupied by departments. Fleet Services Fund charges a monthly amount based on vehicle repair and maintenance and fuel purchases by each department.

Information Services charge a monthly amount based on the usage of data processing, telephone, and radio services by each department. The Self-Insurance Funds generate their revenues through fixed assessments charged to the various funds each year. The Employee Benefits Fund, a component of the Self-Insurance Funds, additionally charges prorated user fees to active employees on the City's healthcare plans; and earns rebates for prescription purchases. The CMS Fund generates revenues by charging a capital administrative fee for activities on projects being worked on. The fund additionally generates revenue through reimbursements of costs incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the City, Pension and Health Fund, CPS Energy, and SAWS to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Application of Restricted and Unrestricted Net Position

The City may receive funding from an organization whose expenditures are restricted to certain allowable costs. In situations where both restricted and unrestricted net position are expended to cover allowable expenses, the City will first expend the restricted net position and cover additional costs with unrestricted net position. The City reserves the right to selectively defer the use of restricted assets or reimburse unrestricted net position with allowable restricted assets.

Note 2 Property Taxes

Property taxes are levied and due upon receipt on October 1, based on the assessed value of the previous January 1. The taxes are attached as an enforceable lien on property as of January 1 of the subsequent year and become delinquent the following February 1. Property tax billing and collections are performed via an interlocal agreement with the Bexar County Tax Assessor/Collector's Office. The City recognizes assets for property taxes when an enforceable legal claim to the assets arises (lien date) and recognizes revenues in the period for which the taxes are levied (when available for governmental funds).

The City is permitted by the Municipal Finance Law of the State of Texas to levy taxes up to $2.50 per $100 of taxable valuation (amounts are not reflected in thousands). The tax rate approved by City ordinance for the fiscal year-ended September 30, 2024, was $0.54159 per $100 taxable valuation, which means that the City has a tax margin of $1.95841 per $100 taxable valuation (tax rate amounts are not reflected in thousands). This could raise an additional $2,956,100 per year based on the net taxable valuation of $150,943,884 before the limit is reached. In fiscal year 2024, the City has forgone property tax revenues as a result of abatement agreements entered into. For more information see Note 3 Tax Abatements.

The City has adopted a Tax Increment Financing (TIF) Program Policy and Implementation Manual for the utilization of tax increment as a financing mechanism and the creation of Tax Increment Reinvestment Zones (TIRZ) pursuant to Chapter 311 of the Texas Tax Code. The City has utilized TIF to fund in whole or in part eligible capital costs for public infrastructure related to economic development, commercial, and residential projects. As of September 30, 2024, there were 22 existing TIRZ with a total taxable captured value of $8,102,388. For fiscal year 2024, this total taxable captured value produced $40,793 in tax increment revenues for use by the City to fund capital costs of certain public infrastructure improvements, tax rebates for public arts, historic building restoration and remediation, economic development projects, affordable housing, and operating and administrative expenses in the TIRZ. The existing TIRZ have initial terms ranging from 19 years to 38 years which are anticipated to expire by fiscal year 2054. It is estimated that the City will contribute approximately $1,206,977 in tax increment revenues in aggregate over the life of these TIRZ projects.

TIRZ	Start Date	End Date	Taxable Captured Value
Mission Del Lago	8/19/1999	9/30/2032	$ 446,110
Houston Street[2]	12/9/1999	9/30/2034	1,205,373
Stablewood Farms	12/14/2000	9/30/2025	79,730
Inner City	12/14/2000	9/30/2035	1,855,397
Lackland Hills	12/13/2001	9/30/2026	29,892
Northeast Crossing	6/13/2002	9/30/2028	327,985
Brooks City Base	12/9/2004	9/30/2039	635,464
Mission Creek	12/9/2004	9/30/2029	68,545
Hallie Heights	12/9/2004	9/30/2024	28,925
Heather Cove	12/16/2004	9/30/2024	26,349
Hunters Pond	6/1/2006	9/30/2031	66,300
Verano	12/6/2007	9/30/2045	24,848
Westside[2]	12/11/2008	9/30/2032	644,066
Midtown	12/11/2008	9/30/2041	1,982,657
Mission Drive In	12/11/2008	9/30/2027	220,490
North East Corridor	12/4/2014	9/30/2034	268,077
Hemisfair	2/2/2017	9/30/2037	86,802
Thea Meadows	12/5/2019	9/30/2054	45,313
Nabors	5/13/2021	9/30/2046	39,743
Somerset Grove	6/10/2021	9/30/2046	15,075
Valley Sol	6/10/2021	9/30/2046	5,247
Lone Oak[1]	1/12/2023	9/30/2048	
			$ 8,102,388

[1] FY 2025 is anticipated to be the first year of tax increment collections for the TIRZ.

[2] See Note 22 Subsequent Events for additional information.

Note 3 Tax Abatements

GASB Statement No. 77, *Tax Abatement Disclosures*, defines a tax abatement as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or citizens of those governments.

The City utilizes the following tax abatement programs to provide powerful new resources and incentives to grow the economy in the region, revitalize targeted areas of the City and promote strong, balanced growth throughout the community.

The City has not entered into agreements with other governments that would reduce the reporting government's tax revenues. Other entities are not authorized to enter into tax abatement agreements that reduce the City tax revenue without the City's consent.

City Tax Abatement Program

- ***Purpose of program*** – Encourages a job creation environment to help attract, retain, and expand targeted industries, increase employment and high-wage jobs, expand the tax base, and create long-term capital investment (including foreign direct investment) and new wealth opportunities in the community in accordance with the SA Tomorrow Comprehensive Plan.
- ***Taxes being abated*** – This program offers a tax abatement of up to 100.0% on real and/or personal property taxes on improvement values for a maximum term of up to ten years.
- ***Authority for entering program*** – Chapter 312 of the Texas Tax Code.
- ***Eligibility criteria for recipients*** – A new or existing local company must meet or exceed all of the criteria: 1) minimum amounts of new real and/or personal property capital investment; 2) minimum levels of full-time job creation, excluding data center projects and solar farms; 3) employee and dependent access to health care benefits; 4) minimum living and all-industry wage requirements for new and existing employees at project site; and 5) applicant must be in a targeted industry, a qualifying project or business activity.
- ***Mechanism used to abate taxes*** – The City assesses the agreed upon reduction of the property's assessed value or the credit to the amount of taxes owed. Bexar County Appraisal District processes the reduction of the property's assessed value.
- ***How the dollar amount of the abatement was determined*** – The amount and term of the tax abatement offered is dependent upon the location and industry of the project, other public incentives offered for the same project and the overall benefit to the City and community.
- ***Recapture Provisions*** – Violations for employment of undocumented workers, failure to meet investment requirements, failure to meet and maintain the minimum number of employees, failure to pay property taxes if owed or for refunding agreements, failure to complete project by the agreed upon deadline, events of relocation or cessation of business activities within the term of the agreement, or failure to meet other specified terms of the agreement.
- ***Types of commitments made by recipients*** – Varies by agreement, including investment in real and personal property, creating a minimum number of full-time jobs, and commitment to maintain business activities for a set amount of time.
- ***Other commitments to the recipient*** – No other commitments are made with this program.

Note 3 Tax Abatements (Continued)

Economic Development Incentive Fund (EDIF) Program

- ***Purpose of program*** – Provide economic development grants and/or loans to eligible companies seeking to create or retain jobs and invest in San Antonio.
- ***Taxes being abated*** – These programs decrease the property tax revenue up to 100.0% from real and/or personal property for the City by reducing the amount of the assessed value up to 15 years. The City coordinates with Bexar County Appraisal District to process the reduction of the property's assessed value.
- ***Authority for entering program*** – Chapter 380 of the Local Government Code.
- ***Eligibility criteria for recipients*** – A new or existing local company must meet or exceed all of the criteria: 1) minimum amounts of new real and/or personal property capital investment; 2) minimum levels of full-time job creation, excluding data center projects and solar farms; 3) employee and dependent access to health care benefits; 4) minimum living and all-industry wage requirements for new and existing employees at project site; and 5) applicant must be in a targeted industry, a qualifying project or business activity.
- ***Mechanism used to abate taxes*** – The City assesses the agreed upon reduction of the property's assessed value or the credit to the amount of taxes owed. Bexar County Appraisal District processes the reduction of the property's assessed value.
- ***How the dollar amount of the abatement was determined*** – The amount of EDIF assistance for a business recruitment or retention/expansion project will be based on a determination of need for financial incentives from the City to ensure the attraction, retention and/or expansion of the eligible company or program. Staff will also conduct a fiscal benefit analysis on each such project and evaluate the total benefits from all financial incentive programs the City might offer for the project.
- ***Recapture Provisions*** – Violations for employment of undocumented workers, failure to meet investment requirements, failure to meet and maintain the minimum number of employees, failure to pay property taxes if owed or for refunding agreements, failure to complete project by the agreed upon deadline, events of relocation or cessation of business activities within the term of the agreement, or failure to meet other specified terms of the agreement.
- ***Types of commitments made by recipients*** – Varies by agreement, including investment in real and personal property, creating a minimum number of full-time jobs, and commitment to maintain business activities for a set amount of time.
- ***Other commitments to the recipient*** – Varies by agreement, may include grants (usually most significant, amount depends on financial availability), loans, and forgivable loans.

Tax Increment Financing Program – Center City Housing Incentive Policy

- ***Purpose of program*** – Provides financial incentives for multi-family housing projects and focuses on housing redevelopment within the Greater Downtown Area.
- ***Taxes being reimbursed*** – This program offers a tax reimbursement of up to 100.0% on real and/or personal property taxes on improvement values for a maximum term of up to 15 years.
- ***Authority for entering program*** – Chapter 311 of the Texas Tax Code, Chapter 380 of the Local Government Code.
- ***Eligibility criteria for recipients*** – All projects must create housing at a density of at least eight units per acre for adaptive reuse or historic rehabilitation projects, or 16 housing units per acre for all other projects. Rental projects must maintain first year rental rate for 10.0% of units throughout agreement term. All projects must receive design approval prior to commencement.
- ***Mechanism used to reimburse taxes*** – Eligible projects will receive a tax reimbursement disbursed annually over the life of the agreement.

Note 3 Tax Abatements (Continued)

Tax Increment Financing Program – Center City Housing Incentive Policy (Continued)

- ***How the dollar amount of the reimbursement was determined*** – The amount of the tax reimbursement offered is dependent on the location of the property and increase of the property value over the term of the agreement from the base year's value.
- ***Recapture Provisions*** – Violations for employment of undocumented workers, failure to meet investment requirements, failure to meet and maintain the minimum number of employees, failure to pay property taxes if owed or for refunding agreements, failure to complete project by the agreed upon deadline, events of relocation or cessation of business activities within the term of the agreement, or failure to meet other specified terms of the agreement.
- ***Types of commitments made by recipients*** – Varies by agreement, including investment in real and personal property (generally rental housing units).
- ***Other commitments to the recipient*** – Varies by agreement, may include SAWS fee waivers, City fee waivers, low interest loans, low interest forgivable loans, and mixed-use forgivable loans. The program ended in December 2020 and does not enter into new agreements. The program does have rebate obligations through existing agreements.

Tax Increment Financing Program – Non-Center City Housing Incentive Policy

- ***Purpose of program*** – This program is to promote local economic development and to stimulate business and commercial activity.
- ***Taxes being reimbursement***– This program offers a tax reimbursement of up to 100.0% on real and/or personal property taxes on improvement values for a maximum term of up to 15 years.
- ***Authority for entering program*** – Chapters 311 and 312 of the Texas Tax Code, Chapter 380 of the Local Government Code.
- ***Eligibility criteria for recipients*** – All projects must create housing at a density of at least eight units per acre for adaptive reuse or historic rehabilitation projects, or 16 housing units per acre for all other projects. Rental projects must maintain first year rental rate for 10.0% of units throughout agreement term. All projects must receive design approval prior to commencement.
- ***Mechanism used to reimburse taxes*** – Eligible projects will receive a tax reimbursement disbursed annually over the life of the agreement.
- ***How the dollar amount of the reimbursement was determined*** – The amount of the tax reimbursement offered is dependent on the location of the property and increase of the property value over the term of the agreement from the base year's value.
- ***Recapture Provisions*** – Violations for employment of undocumented workers, failure to meet investment requirements, failure to meet and maintain the minimum number of employees, failure to pay property taxes if owed or for refunding agreements, failure to complete project by the agreed upon deadline, events of relocation or cessation of business activities within the term of the agreement, or failure to meet other specified terms of the agreement.
- ***Types of commitments made by recipients*** – Varies by agreement, including investment in real and personal property, creating a minimum number of full-time jobs, and commitment to maintain business activities for a set amount of time.
- ***Other commitments to the recipient*** – Varies by agreement, may include SAWS fee waivers, City fee waivers, low interest loans, low interest forgivable loans, and mixed-use forgivable loans.

Note 3 Tax Abatements (Continued)

Summary

A summary of these taxes forgone on the City's abatement programs for the year-ended September 30, 2024 follows:

Tax Abatement Program	Number of Agreements (not in thousands)	Amount of Taxes Abated during the fiscal year
City Tax Abatement Program	8	$ 5,998
Economic Development Incentive Fund Program	2	347
Center City Housing Incentive Policy	36	3,604
Non-Center City Housing Incentive Policy	3	399
	49	$ 10,348

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Note 4 Cash and Cash Equivalents, Securities Lending and Investments

Summary of Cash and Cash Equivalents, Securities Lending and Investments

Totals from Statement of Net Position

	City [1]	Fire and Police Pension Fund [2, 4]	Retiree Health & Wellness SA Fire and Police Fund (Health Fund) [2, 4]	CPS Energy [3]	SAWS [4]
Unrestricted:					
Cash and Cash Equivalents	$ 231,039	$ 93,256	$ 5,905	$ 394,213	$ 234,813
Security Lending Collateral		87,732			
Investments	734,079	3,826,691	531,964		471,940
Total Unrestricted	$ 965,118	$ 4,007,679	$ 537,869	$ 394,213	$ 706,753
Restricted:					
Cash and Cash Equivalents	727,062			454,945	381,703
Investments	1,256,074			1,361,837	379,457
Total Restricted	$ 1,983,136	$ -	$ -	$ 1,816,782	$ 761,160
Total Cash and Cash Equivalents, Securities Lending Collateral and Investments	$ 2,948,254	$ 4,007,679	$ 537,869	$ 2,210,995	$ 1,467,913

[1] Custodial and City Retiree Health Care Fund cash and investments are included in the City's pooled cash and investments but are not available for City activities and are excluded from the primary government's Statement of Net Position. The Custodial assets are presented above as Restricted Cash and Cash Equivalents of $3,310 and Investments of $2,276. The City Retiree Health Care Fund assets are presented above as Restricted Cash and Cash Equivalents of $1,465 and Investments of $4,979.

[2] The Fire and Police Pension Fund and the Health Fund are separately issued fiduciary component units and are excluded from the primary government's Statement of Net Position.

[3] For the fiscal year-ended January 31, 2024.

[4] For the fiscal year-ended December 31, 2023.

A summary of cash and cash equivalents, securities lending and investments for the City, Pension Fund, Health Fund, CPS Energy, and SAWS is presented below as of each entity's respective fiscal year-end. This information is provided in order to facilitate reconciliation between the Statement of Net Position and the following note disclosures:

Summary of Cash and Cash Equivalents

	City	Fire and Police Pension Fund	Retiree Health & Wellness SA Fire and Police Fund (Health Fund)	CPS Energy	SAWS
Deposits with Financial Institutions	$ 551	$ 317	$ 45	$ 342,270	$ 18,804
Investments with Original Maturities of Less than Ninety Days	756,600	92,939	5,860	506,845	597,694
Cash with Other Financial Agents	199,978				
Petty Cash Funds	111			43	
Cash on Hand	861				18
Total Cash and Cash Equivalents	$ 958,101	$ 93,256	$ 5,905	$ 849,158	$ 616,516

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Summary of Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Summary of Investments

	City	Fire and Police Pension Fund	Retiree Health & Wellness SA Fire and Police Fund (Health Fund)	CPS Energy	SAWS
U.S. Treasuries, Government Agencies, Money Market Mutual Funds, and Government Investment Pool	$ 2,743,622	$ 390,581	$ 5,860	$ 1,478,109	$ 1,449,091
Repurchase Agreements	2,431				
Convertible Bonds		406			
Corporate Bonds		526,994		112,558	
Foreign Bonds				12,640	
Common Stock		1,078,196		201,703	
Mutual Funds			103,063		
Real Estate		311,843	31,793	62,895	
Preferred Stock	700			777	
Hedge Funds		25,120			
International Equities - Common Stock		675,592			
Alternative Investment		910,898	397,108		
Total Investments	$ 2,746,753	$ 3,919,630	$ 537,824	$ 1,868,682	$ 1,449,091
Less: Investments with Original Maturities of Less than Ninety Days included in Cash and Cash Equivalents	(756,600)	(92,939)	(5,860)	(506,845)	(597,694)
Total	$ 1,990,153	$ 3,826,691	$ 531,964	$ 1,361,837	$ 851,397

City monies are deposited in demand accounts at the City's depository. The City utilizes a pooled cash and investment strategy with each fund's cash balance and pro rata shares of highly liquid investments, including U.S. Treasury securities, U.S. government agency securities, and repurchase agreements with original maturities of 90 days or less, summarized by fund type and included in the combined Statement of Net Position as cash and cash equivalents. Overdrafts, which result from a fund overdrawing its share of pooled cash, are reported as interfund payables by the overdrawn fund and as interfund receivables of either the General Fund or another fund with a similar purpose.

The City's investment portfolio is managed in accordance with the Texas Public Funds Investment Act, as amended, and its own Investment Policy. Authorized investments include demand accounts, certificates of deposit, obligations of the U.S. Treasury and U.S. government agencies, commercial paper, repurchase agreements, money market mutual funds and government investment pools. The City maintains in its investment portfolio U.S. Treasury securities and U.S. government agency securities with original maturities greater than 90 days. Each fund's pro rata share of these investments with original maturities greater than 90 days is combined with similar nonpooled securities (i.e., securities purchased and held for specific funds), including U.S. Treasury securities and U.S. government agency securities, and are reported as investments in the combined Statement of Net Position, as of September 30, 2024.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City)

With regard to money market investments and government investment pools that have a remaining maturity of one year or less at the time of purchase, the City's policy is to report these investments at amortized cost. Amortized cost approximates fair value for these investments. The increase in fair value for investments of the City with a remaining maturity of greater than one year at the time of purchase was $12,708 for the year-ended September 30, 2024.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants,* applies to all state and local governments that participate in external investment pools. The City participates in two such pools: TexPool and TexPool Prime. The City's investments managed through TexPool are recorded at amortized cost in accordance with GASB Statement No. 79. These investments consist exclusively of U.S. government securities, its agencies or instrumentalities, repurchase agreements collateralized by U.S. government securities, its agencies or instrumentalities, AAA-rated, no-load money market mutual funds, certificates of deposit guaranteed or insured by the Federal Deposit Insurance Company or the National Credit Union Share Insurance Fund, commercial paper rated at least A-1 or P-1 by (i) two Nationally Recognized Statistical Rating Organizations (NRSROs) or (ii) one NRSRO and fully secured by an irrevocable letter of credit by a national or state bank, and securities lending programs. The Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company (the Trust Company), which is authorized to operate TexPool. Federated Investors, Inc. manages the assets under an agreement with the Comptroller, acting on behalf of the Trust Company. Additional information regarding TexPool and TexPool Prime may be found at http://www.texpool.com/TexPool/home.do.

TexPool and TexPool Prime do not have any limitations or restrictions on participants' withdrawals that would have to be stated in the notes to the financial statements. All TexPool securities are reported within the highest category of credit ratings and are denominated in U.S. dollars. Per GASB Statement No. 40, *Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3*, TexPool is not exposed to custodial credit risk. Additionally, TexPool utilizes shadow pricing, which is consistently within 0.5% of amortized cost value per unit.

In accordance with GASB Statement No. 40, the following table and narrative addresses the interest rate risk exposure by investment type, using the weighted average maturity (WAM) method, custodial credit risk, interest rate risk, credit risk, and concentration of credit risk. The City does not hold any foreign securities; therefore, foreign currency risk is not applicable.

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Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

City Investments

	Carrying Amount [1]	Fair Value [1]	Allocation [2]	Rating [3]	WAM
U.S. Government Agency Securities	$ 1,777,617	$ 1,788,389	65.1%	AA+/A-1+	1.99 Years
U.S. Treasuries	199,128	201,064	7.3%	N/A	1.22 Years
Money Market Mutual Funds	105,090	105,090	3.8%	AAAm	1 day
Government Investment Pool	649,079	649,079	23.6%	AAAm	1 day
Preferred Stock	700	700	0.1%	N/A	N/A
Repurchase Agreement	2,431	2,431	0.1%	N/A	1 day
Total City Investments	$ 2,734,045	$ 2,746,753	100.0%		

[1] The Carrying Amount and Fair Value include blended component units for SIDC, TMFC, and TPFC, which total $56,240.

[2] The allocation is based on fair value.

[3] Standard & Poor's Rating

Custodial Credit Risk (Deposits) – Collateral pledged for demand accounts and certificates of deposit is required to be held in the City's name in the custody of a third-party institution that customarily provides such custodial services at 102.0% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the U.S. government and its agencies and obligations of the State and its municipalities, school districts, and district corporations.

Written custodial agreements are required which provide, among other things, that the collateral securities are held separate from the assets of the custodial banks. The City periodically determines that the collateral has a fair value adequate to cover the deposits (not less than 102.0% of the deposit amount) and that the collateral has been segregated either physically or by book entry. At fiscal year-end, cash deposits for the City, and City-managed component units, were entirely collateralized by the City's depository with securities consisting of U.S. government and its agencies or U.S. government guaranteed obligations held in book entry form by the Federal Reserve Bank in the City's name.

Custodial Credit Risk (Investments) – The City's investment securities are held at the City's depository bank's third-party custodian, CitiBank, in the depository bank's name as a custodian for the City. Assets pledged as collateral must generally be a type of security specifically authorized to be held as a direct investment; must be held by an independent third party; and must be pledged in the name of the City.

Interest Rate Risk – The City manages exposure to value losses resulting from rising interest rates by limiting the investment portfolio's weighted-average maturity to five years. Per the City's Investment Policy, investments are diversified across issuers and maturity dates so that fewer funds will be subject to interest rate risk occurrence at any given time. In addition, the City generally follows a laddered approach to investing, whereby blocks of roughly the same increments are invested at similarly increased maturity lengths. This approach provides security that all investments will not become due at one particularly advantageous or disadvantageous period of time, thereby spreading the risk. Weighted-average maturity is defined as the weighted-average time to the return of a dollar of principal. It is used as an estimate of the interest rate risk of a fixed income investment. The City invests in money market mutual funds and government investment pools with 100.0% overnight liquidity. Additionally, the City has entered into a repurchase agreement with 100.0% overnight liquidity.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Credit Risk – The City's Investment Policy requires the purchase of securities that are of the highest credit quality, based on current ratings provided by nationally recognized credit rating agencies. The City deems investments in U.S. Treasury securities and U.S. government agency securities that are guaranteed to be without credit risk. To limit the City's credit risk, investments in other debt securities will consist of securities rated 'A' or better by at least two nationally recognized rating agencies. As of September 30, 2024, the City's investment portfolio, with the exception of the repurchase agreement, the money market mutual fund investments, and the government investment pools, consisted only of U.S. Treasury securities and U.S. government agency securities. Investments in U.S. government agency securities, including Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Bank, Federal Agricultural Mortgage Corporation and Federal Farm Credit Bank were rated 'AA+' (Long-term) and 'A-1+' (Short-term) by Standard & Poor's. The investments in the money market mutual fund and governmental investment pools were rated 'AAAm' by Standard & Poor's and the repurchase agreement was greater than 100.0% collateralized with U.S. government agency securities.

Concentration of Credit Risk – Although the City's Investment Policy does not limit the amount of the portfolio invested in any one U.S. government agency, the City manages exposure to concentration of credit risk through diversification. As of September 30, 2024, the U.S. government agency's 64.6% securities allocation was as follows: Federal National Mortgage Association 3.9%, Federal Home Loan Mortgage Corporation 18.0%, Federal Home Loan Bank 22.3%, Farm Federal Credit Bank 12.8%, and Federal Agricultural Mortgage Corporation 7.6%.

Fair Value Measurement – The City records assets and liabilities in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which determines fair value and establishes a framework for measuring fair value and expands disclosures about fair value measurement.

Fair value is defined by GASB Statement No. 72 as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). Fair value is a market-based measurement for a particular asset or liability based on assumptions that market participants would use in pricing the asset or liability. Such assumptions include observable and unobservable inputs of market data, as well as assumptions about risk and the risk inherent in the inputs to the valuation technique.

As a basis for considering market participant assumptions in fair value measurements, GASB Statement No. 72 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value into three broad levels:

Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date. Equity securities are examples of Level 1 inputs.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Government agency and U.S. Government Treasury securities are examples of Level 2 inputs.

Level 3 inputs are unobservable inputs that reflect the entity's own assumptions about factors that market participants would use in pricing the asset or liability (including assumptions about risk).

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

	9/30/2024	Fair Value Measurements Using Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt Securities				
Government Agency Securities	$ 1,788,389	$ -	$ 1,788,389	$ -
Treasuries	201,064		201,064	
Total Debt Securities	$ 1,989,453	$ -	$ 1,989,453	$ -
Equity				
Preferred Stock	$ 700	$ -	$ 700	$ -
Total Equity	$ 700	$ -	$ 700	$ -
Total Investments by Fair Value Level	$ 1,990,153	$ -	$ 1,990,153	$ -

The City's investments in debt securities are valued using Level 2 measurements because the valuations use interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and consider the counterparty rating.

Fire and Police Pension Fund

Investments of the Fire and Police Pension fund are administered by the Fire and Police Pension Fund Board of Trustees. Investment purchases and sales are recorded as of the trade date. Dividend income is recognized on the ex-dividend date. Other investment income is recognized when earned. Investments of the Pension Fund are reported at fair value. Common and preferred stocks are valued based on published market prices and quotations from national security exchanges and securities pricing services. International stocks are then adjusted to reflect the current exchange rate of the underlying currency. Investments, for which no notional exchanges or pricing service exists, such as private market investments, are valued by the investment partnership based on the valuation methodology outlined in the partnership agreement. Real estate may be valued by the manager or independent appraisers. Commingled Fund investments that are not traded on a national exchange are valued on a Net Asset Value Basis by the commingled investment manager. The Pension Fund performs due diligence reviews of the investment pricing, process, and infrastructure of private market investments, commingled fund investments, and real estate investments to assure that the asset values provided by the managers are reasonable.

Net appreciation/(depreciation) is determined by calculating the change in fair value of investments between the beginning of the period and the end of the period, less purchases of investments at cost, plus sales of investments at fair value. Investment costs consist of external expenses directly related to the Pension Fund's investment operations, as well as internal administrative expenses associated with the Pension Fund's investment program.

The Pension Fund's assets are invested as authorized by Texas state law. The fair value of the Pension Fund's cash, security lending, and investments is $4,007,679.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Investment Policy – The Pension Fund's policy in regard to the allocation of invested assets is established and may be amended by the Pension Fund's Board of Trustees. The primary long-term objective will be to achieve a return of at least the actuarial return assumption. Preservation of capital and consistent capital appreciation are the key considerations in establishing acceptable levels of risk; however, since the Pension Fund enjoys a very long-term investment horizon, significant short-term fluctuations in value can be tolerated. Based on existing contribution rates and benefit payments, current income from investments should be addressed in the management of these assets. To pursue the foregoing objectives at an acceptable risk level, the following policy (i.e., long-term) allocation is considered appropriate as updated on March 29, 2023, and compared to actual allocations at December 31, 2023.

Investment Type	Target Allocation	2023 Actual Allocation
Large Cap U.S. Equities	22.0%	22.1%
Small Cap U.S. Equities	5.0%	5.4%
Developed International Equities	13.0%	13.3%
Emerging International Equities	6.0%	4.0%
Private Equity	8.0%	9.6%
Subtotal Equity	54.0%	54.4%
Core Fixed Income	7.0%	7.9%
Treasury Inflation-Protected Securities (TIPS)	3.0%	2.5%
High Yield	5.0%	3.5%
Bank Loans	5.0%	4.0%
Unconstrained Fixed Income	3.0%	2.9%
Private Debt	9.0%	8.6%
Real Estate	9.0%	8.0%
Hedge Funds	0.0%	0.6%
Real Assets	5.0%	4.8%
Cash	0.0%	2.8%
Subtotal Fixed Income	46.0%	45.6%
Total Investments	100.0%	100.0%

Rate of Return – The money weighted rate of return for the year-ended December 31, 2023 was 11.9%. The return is net of investment costs and adjusted for the changing amounts actually invested.

Investment Risk – The Pension Fund's investments have been categorized to address deposit and investment risks related to custodial credit risk, credit risk, concentration of credit risk, interest rate risk, and foreign currency risk.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Custodial Credit Risk – Custodial credit risk for investments is the risk that in the event of a failure of the counterparty, the Pension Fund will not be able to recover the value of the investment or collateral in possession of the counterparty. The Pension Fund does not have an investment policy regarding custodial credit risk. The Pension Fund considers only demand deposits as cash. The Federal Depository Insurance Corporation (FDIC) covered cash on deposit up to $250 at each financial institution. As of December 31, 2023, the Pension Fund had cash deposits in the amount of $32 that were uninsured and uncollateralized. As of December 31, 2023, the Pension Fund did not hold any investment securities exposed to custodial risk.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributable to the magnitude of the Pension Fund's investment in a single issue. To help ensure diversification and to minimize the impact of a failure of any one issuer, the investment policy limits direct holdings or other than federal government issues to 5.0% of the fair value of a) investment manager's portfolio and b) the aggregate portfolio of debt securities. As of December 31, 2023, the Pension Fund did not have any single investment in any one organization which represented greater than 5.0% of plan net assets.

Credit Risk – Credit Risk is the risk that an issuer will not fulfill its obligations. Using Standard and Poor's rating system for fixed income securities as of December 31, 2023, 4.0% of the Pension Fund's bonds were rated 'AAA', 1.0% were rated 'AA', 5.0% were rated 'A', 7.0% were rated 'BBB', 13.0% were rated 'BB', 23.0% were rated 'B', 2.0% were rated 'CCC', and 4.0% were unrated or not rated. 41.0% of the securities were invested in U.S. Government and Agencies, which are not rated.

Credit risk for derivative instruments held by the Pension Fund results from counterparty risk, which is essentially that the counterparty will be unable to fulfill its obligations, which are then assumed by the Pension Fund. Information regarding the Pension Fund's credit risk related to derivatives is found under the derivatives disclosures. Policies pertaining to credit risk associated with the Pension Fund's securities lending program are found under the securities lending disclosures.

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates of fixed income securities will adversely affect the fair value of an investment. Only the fixed income securities of the Pension Fund are subject to interest rate risk due to the possibility that prevailing interest rates could change before the securities reach maturity. The Pension Fund does not have an investment policy specifically regarding interest rate risk. Investment managers have full discretion in adopting investment strategies to deal with these risks, and all of the Pension Fund's fixed income portfolios are managed in accordance with guidelines that are specific as to the degree of interest rate risk taken.

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Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Securities that are subject to interest rate risk as of December 31, 2023 are shown in the table below.

Investment Type	Fair Value	Weighted-Average Maturity (WAM) (Years)
Corporate Bonds	$ 90,144	5.1
Corporate Convertible Bonds	406	5.8
Government Agencies	68	4.9
Government Bonds	200,294	5.2
Government Mortgage Backed Securities	82,846	25.8
Bank loans	155,512	4.3
Short Term Bills and Notes	14,434	0.2
Treasury Inflation-Protected Securities (TIPS)	96,282	7.1
Payden and Rygel[1]	114,638	3.0
GoldenTree[2]	70,418	
Total Interest Rate Sensitive Securities	$ 825,042	
Portfolio WAM		7.1

[1] Payden and Rygel, a commingled fund, invests opportunistically in any type of bond.

[2] GoldenTree is a commingled fund invested in high-yield corporate bonds. They report their portfolio duration as 3.3 as of December 31, 2023.

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Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. There were no non-dollar denominated foreign investments directly as of December 31, 2023. All non-dollar denominated foreign investments are held through mutual funds or commingled funds with a similar mandate. These funds are not subject to investment policy constraints on non-dollar denominated foreign investments. The Pension Fund does not have investment policy specifically regarding foreign currency risk.

The Pension Fund's exposure to foreign currency risk in U.S. dollars as of December 31, 2023 is shown in the table below.

Country	Equities	Real Estate	Private Equity	Cash	Total
Argentinian Peso	$ 4,241	$ -	$ -	$ -	$ 4,241
Australian Dollar	13,553				13,553
Bermuda Dollar	5,440				5,440
Brazilian Real	17,757				17,757
British Pound	65,295		29,683	2	94,980
Cayman Islands	18,630				18,630
Canadian Dollar	40,875				40,875
Chilean Peso	1,630				1,630
Chinese Yuan	37,211				37,211
Colombian Peso	570				570
Danish Krone	12,519			25	12,544
European Union Euro	152,352	2,738		4	155,094
Hong Kong Dollar	18,423				18,423
Hungarian Forint	686				686
Indian Rupee	30,705				30,705
Indonesian Rupiah	5,058				5,058
Israeli New Shekel	3,221				3,221
Japanese Yen	79,244				79,244
Jordanian Dinar	178				178
Malaysian Ringgit	614				614
Mexican Peso	13,283				13,283
New Taiwan Dollar	32,919				32,919
New Zealand Dollar	179				179
Norwegian Krone	8,322				8,322
Peruvian Nuevo Sol	557				557
Philippine Peso	64				64
Polish Zloty	2,168				2,168
Russian Ruble	129				129
Saudi Riyal	50				50
Singapore Dollar	7,791				7,791
South African Rand	9,577				9,577
South Korean Won	20,071				20,071
Swedish Krona	19,948				19,948
Swiss Franc	20,469				20,469
Thai Baht	688				688
Turkish New Lira	265				265
UAE Dirham	14				14
	$ 644,696	$ 2,738	$ 29,683	$ 31	$ 677,148

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Securities Lending – State statutes and Pension Fund policies allow for securities lending transactions. The Pension Fund has entered into an agreement with its custodian bank to lend the Pension Fund's securities to one or more borrowers for a fee. It is the policy of the Pension Fund and the custodian bank to require that collateral equal to 102.0% and 105.0% for domestic and international securities, respectively, of the loaned securities be maintained by the custodian bank. Collateral may be in the form of cash, U.S. government securities, and irrevocable letters of credit. Until such time as the loan is terminated, the borrower retains all incidents of ownership with respect to the collateral. In the event that the borrower fails to repay the borrowed securities when due and the value of the collateral is insufficient to replace the borrowed securities, the Pension Fund may suffer a loss. Management of the Pension Fund considers the possibility of such a loss to be remote. Cash open collateral is invested in a short-term investment pool with an average weighted maturity to the interest rate reset date of 24 days at December 31, 2023.

As of December 31, 2023, the Pension Fund had lending arrangements outstanding with a total fair value of $190,488 which were fully collateralized with cash and securities. Cash collateral of $87,732 is recorded in the accompanying Statement of Fiduciary Net Position. Net income for the year-ended December 31, 2023, under the securities lending arrangement was $431.

Cash Collateral Pool	
Repo Agreements	$ 44,656
Variable Rate Certificates of Deposit	8,054
Commercial Paper	4,580
Certificates of Deposit	11,853
Time Deposit	13,028
ABS Commercial Paper	5,228
Agency Discount Note	333
Total	$ 87,732

Derivative Instruments and Other Structured Financial Instruments – The Pension Fund has only limited involvement with derivative instruments and other structured financial instruments. The Pension Fund's investment philosophy regarding the use of derivative instruments and other structured financial instruments is to use derivative instruments to replicate exposures to equity or fixed income securities. The Pension Fund held government mortgage-backed securities amounting to $82,846 as of December 31, 2023. These are included with investments in the Statement of Fiduciary Net Position. The Pension Fund made $2,791 in interest on these securities and gained $357 in capital transactions related to these securities in the year ended December 31, 2023. As of December 31, 2023, the Pension Fund retained an investment in one hedge fund on the amount of $21,304 which may employ the use of derivative instruments.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Fair Value Measurement – The Pension Fund categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on valuation inputs used to measure the fair value of the investment.

		Fair Value Measurement Using		
	12/31/2023	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Debt Securities				
Government Bonds	$ 200,294	$ -	$ 200,294	$ -
Government Mortgage-backed Securities	82,846		82,846	
Government Agencies	68		68	
Short-term Bills and Notes	14,434		14,434	
Convertible Bonds	406		406	
Corporate Bonds	90,144		90,144	
Bank Loans	155,512		155,512	
Total Debt Securities	$ 543,704	$ -	$ 543,704	$ -
Equity Securities				
Equity Securities	$ 621,067	$ 620,090	$ 977	$ -
Total Equity Securities	$ 621,067	$ 620,090	$ 977	$ -
Private Equity				
Venture	$ 83,250	$ -	$ -	$ 83,250
Buyout	218,454			218,454
Fund-of-funds - Diversified	73,054			73,054
Real Assets	187,282			187,282
Total Private Equity	$ 562,040	$ -	$ -	$ 562,040
Private Debt				
Mezzanine	$ 26,886	$ -	$ -	$ 26,886
Distressed	91,055			91,055
Asset-Based	41,328			41,328
Opportunistic	31,467			31,467
Senior Debt	158,122			158,122
Total Private Debt	$ 348,858	$ -	$ -	$ 348,858
Total Investments by Fair Value Level	$ 2,075,669	$ 620,090	$ 544,681	$ 910,898
Investments Measured at the Net Asset Value (NAV)				
Structured Credit Hedge Fund	$ 21,304			
Held in reserve from closed funds	3,816			
Commingled Funds:				
Domestic Debt	281,338			
Domestic Equity	457,129			
Global Equity	675,592			
Real Estate	311,843			
Total Investments Measured at the NAV	1,751,022			
Total Investments Measured at Fair Value	$ 3,826,691			

Debt and Equity Securities – Equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Equity securities classified in Level 2 of the fair value hierarchy are thinly traded securities such as preferred stock held by fixed income managers and are valued similarly to debt securities.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Private Equity – The Pension Fund is invested in 61 private equity funds that are diversified across four main types of strategies. There are 11 venture capital funds, 20 buyout funds, 18 real assets funds, and 12 diversified fund of funds. These investee funds are considered Level 3 in the fair value hierarchy. These investee funds are limited partnerships, and the managing general partner is responsible for determining the fair value of the underlying investments. The methods used to determine fair value include discounted cash flow, small public company comparison and appraisal. The partnerships have a ten-year life with options to extend beyond the original term by as much as two years in most cases. Original capital commitments to these funds range from $10,000 to $30,000. It is expected that the investee funds will call between 80.0% and 90.0% of the committed capital. In most cases the final commitment is never called because the investee funds start to receive returned capital either from sales of or operations from the underlying investments. As of December 31, 2023, it is estimated that the unfunded commitments were approximately $314,180 of which $243,377 is expected to be called. These investments in the investee funds are diversified across vintage years so the investee funds are in different stages of their life cycles. The Pension Fund's allocation to this asset class requires that capital that is received from these investments will be reinvested in other investee funds as they become available. Even though these investments could be sold to other investors or secondary funds, the Pension Fund has no intention of doing so, so these investments are considered illiquid.

Private Debt – The Pension Fund is invested in 34 private debt funds, which include five funds focused on mezzanine lending to companies that have operations that have good growth potential, but limited access to bank loans or public debt or equity markets, 16 funds focused on loans that are senior in the borrowers' capital structure, eight funds that concentrate on distressed debt where debt is purchased at a cost that is less than the value of the collateral, three opportunistic funds which makes investments in companies based on the managers evaluation of the company and the market environment, and two asset based lenders that make loans for asset purchases using the assets as collateral. These investee funds are considered Level 3 in the fair value hierarchy. These investee funds are limited partnerships, and the managing general partner is responsible for determining the fair value of the underlying investments. The methods used to determine fair value include discounted cash flows plus the value of any equity that investee funds receive as part of the lending arrangements. The partnerships have a ten-year life with options to extend beyond the original term by as much as two years in most cases. Original capital commitments to these funds range from $10,000 to $40,000. It is expected that the investee funds will call between 70.0% and 80.0% of the committed capital. In most cases the final commitment is never called because the investee funds start to receive repayment from the debt service of the underlying investments and in some cases extra capital from the sale of the equity received when underlying companies are sold or refinanced through public offerings.

As of December 31, 2023, it is estimated that unfunded commitments were approximately $225,408 of which $125,495 is expected to be called. These investments in the investee funds are diversified across vintage years so the investee funds are in different stages of their life cycles. The Pension Fund's allocation to this asset class requires that capital that is received from these investments will be reinvested in other investee funds as they become available. Even though these investments could be sold to other investors or secondary funds, the Pension Fund has no intention of doing so, so these investments are considered illiquid.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

Investment Measured at the Net Asset Value – The Pension Fund is also substantially invested in investee funds where fair value is measured at the net asset value (NAV). These funds invest in stocks, bonds, derivatives in some cases and real estate. The stocks, bonds or derivatives, if they were held directly by the Pension Fund, would have readily determinable values that would fit into the fair value levels. Most of these would be in Level 1 or 2. Real estate investments would fall into Level 3 since there is not usually a ready market for the underlying assets. The investee funds have both active and inactive managers. Inactive managers invest in stocks that are in an index such that the return on the investment equals the return on the index. Active managers will invest in stocks or bonds with intent of either achieving a higher rate of return than the market or one of the indexes, or lowering the amount of the risk involved. The investee funds in this category include hedge funds, index funds, commingled funds, and real estate funds.

Hedge Funds – In 2020, the Pension Fund's board elected to eliminate the allocation to hedge funds except for one structured credit fund. The structured credit hedge fund may hedge interest rate exposure while making bets on credit spreads, and they may look for relative value between the senior and junior securities on the same corporate issuer. The process of fully redeeming the investment from hedge funds was expected to take two to three years, beginning in late 2020. As of December 31, 2023, the Pension Fund's investments in hedge funds have been reallocated to other parts of the investment portfolio, with the exception of the investment mentioned above. Hedge funds like the investment mentioned above, typically require notice between 30-90 days of the intent to redeem cash from them. They will only redeem cash at the end of calendar quarters. As of December 31, 2023, the Pension Fund had $3,817 held by four hedge fund managers that represented amounts held in reserve for charges related to the redemption of the assets. The carrying value of these investments is based on the hedge fund of funds' estimate of value and would be similar to Level 3 type investments.

Commingled Fund – The Pension Fund's investments in commingled funds consist of bond investors and stock investors. The bond funds invest in domestic high yield bonds and opportunistic global bonds. The stock funds are invested in domestic large and small cap stocks and global and emerging market stocks. Commingled funds are chosen for these investments either because of the size of the investment, or because of the transfer of the complexity of investing internationally. There were no unfunded commitments for investments in commingled fund at December 31, 2023.

Real Estate Fund – Real estate investments are diversified by type of real estate such as residential, commercial office, industrial and retail. They are also diversified by stage of development such as opportunistic, value added and core properties. Finally, they are diversified geographically. Two of the investee managers representing $101,619 were open-ended funds that allow redemptions. 29 of the investee managers were limited partnerships with durations of ten to 15 years. These limited partnerships do not allow redemptions. They do distribute cash after the investment period, usually two to four years, from operations or sales of underlying properties. These investments are similar to the private equity partnerships and private debt partnerships; in that, funds are committed at the beginning of the investment and called by the partnerships as purchase opportunities present themselves. Commitments in this category are more likely to be called up. It is likely that 80.0% to 90.0% of the committed capital will ultimately be called. Unfunded commitments in this category were approximately $62,302 of which approximately $46,976 is expected to be called. Fair value for this asset class is determined by appraisals of the underlying properties.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Fund (Continued)

The Pension Fund's asset allocation requires that when capital is returned it is reinvested in new partnerships so that the percentage allotted to the asset class can be maintained. Like private equity and private debt limited partnerships, it is possible to sell partnership interests to other investors or secondary partnerships at a substantial cost to the Pension Fund. The Pension Fund has no intention of redeeming these investments prior to maturity. Consequently, these investments are considered illiquid.

Retiree Health & Wellness SA Fire and Police Fund

The Retiree Health & Wellness SA Fire and Police Fund (Health Fund) Board of Trustees administers investments of the Health Fund. Investments are reported at fair value. Short-term investments are reported at amortized cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market value are reported at estimated fair value.

Alternative investments are held in the form of nonmarketable limited partnership interests, private real estate investment trusts, hedge funds, and index funds. These investments are subject to the terms of the respective partnerships' or other types of governing documents which may limit the Health Fund's withdrawal to specified times and conditions and restrict the transferability of the Health Fund's interest. The fair valuation of these investments is based on net position values as set by the fund managers or general partners. These net position values may differ from the value that would have been used had a readily available market for the investments existed; accordingly, such differences could be material.

All investment income, including changes in the fair value of investments, is reported as additions in the Statement of Changes in Fiduciary Net Position.

The Health Fund's assets are invested as authorized by the Investment Policy, as set by the Board. The Health Fund utilizes an investment consultant that makes recommendations to the Health Fund as to the appropriate target portfolio weightings among the major asset classes (e.g. stocks, mutual funds, limited liability partnerships, cash, etc.) within the Health Fund. Additionally, the Health Fund has contracted with certain investment managers to exercise full discretionary authority to buy, hold, and sell decisions for each security under management, subject to the guidelines as defined in the Investment Policy. All of the Health Fund's cash and investments, with the exception of alternative investments, are held by Frost National Bank, the Health Fund's custodian bank located in San Antonio, Texas.

Investments authorized by the Health Fund's Investment Policy include U.S. equities (such as common stocks, securities convertible into common stock, and open or closed-end mutual funds), international equity; certain fixed income assets (including corporate bonds and certificates of deposit); commercial paper; private equity and alternative investments (such as real estate, absolute return hedge funds, and natural resources). The cash portion of the Health Fund is invested in a short-term money market mutual fund administered by the Health Fund's custodian bank.

The fair value of the Health Fund's cash and investments at December 31, 2023 is $537,869.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

Interest Rate Risk – Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. To limit its exposure to fair value losses arising from rising interest rates, the Health Fund's Investment Policy limits the maturities of money market mutual funds to two years at time of purchase. At December 31, 2023, the weighted average maturity of money market funds was 34 days. The Health Fund places no limit on maturities of Mutual Funds – Fixed Income.

The Health Fund's investments in Mutual Funds – Fixed Income had the following weighted average maturities as of December 31, 2023:

	December 31, 2023	
Investment	Fair Value	WAM (Years)
Loomis	$ 13,206	5.5
Baird	31,284	8.0
Payden	8,875	11.3
Vanguard	5,125	2.5
	$ 58,490	

Credit Risk – Credit risk is the risk that an issuer or counterparty to an investment will be unable to fulfill its obligation, resulting in a financial loss. In accordance with the Health Fund's Investment Policy, investments in money market mutual fund must be rated at least 'A-2' by Standard and Poor's (S&P). At December 31, 2023, the money market mutual fund was rated 'AAAm' by S&P. The Health Fund's investments in Mutual Funds – Fixed Income are not rated by a nationally recognized statistical rating organization.

Custodial Credit Risk (Investments) – Custodial credit risk for investments is the risk that, in the event of a counterparty's failure in an investment transaction, a government may not be able to recover the value of its investment or collateral securities held by an outside party. The Health Fund's common stock investments were held at Frost National Bank's third-party custodian, Bank of New York. Since the investments are maintained separately from the bank's assets, they would not be affected in the event of the bank's failure.

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Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

Concentration of Credit Risk – Concentration risk is the exposure to loss that can result from failing to diversify investments. A government should disclose investments that represent 5.0% or more of its total investments in a single issuer. Concentration risk does not arise with U.S. government obligations and obligations explicitly guaranteed by the U.S. government; mutual funds; and similar pooled investments, which are designed in part, to provide diversification. At December 31, 2023, the Health Fund held the following investments that exceeded 5.0% of total investments:

Investment	Balance at December 31 , 2023	% of Total
SSgA Russell 1000 Index Fund	$ 78,779	14.8%
Portfolio Advisers Secondary Fund IV	38,836	7.3%
Portfolio Advisers Credit Strategies Fund	42,294	8.0%

Although the index funds exceed 5.0% of total investments, these investment portfolios are comprised of many investments.

Foreign Currency Risk – Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. As of December 31, 2023, one of the Health Fund's investments totaling $1,902 or 0.4% of total investments, is exposed to foreign currency risk. The primary currency for these investments is the Euro.

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Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

Fair Value Measurement – The Health Fund categorizes its fair value measurements of its investments within the fair value hierarchy established by GASB Statement No. 72. The hierarchy is based on valuation inputs used to measure the fair value of the investment.

The Health Fund uses the net asset value (NAV) per share as the fair value measurement for its alternative investments since they cannot be traded; and, therefore, market-based information regarding their value does not exist. As such, these alternative investments are not categorized according to the fair value hierarchy. At December 31, 2023, the Health Fund's fair value measurements for its investments were as follows:

		Fair Value Measurement Using		
	12/31/2023	Level 1	Level 2	Level 3
Investments by Fair Value Level				
Equity Securities				
U.S. Equity - Common Stock	$ -	$ -	$ -	$ -
Mutual Fund - Fixed Income	58,490	58,490		
Mutual Fund - International Equity	11,392	11,392		
Mutual Fund - Common Stock	33,181	33,181		
Total Investments by Fair Value Level	$ 103,063	$ 103,063	$ -	$ -
Investments Measured at the Net Asset Value (NAV)				
Real Estate Funds	$ 31,793			
Natural Resource Funds	28,710			
Private Equity Funds	129,379			
Private Debt Funds	88,546			
Global & Domestic Equity Funds	40,200			
Index Funds	110,273			
Total Investments Measured at the NAV	$ 428,901			
Total Investments	$ 531,964			

Investments Measured at the NAV	Fair Value	Unfunded Commitments	Redemption Frequency (if currently eligible)	Redemption Notice Period
Real Estate Funds	$ 31,793	$ 42,216		
Natural Resource Funds	28,710	4,096	Annually	90-120 Days
Private Equity Funds	129,379	84,940		
Private Debt Funds	88,546	32,846	Quarterly	30 Days
Global & Domestic Equity Funds	40,200		Monthly	15-30 Days
Index Funds	110,273		Monthly	3 Days
	$ 428,901	$ 164,098		

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

Real Estate Funds – The Health Fund is invested in eight real estate funds at December 31, 2023. These funds are primarily diversified through fund-to-funds strategies. Portfolios include investments in assets and distressed debt for residential and commercial real estate (domestic and international). Fair values have been determined using NAV per share of investments. Real estate investment funds represent 5.9% of the Health Fund's portfolio. For each of the funds, the Health Fund receives distributions as the underlying assets of investments are sold/liquidated. One investment fund (representing $5,000 or 15.7% of real estate funds) is eligible for redemption on an annual basis with a 90-day formal notice. Management estimates that one investment (representing $723 or 2.3% of real estate funds) will liquidate within three years; two investments (representing $3,705 or 11.6% of real estate funds) will liquidate within five years; three investments (representing $20,338 or 64.0% of real estate funds) will liquidate within nine years; and one investment (representing $2,027 or 6.4% of real estate funds) will liquidate within in ten years.

Natural Resources Funds – The Health Fund is invested in seven natural resources investment funds at December 31, 2023. These funds are limited partnerships that use harvesting and fund-to-fund strategies. Portfolios for these funds include investments in domestic and international commodities such as: oil, gas, iron, copper, minerals, metals, and energy sources. Fair values have been determined using NAV per share of investments. These natural resources investment funds represent 5.3% of the Health Fund's portfolio. These investments are not redeemable. The Health Fund receives distributions as the underlying assets of investments are sold/liquidated. One investment fund (representing $3,428 or 11.9% of natural resources funds) is redeemable on an annual basis with a 90-120 day formal notice. For the other six funds, management estimates that two investments (representing $3,719 or 13.0% of natural resources funds) will liquidate within three years; one investment (representing $2,873 or 10.0% of natural resources funds) will liquidate within five years; and three investments (representing $18,690 or 65.1% of natural resources funds) will liquidate within nine years.

Private Equity Funds – The Health Fund is invested in 14 private equity investment funds at December 31, 2023. Strategies for these funds include seven diverse fund-to-funds, two private debt funds, two secondary funds, one venture capital fund, one co-investment fund, and one direct fund. Portfolios for these funds include assets in multiple domestic and international industries. Fair values have been determined using NAV per share of investments. These private equity funds represent 24.1% of the Health Fund's portfolio. These investments are not redeemable. The Health Fund receives distributions as the underlying assets of investments are sold/liquidated. Management estimates that one investment (representing $399 or 0.3% of private equity funds) will liquidate within three years; one investment (representing $13,466 or 10.4% of private equity funds) will liquidate within two to five years; three investments (representing $25,728 or 19.9% of private equity funds) will liquidate within five years; one investment (representing $13,331 or 10.3% of private equity funds) will liquidate within five to seven years; four investments (representing $23,573 or 18.2%) will liquidate within nine years; one investment (representing $4,179 or 3.2%) will liquidate within three to nine years; one investment (representing $2,282 or 1.8% of private equity funds) will liquidate within ten years; and, two investments (representing $46,421 or 35.9%) will liquidate within 15 years.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

Private Debt Funds – The Health Fund is invested in five private debt investment funds at December 31, 2023. Strategies for these funds include making junior debt investments with equity participation in several private equity sponsored transactions, including leveraged buyouts, growth financings, refinancing, and recapitalizations. Fair values have been determined using NAV per share of investments. These private debt funds represent 16.5% of the Health Fund's portfolio. One investment fund (representing $42,294 or 47.8% of private debt funds) is eligible for redemption on a quarterly basis with a 30-day formal notice. Management estimates that one investment (representing $3,057 of 3.4% of private debt funds) will liquidate within seven years; and three investments (representing $43,195 or 48.8% of private debt funds) will liquidate within nine years.

Global & Domestic Equity Funds – The Health Fund is invested in two commingled global and domestic equity funds at December 31, 2023, which consist of bonds and stock investors. Portfolios for these funds include investments in international emerging markets in various industries. Fair values have been determined using NAV per share of investments. These investment funds totaling $40,200 represent 7.5% of the Health Fund's portfolio. All funds are eligible for redemption on a monthly basis with a 15-30 day formal redemption notice.

Index Funds – The Health Fund is invested in four nonpublic index funds at December 31, 2023, consisting of domestic equities; international equities, including emerging markets and developing markets; and treasury inflation protected securities (TIPS). Index funds seek to provide investment results that, before expenses, correspond generally to the total return of an index that tracks the performance of an investment class. Fair values have been determined using NAV per share of investments. These investment funds totaling $110,273 represent 20.5% of the Health Fund’s portfolio. All funds are eligible for redemption with a three-day notice.

Subscribed Capital Commitments – The Health Fund has non-binding commitments to invest capital in 31 investment companies under investment capital subscription agreements. These commitments are subject to periodic calls from the investment companies. The amount of this investment capital committed under the subscription agreements totaled to $164,097. As of December 31, 2023, $19,660 of this total had been called.

CPS Energy

CPS Energy’s investments with a maturity date within one year of the purchase date are reported at amortized cost, which approximates fair value. Amortization of premium and accretion of discount are recorded over the terms of the investments. CPS Energy’s investments with a maturity date longer than one year from the purchase date are accounted for at fair value. As available, fair values are determined by using generally accepted financial reporting services, publications, and broker-dealer information. The specific identification method is used to determine costs in computing gains or losses on sales of securities. CPS Energy reports all investments of the Decommissioning Trusts at fair value.

Restricted funds are generally for uses other than current operations. They are designated by law, ordinance or contract and are often used to acquire or construct noncurrent assets. Restricted funds consist primarily of unspent bond or commercial paper proceeds, debt service required for the New Series Bonds, Junior Lien Obligations, commercial paper, the flexible rate revolving note (FRRN) and funds for future construction or contingencies. Restricted funds also include customer assistance programs that receive proceeds from outside parties and assets of the Decommissioning Trusts. Also included in the restricted funds classification is the Repair and Replacement Account, restricted in accordance with CPS Energy’s bond ordinances. Unrestricted funds are generally used for current operations.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

CPS Energy (Continued)

CPS Energy's cash deposits at January 31, 2024 were either insured by federal depository insurance or collateralized by banks. For deposits that were collateralized, the collateral included letters of credit and securities. The securities were U.S. government, U.S. government agency, or U.S. government-guaranteed obligations held in book entry form by the Federal Reserve Bank of New York or other allowable banks in CPS Energy's name.

Separation – CPS Energy's cash, cash equivalents, and investments can be separated as those directly managed by CPS Energy and those managed through the Decommissioning Trusts.

For financial reporting purposes, cash, cash equivalents and investments managed directly by CPS Energy have been consistently measured as of the end of the fiscal year. The Decommissioning Trusts are reported on a calendar-year basis.

Public Funds Investment Act (PFIA) – CPS Energy's investments and the investments held in the Decommissioning Trusts are subject to the rules and regulations of the PFIA. The PFIA regulates what types of investments can be made, requires written investment policies, mandates training requirements of investment officers, requires internal management reports to be produced at least quarterly, and provides for the selection of authorized brokers/dealers and investment managers.

Investments of CPS Energy – CPS Energy's allowable investments are defined by CPS Energy Board Resolution, CPS Energy Investment Policy, the Investment Committee, bond ordinances, commercial paper ordinances, a revolving financial program ordinance and State law. These investments are subject to market risk, and their fair value will vary as interest rates fluctuate. All CPS Energy investments are held in trust custodial funds by independent banks.

Investments of the Decommissioning Trusts – CPS Energy's investments in the Decommissioning Trusts are held by an independent trustee. Investments are limited to those defined by CPS Energy Board Resolution, the South Texas Project Decommissioning Trust Investment Policy, the Investment Committee, the Trust Agreements and State law, as well as Public Utility Commission of Texas (PUCT) and Nuclear Regulatory Commission (NRC) guidelines. Allowable investments for the Decommissioning Trusts include those directly permissible for CPS Energy (except for investment pools), as well as equities and corporate bonds (including international securities traded in U.S. dollars and on U.S. stock exchanges). In accordance with the Decommissioning Trusts' Investment Policy, total investments can include a maximum of 60.0% equity securities. To further reduce the overall risk of the portfolio, the target allocations for both Decommissioning Trusts are 64.0% fixed-income, 27.0% equities and 9.0% U.S. real estate investment trusts.

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Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

CPS Energy (Continued)

Permissible Investments		
Investment Description	**CPS Energy Direct Investments**	**Decommissioning Trusts Investments**
U.S. Government, U.S. Government Agency, or U.S. Government-guaranteed obligations	✓	✓
Collateralized mortgage obligation issued by the U.S. Government	✓	✓
Fully secured certificates of deposit issued by a state, national or savings bank domiciled in the State of Texas	✓	✓
Direct repurchase agreements	✓	✓
Reverse repurchase agreements	✓	✓
Defined bankers' acceptances and commercial paper	✓	✓
No-load money market mutual funds	✓	✓
Investment pools	✓	Not Permitted
Equities	Not Permitted	✓
Investment quality obligations	✓	✓
Corporate bonds	Not Permitted	✓
International securities	Not Permitted	✓
No-load commingled funds	Not Permitted	✓
Securities lending programs	✓	✓
Other specific types of secured or guaranteed investments	✓	✓

Risk Exposure – CPS Energy's cash equivalents, equity and fixed-income investments are exposed to interest rate risk, credit risk (including custodial credit risk and concentration of credit risk), and foreign currency risk. Interest rate risk is the exposure to fair value losses resulting from rising interest rates. Credit risk is the risk that an issuer of an investment will not fulfill its obligations (will be unable to make timely principal and interest payments on the security). Foreign currency risk is the exposure to fair value losses arising from changes in exchange rates. Due to market fluctuations, it is possible that substantial changes in the fair value of investments could occur after the end of the reporting period.

CPS Energy's investments and the investments in the Decommissioning Trusts are managed with a conservative focus. The investment policies are structured to ensure compliance with bond ordinances, the PFIA, the Public Funds Collateral Act, the NRC, the PUCT, other applicable state statutes, and CPS Energy Board of Trustee resolutions relating to investments. CPS Energy identifies and manages risks by following an appropriate investment oversight strategy, establishing and monitoring compliance with investment policies and procedures, and continually monitoring prudent controls over risks.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

CPS Energy (Continued)

Investment Policies – In accordance with State law, the Decommissioning Trusts' Investment Policy allows for investment in additional types of securities, such as corporate bonds and equity securities. The policy provides guidelines to ensure all funds are invested in authorized securities to earn a reasonable return. The primary emphasis is placed on long-term growth commensurate with the need to preserve the value of the assets and, at the time funds are needed for decommissioning costs, on liquidity. The Investment Policy continues to follow the "prudent person" concept.

GASB Statement No. 40 – In accordance with GASB Statement No. 40, additional disclosures have been provided in this note that address investment exposure to interest rate risk, credit risk (including custodial credit risk and concentration of credit risk), and foreign currency risk, as applicable. CPS Energy's investments and those in the Decommissioning Trusts do not have custodial credit risk, as all investments are held either by an independent trustee or bank and are in CPS Energy's or the Decommissioning Trusts' names.

CPS Energy Investments – In accordance with GASB Statement No. 40, the following tables address concentration of credit risk and interest rate risk exposure by investment type using the WAM method. Since CPS Energy does not hold foreign instruments in its direct investments (those held by CPS Energy), foreign currency risk is not applicable.

Interest Rate Risk – In accordance with its Investment Policy, CPS Energy manages exposure to fair value losses resulting from rising interest rates by placing a limit on the portfolio's WAM. The Investment Policy limits the WAM to three years or less, which allows for the management of risk while optimizing returns. CPS Energy invests in money market mutual funds and investment pools that have maturities of one year or less.

Concentration of Credit Risk – In accordance with its Investment Policy, CPS Energy manages exposure to concentration of credit risk through diversification and by limiting investment in each federal agency to 35.0% and investment in any other issuer of debt securities to 5.0% of the total fixed-income portfolio. Additionally, negotiable certificates of deposit are limited to 35.0% of the total portfolio per issuer.

Investment Type	Carrying Value	Fair Value	Allocation	Weighted-Average Maturity (Years)[1]
U.S. Treasuries	$ 13,701	$ 13,701	1.2%	2.6
U.S. Agencies:				
Federal Agriculture Mortgage Corp.	9,701	9,701	0.8%	0.9
Federal Farm Credit Bank	282,571	282,571	24.3%	3.5
Federal Home Loan Bank	131,025	131,025	11.3%	2.7
Federal Home Loan Mortgage Corp.	51,932	51,932	4.5%	2.7
Federal National Mortgage Assn.	56,876	56,876	4.9%	2.4
Small Business Administration	2,981	2,981	0.3%	5.8
Municipal Bonds	134,076	134,076	11.5%	2.6
Investment Pools	452,117	452,117	38.9%	
Money Market Mutual Funds	26,425	26,425	2.3%	
Total Fixed-Income Portfolio	$ 1,161,405	$ 1,161,405	100.0%	1.6

[1] CPS Energy invests in money market mutual funds and investment pools that are assumed to have maturities of one year or less.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

CPS Energy (Continued)

Credit Risk – In accordance with its Investment Policy, CPS Energy manages exposure to credit risk by limiting long-term debt security investments to those with a credit rating of 'A' or better. As of January 31, 2024, CPS Energy held no debt securities with a long-term credit rating below 'A-', or equivalent, or short-term credit rating below 'A-1/P-1/F-1'.

Credit Rating	Carrying Value	Fair Value	Allocation
U.S. Treasuries (AA+)	$ 13,701	$ 13,701	1.2%
AAA / Aaa	533,333	533,333	45.9%
AA+ / Aa1	559,744	559,744	48.2%
AA / Aa2	28,048	28,048	2.4%
AA- / Aa3	6,462	6,462	0.6%
Not rated[1]	20,117	20,117	1.7%
Total Fixed-Income Portfolio	$ 1,161,405	$ 1,161,405	100.0%

[1] Interest bearing deposit accounts which still meet PFIA/CPS Energy Investment Policy requirements.

Decommissioning Trust Investments – As mentioned previously, the Decommissioning Trusts report their assets on a calendar-year basis; therefore, information related to the Trusts is as of December 31, 2023. The tables in this section address interest rate risk exposure by investment type, concentration of credit risk, credit risk, and foreign currency risk. All investments held by the Decommissioning Trusts are long-term in nature and are recorded at fair value.

Interest Rate Risk – Generally, the long-term nature of the liabilities and the limited need for daily operating liquidity allow interim fluctuations in fair value to occur without jeopardizing the ultimate value of the assets. Where long-term securities are held, the interim fair value of assets can be sensitive to changes in interest rates. As the general level of interest rates moves up and down, the interim fair value of longer-maturity bonds may change substantially.

To mitigate interest rate risk, a limitation is placed on the weighted-average duration (WAD) of the fixed-income portfolio. The overall portfolio duration is limited by the Investment Policy to a deviation of no more than +/- 1.5 years from the WAD of the Investment Committee's specified fixed-income index. The specified fixed-income index for the 28% Trust and the 12% Trust is Bloomberg Barclays US Aggregate, which was 6.2 years for the period ending December 31, 2023.

Concentration of Credit Risk – In accordance with the Investment Policy, exposure to concentration of credit risk is managed through diversification and by limiting investments in each federal agency to 30.0% and investments in any other single issuer of debt securities to 5.0% of the total fixed-income portfolio. Likewise, equity investments are limited to 5.0% of the total portfolio for any one issuer. At December 31, 2023, total other debt securities (corporate and foreign issuers) amounted to 29.3% of the fixed-income portfolio for the 28.0% Decommissioning Trust and 25.8% for the 12% Decommissioning Trust.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

CPS Energy (Continued)

The following table lists the fixed-income investment holdings by type:

	28% Trust			12% Trust		
Investment Type	Fair Value	Allocation	Weighted-Average Duration (Years)[1]	Fair Value	Allocation	Weighted-Average Duration (Years)[1]
U.S. Treasuries	$ 83,406	26.0%	8.6	$ 37,085	30.6%	8.3
U.S. Agencies:						
Federal Home Loan Mortgage Corp.	46,008	14.3%	5.6	14,322	11.8%	5.5
Federal National Mortgage Assn.	54,095	16.9%	5.5	21,154	17.5%	5.5
Government National Mortgage Assn.	7,723	2.4%	2.6	1,764	1.5%	5.3
Small Business Administration	7,840	2.5%	4.8	4,013	3.3%	4.9
Municipal Bonds - Texas	859	0.3%	8.2	412	0.3%	8.2
Municipal Bonds - Other States	6,932	2.2%	7.6	2,789	2.3%	7.4
Corporate Bonds	82,914	25.8%	5.7	29,644	24.5%	5.4
Foreign Bonds	11,043	3.4%	4.4	1,597	1.3%	5.7
Money Market Mutual Funds	19,933	6.2%	N/A	8,369	6.9%	N/A
Total Fixed-income Portfolio	$ 320,753	100.0%	6.4	$ 121,149	100.0%	6.4
Combined Decommissioning Trust Funds Total	$ 441,902					

[1] The aggregate portfolio of debt securities of the trusts are limited to +/- 1.5 years of the effective durations of the specified debt security index.

Credit Risk – In accordance with the Investment Policy, exposure to credit risk is managed by limiting all fixed-income investments to a credit rating of 'BBB-', or equivalent, or better from at least two nationally recognized credit rating agencies. If a security's rating falls below the minimum investment grade rating of 'BBB-' after it has been purchased, the Investment Policy allows investment managers to continue to hold the security as long as the total fair value of securities rated below investment grade does not exceed 5.0% of the total fixed-income portfolio. As noted in the table on the following page, which lists fixed-income investment holdings by credit rating, investments with a credit rating below 'BBB-/Baa3' did not exceed 5.0% of the total fixed-income portfolio for the 28% Trust or the 12% Trust at December 31, 2023.

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Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

CPS Energy (Continued)

The following table lists the fixed-income investment holdings by credit rating:

Credit Rating	28% Trust		12% Trust	
	Fair Value	Allocation	Fair Value	Allocation
U.S. Treasuries (AA+)	$ 83,406	26.0%	$ 37,085	30.6%
AAA / Aaa	25,555	8.0%	10,851	9.0%
AA+ / Aa1	119,063	37.1%	42,986	35.5%
AA / Aa2	2,013	0.6%	1,418	1.2%
AA- / Aa3	2,019	0.6%	251	0.2%
A+ / A1	1,791	0.6%	194	0.2%
A / A2	4,050	1.3%	1,353	1.1%
A- / A3	19,379	6.0%	8,376	6.9%
BBB+ / Baa1	24,856	7.8%	7,653	6.3%
BBB / Baa2	24,216	7.5%	6,767	5.6%
BBB- / Baa3	7,152	2.2%	1,146	0.9%
BB+ / Ba1	916	0.3%	29	0.0%
B+ / B1	153	0.1%		0.0%
Not Rated [1]	6,184	1.9%	3,040	2.5%
Total Fixed-income Portfolio	$ 320,753	100.0%	$ 121,149	100.0%
Combined Decommissioning Trust Funds Total	$ 441,902			

[1] The Nuclear Decommissioning Trust (NDT) Investment Managers are given discretion to invest in unrated securities that are of suitable quality and in line with their investment strategy, as long as those do not exceed the 10.0% limit prescribed for the portfolio by the NDT Investment Policy.

Foreign Currency Risk –All investments authorized for purchase by the Decommissioning Trusts are in U.S. dollars. This reduces the potential foreign currency risk exposure of the portfolio. All foreign bonds outstanding were issued in the U.S. and amounted to $12,640 as of December 31, 2023. In accordance with the Investment Policy, investments in international equity securities are limited to international commingled funds, American Depository Receipts and exchange traded funds that are diversified across countries and industries. The international equity portfolio will be limited to 20.0% of the total portfolio. At December 31, 2023, total foreign equity securities amounted to 14.4% of the 28% Trust's total portfolio and 12.7% of the 12% Trust's total portfolio.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

CPS Energy (Continued)

Fair Value Measurement – CPS Energy records assets and liabilities in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which determines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurement.

Valuation methods of the primary fair value measurements are disclosed below:

The majority of investments in equity securities are valued using Level 1 measurements. Investments in equity securities are typically valued at the closing price in the principal active market. For equity securities, these markets include published exchanges such as the National Association of Securities Dealers Automated Quotations and the New York Stock Exchange. Foreign equity prices are translated from their trading currency using the currency exchange rate in effect at the close of the principal active market.

Most investments in debt securities are valued using Level 2 measurements because the valuations use interest rate curves and credit spreads applied to the terms of the debt instrument (maturity and coupon interest rate) and consider the counterparty credit rating.

Commodity derivative instruments, such as futures, swaps and options, which are ultimately settled using prices at locations quoted through clearinghouses, are valued using Level 1 inputs. Options included in this category are those with identical strike price quoted through a clearinghouse.

Other commodity derivative instruments, such as swaps settled using prices at locations other than those quoted through clearinghouses and options with strike prices not identically quoted through a clearinghouse, are valued using Level 2 inputs. For these instruments, fair value is based on internally developed pricing algorithms using observable market quotes for similar derivative instruments. Pricing inputs are derived from published exchange transactions and other observable data sources.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. CPS Energy's assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of fair value assets and liabilities and their place within the fair value hierarchy levels.

CPS Energy's fair value measurements are performed on a recurring basis. The table on the following page presents fair value balances and their levels within the fair value hierarchy for CPS Energy as of January 31, 2024, and the Decommissioning Trust investment balances as of December 31, 2023. The CPS Energy and Decommissioning Trusts investment balances presented exclude amounts related to money market mutual fund investments, and short-term investments which are recorded at amortized cost. Financial instrument fair value balances are presented in Note 16 Risk Financing.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

CPS Energy (Continued)

		Fair Value Measurement Using		
	1/31/2024	Level 1	Level 2	Level 3
Assets				
Fair Value Investments				
CPS Energy				
Debt Securities				
US Treasuries	$ 13,701	$ -	$ 13,701	$ -
US Agencies				
Federal Agricultural Mortgage Corp.	9,701		9,701	
Federal Farm Credit Bank	282,570		282,570	
Federal Home Loan Bank	131,025		131,025	
Federal Home Loan Mortgage Corp.	51,932		51,932	
Federal National Mortgage Assn.	56,876		56,876	
Small Business Administration	2,981		2,981	
Municipal Bonds	134,076		134,076	
Total CPS Energy Fair Value of Investments	$ 682,862	$ -	$ 682,862	$ -
Decommissioning Trust Investments				
28% Trust	**12/31/2023**	**Level 1**	**Level 2**	**Level 3**
Debt Securities				
US Treasuries	$ 83,406	$ -	$ 83,406	$ -
US Agencies				
Federal Home Loan Mortgage Corp.	46,008		46,008	
Federal National Mortgage Assn.	54,095		54,095	
Government National Mortgage Assn.	7,723		7,723	
Small Business Administration	7,840		7,840	
Municipal Bonds - Texas	859		859	
Municipal Bonds - Other States	6,932		6,932	
Corporate Bonds	82,914		82,914	
Foreign Bonds	11,043		11,043	
Total 28% Trust Fair Value Fixed-Income Income Portfolio	$ 300,820	$ -	$ 300,820	$ -
Equity Securities				
Common Stock	$ 148,956	$ 148,956	$ -	$ -
Real Estate Investment Trusts	46,667	46,667		
Preferred Stock	777		777	
Total 28% Trust Fair Value Investments	$ 497,220	$ 195,623	$ 301,597	$ -
12% Trust	**12/31/2023**	**Level 1**	**Level 2**	**Level 3**
Debt Securities				
US Treasuries	$ 37,085	$ -	$ 37,085	$ -
US Agencies				
Federal Home Loan Mortgage Corp.	14,322		14,322	
Federal National Mortgage Assn.	21,154		21,154	
Government National Mortgage Assn.	1,764		1,764	
Small Business Administration	4,013		4,013	
Municipal Bonds - Texas	412		412	
Municipal Bonds - Other States	2,789		2,789	
Corporate Bonds	29,644		29,644	
Foreign Bonds	1,597		1,597	
Total 12% Trust Fair Value Fixed-Income Income Portfolio	$ 112,780	$ -	$ 112,780	$ -
Equity Securities				
Common Stock	$ 52,747	$ 52,747	$ -	$ -
Real Estate Investment Trusts	16,228	16,228		
Total 12% Trust Fair Value Investments	$ 181,755	$ 68,975	$ 112,780	$ -
Total Trust Fair Value Investments	$ 678,975	$ 264,598	$ 414,377	$ -
Total Fair Value Investments	$ 1,361,837	$ 264,598	$ 1,097,239	$ -

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

CPS Energy (Continued)

CPS Energy Fiduciary Funds

The CPS Financial Report includes the CPS Energy Pension Plan and the CPS Energy Group Health Plan, CPS Energy Group Life Insurance Plan and the CPS Energy Long-Term Disability Income Plan. Please refer to the CPS Financial Report for information about fiduciary cash and investments.

San Antonio Water System (SAWS)

SAWS is permitted by City Ordinance No. 75686, SAWS' Investment Policy, and Texas state law, to invest in direct obligations of the U.S. or its agencies and instrumentalities. Other allowable investments include direct obligations of the State of Texas or its agencies and instrumentalities; secured certificates of deposit issued by depository institutions that have their main office or a branch office in the State of Texas; defined bankers acceptances and commercial paper; collateralized direct repurchase agreements, reverse repurchase agreements; no-load money market mutual funds; investment pools; municipal bonds; and other types of secured or guaranteed investments. These investments are subject to market risk, interest rate risk, and credit risk, which may affect the value at which these investments are recorded. Under the provisions of GASB Statement No. 31, money market investments, including U.S. Treasury and agency obligations, with a remaining maturity at time of purchase of one year or less are reported at amortized cost. All other investments are reported at fair value.

As of December 31, 2023 SAWS' funds are deposited in demand accounts at JP Morgan Chase, SAWS' general depository bank. As required by state law, all SAWS' deposits are fully collateralized and/or are covered by federal depository insurance. At December 31, 2023, the collateral pledged was a letter of credit issued by the Federal Home Loan Bank of Cincinnati, under SAWS' name so SAWS incurs no custodial credit risk. At December 31, 2023, the bank balance of SAWS' demand accounts was $5,638 and the reported amount was $18,822 which included $18 of cash on hand.

Custodial Credit Risk (Investment) – Investments include securities issued by the U. S. government and its agencies and instrumentalities, municipal securities, money market funds, and investment pools. As of December 31, 2023, securities purchased are held in custody by Bank of New York Mellon and registered as securities of SAWS. Money Market Funds are managed by Fidelity and Morgan Stanley and are invested in securities issued by the U.S. government or by U.S. agencies. Funds in investment pools are invested in TexPool Prime, Texas Class, Texas Fixed Income Trust and Texas TERM. Investment pools may invest in commercial paper and certificates of deposit, as well as obligations of the U.S. government or its agencies and instrumentalities, and repurchase agreements as allowed under the PFIA. All investments in money market funds and investment pools are reported at amortized cost. Amortized cost approximates fair value for these investments.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

San Antonio Water System (SAWS) (Continued)

The following table provides information related to investments at December 31, 2023.

Investment Type	Reported Value	Fair Value	Allocation [1]	Rating [2]	WAM (Days)
U.S. Treasury Securities	$ 143,117	$ 143,117	9.9%	AAA	398
U.S. Agency Notes	517,451	517,464	35.7%	AA+	648
Municipal Bonds	165,827	165,827	11.4%	AAA to AA-	515
Money Market Funds					
Fidelity Institutional MMF	7,959	7,959	0.6%	AAAm	1
Morgan Stanley	16,628	16,628	1.1%	AAAm	1
Texas Class Investment Pool	198,933	198,933	13.7%	AAAm	1
TexPool Prime Local Government Pool	332,587	332,587	23.0%	AAAm	1
Texas FIT Cash Pool	41,517	41,517	2.9%	AAAf	1
Texas Term Investment Pool	25,000	25,000	1.7%	AAAf	147
Texas Daily Investment Pool	72	72	0.0%	AAAmmf	1
Total Investments	$ 1,449,091	$ 1,449,104	100.0%		336

[1] The allocation is based on fair value.

[2] Standard & Poor's or Moody's Rating.

Interest Rate Risk – As a means of limiting its exposure to fair value losses due to rising interest rates, SAWS' investment policy limits its investment maturities to no more than five years. At December 31, 2023, the longest remaining maturity for any investment was approximately four years and approximately 65.9% of the investment portfolio matures in less than one year.

Credit Risk – In accordance with its investment policies, SAWS manages exposure to credit risk by limiting its investments in long-term obligations of other states and cities to those with a credit rating of 'A' or better. As of December 31, 2023, the lowest rated municipal security held was 'AA-'. Additionally, any short-term investments require a rating of at least 'A-1' or 'P-1'.

Concentration of Credit Risk – SAWS' investment policy does not limit the amount it may invest in U.S. Treasury securities, government-guaranteed securities, or government-sponsored entity securities. However, in order to manage its exposure to concentration of credit risk, the investment policy does limit the amount that can be invested in any one government-sponsored issuer to no more than 50.0% of the total investment portfolio, and no more than 30.0% of the total investment portfolio in any non-government issuer unless it is fully collateralized, excluding investment pools and money market funds.

Custodial Credit Risk – SAWS' risk is completely mitigated by insurance coverage provided by the custodian that protects against loss of cash or securities held in custody, and collateral in the form of letters of credit issued by the Federal Home Loan Bank of Cincinnati over the FDIC limit. Texas public fund accounts are collateralized at 100.0%. As of December 31, 2023, the percentage of SAWS' investment portfolio for government-sponsored issuers was 24.5% in Federal Home Loan Bank.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

San Antonio Water System (SAWS) (Continued)

Fair Value Measurement – SAWS categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

Pricing for Level 1 inputs is provided by a pricing service as of the measurement date using pricing from exchanges. Securities classified in Level 2 of the fair value hierarchy are valued using interest rate curves and credit spreads applied to the terms of the debt instruments (maturity and coupon interest) and consider the counterparty rating.

		Fair Value Measurement Using		
	12/31/2023	Level 1	Level 2	Level 3
Investments by fair value level				
U.S. Treasury Securities	$ 143,117	$ 143,117	$ -	$ -
U.S. Agency Notes	517,453		517,464	
Municipal Bonds	165,827		165,827	
Texas Term Investment Pool	25,000		25,000	
Total Investments measured at fair value	$ 851,397	$ 143,117	$ 708,291	$ -

Restricted Cash and Investments – Cash and investments are restricted for a variety of purposes based on the requirement set forth in City Ordinance No. 75686, state law or SAWS policy. The following table summarizes both current and noncurrent restricted cash and investments by purpose at December 31, 2023.

	12/31/2023
Restricted for:	
Operations	$ 83,839
Debt Service	75,083
Debt Service Reserve	12,887
Construction - accrued liabilities	75,404
Construction - capital recovery fees	149,299
Construction - bond proceeds	364,648
Total Restricted Cash & Investments	$ 761,160

The requirements of City Ordinance No. 75686 stipulate that SAWS must accumulate and maintain a reserve equal to 100.0% of the maximum annual debt service requirements for senior lien obligations. Additional City ordinances require SAWS to maintain a debt service reserve equal to the average annual debt service on all junior lien obligations secured by a reserve fund. Not all SAWS junior lien obligations require the security of a debt service reserve. Increases in the required reserve amount may be deposited into a reserve account over a five-year period.

Ordinance No. 75686 allows for SAWS to provide surety policies equal to all or part of the required reserve. SAWS may use bond proceeds to make the required deposits related to new debt issued. Debt service reserve deposits are required to be maintained until a) the revenue bonds mature, b) the surety policy provider's credit ratings improve to the minimum ratings required under SAWS bond ordinance, or c) new surety policies are provided that meet the requirements of the bond ordinance.

Note 4 Cash and Cash Equivalents, Securities Lending and Investments (Continued)

San Antonio Water System (SAWS) (Continued)

The following table summarizes the cash and investments restricted for Debt Service Reserve at December 31, 2023, based on the allocation of the funds between junior lien and senior lien bond requirements.

	December 31, 2023
Restricted for Junior Lien Bonds	$ 12,887
Restricted for Senior Lien Bonds	
Total Cash & Investments - Debt Service Reserve	$ 12,887

Funds restricted for construction include amounts needed to pay accrued construction liabilities, collected but unspent capital recovery fees and unspent bond proceeds. Funds restricted for accrued construction liabilities and unspent bond proceeds are completely offset by related liabilities. By state law, capital recovery fees are restricted for the construction of the infrastructure upon which the calculation of the fee is based.

By state law, all funds collected through the adoption of impact fees are deposited in interest bearing accounts related to the relevant impact fee categories and service areas. These impact fees are used for the purposes of funding capital improvements related to growth. However, these funds may also be used to repay the costs incurred by ratepayers to fund capital improvements related to growth.

San Antonio Water System Fiduciary Funds

The SAWS Financial Report includes three fiduciary funds related to SAWS employee benefit plans: the San Antonio Water System Retirement Plan (SAWSRP), the District Special Project Retirement Income Plan (DSPRP) and the San Antonio Water System Retiree Health Trust (OPEB Trust). Please refer to the SAWS Financial Report for information about fiduciary cash and investments.

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Note 5 Capital Assets

Primary Government (City)

Capital assets were reduced by $633 for impairment losses in fiscal year 2024 for governmental activities. Of this amount, $586 is allocated in miscellaneous revenue as a component of the gain/loss on capital assets on the Statement of Activities, and $47 is allocated to operating expenses. Additionally, depreciation expense was increased by $787 for impaired vehicles which have not been retired.

Capital asset activity for governmental activities, to include internal service funds, for the year-ended September 30, 2024 is as follows:

Capital Assets - Governmental Activities

	Beginning Balance (Restated)[1]	Increases	Decreases	Transfers	Ending Balance
Non-Depreciable Assets:					
Land	$ 1,448,684	$ 3,406	$ -	$ -	$ 1,452,090
Construction in Progress	403,438	417,331	(16,543)	(220,451)	583,775
Non-Depreciable Intangible Assets	256,735	14,056	(44)		270,747
Total Non-Depreciable Assets	$ 2,108,857	$ 434,793	$ (16,587)	$ (220,451)	$ 2,306,612
Depreciable/Amortizable Assets:					
Buildings	1,637,361	172	(102)	41,413	1,678,844
Improvements	1,236,252	7,185	(26)	38,309	1,281,720
Infrastructure	4,254,789			137,288	4,392,077
Machinery and Equipment	831,658	84,167	(5,309)	3,441	913,957
Intangible Assets	4,341				4,341
Leases	101,221	23,549	(1,441)		123,329
Subscriptions	29,348	91,380	(6,488)		114,240
Total Depreciable/Amortizable Assets	$ 8,094,970	$ 206,453	$ (13,366)	$ 220,451	$ 8,508,508
Accumulated Depreciation/Amortization:					
Buildings	(634,897)	(46,838)	102		(681,633)
Improvements	(616,603)	(58,065)	26		(674,642)
Infrastructure	(2,581,828)	(120,428)			(2,702,256)
Machinery and Equipment	(569,720)	(64,932)	4,476		(630,176)
Intangible Assets	(4,130)	(88)			(4,218)
Leases[2]	(16,802)	(13,074)	1,437		(28,439)
Subscriptions[2]	(10,620)	(19,203)	6,484		(23,339)
Total Accumulated Depreciation/Amortization	$ (4,434,600)	$ (322,628)	$ 12,525	$ -	$ (4,744,703)
Total Depreciable/Amortizable Assets, net	$ 3,660,370	$ (116,175)	$ (841)	$ 220,451	$ 3,763,805
Total Capital Assets, net	$ 5,769,227	$ 318,618	$ (17,428)	$ -	$ 6,070,417

Depreciation/Amortization expense was charged to governmental functions as follows:

General Government	$ 24,594
Public Safety	20,672
Public Works	175,385
Health Services	1,936
Sanitation	7
Welfare	3,996
Culture and Recreation	29,894
Convention and Tourism	13,467
Urban Redevelopment and Housing	265
Economic Development and Opportunity	721
Education	3,586
Depreciation/Amortization on Capital Assets Held by City's Internal Service Funds are Charged to Various Functions Based on Asset Usage	48,105
Total Depreciation/Amortization Expense for Governmental Activities	$ 322,628

[1] Beginning balance is restated by $1,556 to remove the balances for Prosper West San Antonio. See Note 21 Restatements, for more information.

[2] For more information, see Note 14 Leases and Subscription-Based Information Technology Arrangements (SBITAs).

The capital assets of internal service funds are included in governmental activities. In fiscal year 2024, internal service funds capital assets increased by $86,204, and decreased by $10,158, of which $1,695 was for impairments, resulting in an ending balance of $470,065. Depreciation expense of $48,105, of which $726 was for impairments, less the $9,364 in previously depreciated assets disposed of during the current year,of which $1,109 was for impairments, resulted in an ending accumulated depreciation balance of $274,657. Net book value is $195,408.

Note 5 Capital Assets (Continued)

Primary Government (City) (Continued)

The City identified and reduced $621 of impairment losses in fiscal year 2024 for the Airport System. No impairments were identified for Solid Waste Management. In nonmajor enterprise funds, depreciation expense was increased by $28 for an impaired vehicle which has not been retired.

Capital asset activity for business-type activities for the year-ended September 30, 2024, is as follows:

Capital Assets - Business-Type Activities

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Non-Depreciable Assets:					
Land:					
Airport System	$ 5,323	$ -	$ -	$ -	$ 5,323
Solid Waste Management	1,107				1,107
Nonmajor Enterprise Funds	9,366				9,366
Total Land	$ 15,796	$ -	$ -	$ -	$ 15,796
Construction in Progress:					
Airport System	36,044	89,907	(4,447)	(17,223)	104,281
Nonmajor Enterprise Funds	1,214	1,145		(1,304)	1,055
Total Construction in Progress	$ 37,258	$ 91,052	$ (4,447)	$ (18,527)	$ 105,336
Total Non-Depreciable Assets	$ 53,054	$ 91,052	$ (4,447)	$ (18,527)	$ 121,132
Depreciable/Amortizable Assets:					
Intangible Assets:					
Airport System	352	1			353
Nonmajor Enterprise Funds	14,404				14,404
Total Intangible Assets	$ 14,756	$ 1	$ -	$ -	$ 14,757
Buildings:					
Airport System	542,639	125			542,764
Solid Waste Management	11,147				11,147
Nonmajor Enterprise Funds	27,128				27,128
Total Buildings	$ 580,914	$ 125	$ -	$ -	$ 581,039
Improvements:					
Airport System	674,017	128		17,223	691,368
Solid Waste Management	15,223				15,223
Nonmajor Enterprise Funds	14,276			1,304	15,580
Total Improvements	$ 703,516	$ 128	$ -	$ 18,527	$ 722,171
Machinery and Equipment:					
Airport System	40,847	2,575	(211)		43,211
Solid Waste Management	36,082	783	(698)		36,167
Nonmajor Enterprise Funds	14,253	392	(8)		14,637
Total Machinery and Equipment	$ 91,182	$ 3,750	$ (917)	$ -	$ 94,015
Leases:					
Airport System	158	11,750	(4)		11,904
Solid Waste Management	91	51	(2)		140
Nonmajor Enterprise Funds	10	13			23
Total Leases	$ 259	$ 11,814	$ (6)	$ -	$ 12,067
Subscriptions:					
Airport System	1,020	5,459	(30)		6,449
Solid Waste Management	739	9			748
Nonmajor Enterprise Funds	3,776				3,776
Total Subscriptions	$ 5,535	$ 5,468	$ (30)	$ -	$ 10,973
Total Depreciable/Amortizable Assets	$ 1,396,162	$ 21,286	$ (953)	$ 18,527	$ 1,435,022

(continued)

Note 5 Capital Assets (Continued)

Primary Government (City) (Continued)

Capital Assets - Business-Type Activities

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Accumulated Depreciation/Amortization:					
Intangible Assets:					
Airport System	(352)				(352)
Nonmajor Enterprise Funds	(8,009)	(2,881)			(10,890)
Total Intangible Assets	$ (8,361)	$ (2,881)	$ -	$ -	$ (11,242)
Buildings:					
Airport System	(222,939)	(15,013)			(237,952)
Solid Waste Management	(3,818)	(386)			(4,204)
Nonmajor Enterprise Funds	(18,873)	(737)			(19,610)
Total Buildings	$ (245,630)	$ (16,136)	$ -	$ -	$ (261,766)
Improvements:					
Airport System	(338,857)	(24,811)			(363,668)
Solid Waste Management	(6,898)	(646)			(7,544)
Nonmajor Enterprise Funds	(9,241)	(599)			(9,840)
Total Improvements	$ (354,996)	$ (26,056)	$ -	$ -	$ (381,052)
Machinery and Equipment:					
Airport System	(31,554)	(2,705)	196		(34,063)
Solid Waste Management	(31,388)	(1,540)	698		(32,230)
Nonmajor Enterprise Funds	(13,472)	(436)	8		(13,900)
Total Machinery and Equipment	$ (76,414)	$ (4,681)	$ 902	$ -	$ (80,193)
Leases:					
Airport System	(42)	(824)	4		(862)
Solid Waste Management	(21)	(38)	2		(57)
Nonmajor Enterprise Funds	(4)	(7)			(11)
Total Leases	$ (67)	$ (869)	$ 6	$ -	$ (930)
Subscriptions:					
Airport System	(270)	(866)	30		(1,106)
Solid Waste Management	(261)	(264)			(525)
Nonmajor Enterprise Funds	(1,021)	(1,036)			(2,057)
Total Subscriptions	$ (1,552)	$ (2,166)	$ 30	$ -	$ (3,688)
Total Accumulated Depreciation/Amortization	$ (687,020)	$ (52,789)	$ 938	$ -	$ (738,871)
Total Depreciable/Amortizable Assets, net	$ 709,142	$ (31,503)	$ (15)	$ 18,527	$ 696,151
Total Capital Assets, net	$ 762,196	$ 59,549	$ (4,462)	$ -	$ 817,283

End of Schedule

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Note 5 Capital Assets (Continued)

CPS Energy

CPS Energy's plant-in-service includes four power stations that are solely owned and operated by CPS Energy. In total, there are 17 generating units at these four power stations—two of which are coal-fired and 15 of which are gas-fired (units not in thousands). Although the plant-in-service generation portfolio did not change for fiscal year 2024, CPS Energy has publicly committed to transitioning away from coal generation by calendar year 2028. CPS Energy also has two solar generating units, one of which also includes battery storage. Excluding STP (nuclear units), the following is a list of power stations and respective generating units in service at January 31, 2024.

Power Station	Generating Units	Type
Calaveras	4	Coal (2)/Gas (2)
Braunig	8	Gas
Leon Creek	4	Gas
Rio Nogales	1	Gas
Commerce	1	Solar/Battery Storage
Community	1	Solar

Other notable capital assets in electric and gas plant include supporting coal yard assets, a fleet of railcars, a transmission network for the movement of electric power from the generating stations to substations, electric and gas distribution systems, and metering. Included in general plant are two data centers; the McCullough headquarters campus; the construction and customer service centers; and a fleet of automobiles, trucks and work equipment.

Intangible assets consist of easements, software, leases, SBITAs and other intangible items.

As part of normal operations, CPS Energy evaluates whether surplus property exists within the capital asset portfolio and whether such property should be sold or reported as held for sale.

Asset Impairments – There were no capital asset impairments identified for fiscal year 2024.

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Note 5 Capital Assets (Continued)

CPS Energy (Continued)

Investment in STP Unit 1 and 2 – STP is a two-unit nuclear power plant located in Matagorda County, Texas. It is maintained and operated by the STP Nuclear Operating Company (STPNOC), a nonprofit Texas corporation special-purpose entity. It is financed and controlled by the owners – CPS Energy; the City of Austin; and Constellation South Texas, LLC. CPS Energy's 40.0% interest in STP Units 1 and 2 is included in plant assets.

STP Capital Investment, Net	
	January 31, 2024
STP Capital Assets, net	
Land	$ 5,701
Construction in progress, STP Units 1 and 2	15,620
Electrical and general plant	799,533
Intangibles	9,879
Nuclear Fuel	147,208
Total STP Capital Assets, net	$ 977,941
Total CPS Energy Capital Assets, net	$ 9,763,110
STP Capital Investments as a percentage of total CPS Energy Capital Assets, net	10.0%

Joint Base San Antonio (JBSA) Electric and Gas Systems – In July 2019, CPS Energy executed a Bill of Sale with the Department of Defense for $87,054 for the electric and gas systems at three JBSA installations: JBSA Randolph, JBSA Lackland and JBSA Lackland Training Annex. In addition to the fixed assets acquired, $84,297 in deferred inflows for the unrealized future recoveries associated with the JBSA agreement was recorded at the time of the purchase. This amount is being amortized over the 50-year Utilities Privatization Contract that covers the JBSA systems.

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Note 5 Capital Assets (Continued)

CPS Energy (Continued)

The following table provides more detailed information on the activity of CPS Energy's net capital assets as presented on the Statement of Net Position, including capital asset activity for fiscal year 2024:

Capital Assets - CPS Energy

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Non-Depreciable Assets:					
Land	$ 113,949	$ 143	$ 7,580	$ -	$ 121,672
Land Easements	107,517		94		107,611
Construction in Progress	1,025,312	847,550	(652,588)		1,220,274
Total Non-Depreciable Assets	$ 1,246,778	$ 847,693	$ (644,914)	$ -	$ 1,449,557
Depreciable Assets:					
Utility Plant in Service:					
Electric Plant	12,577,706	95,011	510,994	(15,704)	13,168,007
Gas Plant	1,272,678	18,354	101,523	(657)	1,391,898
General Plant	810,446	15,646	17,138	(36,528)	806,702
Intangibles:					
Software	221,993		15,259	(32,997)	204,255
Other	38,572			(25,503)	13,069
Leases	4,025	2,936		(1,142)	5,819
Subscription based assets	35,250	16,329		(3,351)	48,228
Nuclear Fuel	1,237,499	45,834			1,283,333
Total Depreciable Assets	$ 16,198,169	$ 194,110	$ 644,914	$ (115,882)	$ 16,921,311
Accumulated Depreciation and Amortization:					
Utility Plant in Service:					
Electric Plant	(6,293,161)	(398,020)		36,168	(6,655,013)
Gas Plant	(489,861)	(29,866)		2,353	(517,374)
General Plant	(180,580)	(40,410)		35,844	(185,146)
Intangibles:					
Software	(95,850)	(27,821)		32,997	(90,674)
Other	(11,449)	(1,020)		10,101	(2,368)
Leases	(2,415)	(931)		1,142	(2,204)
Subscription based assets	(13,163)	(10,353)		4,663	(18,853)
Nuclear Fuel	(1,086,185)	(49,941)			(1,136,126)
Total Accumulated Depreciation, Depletion and Amortization	$ (8,172,664)	$ (558,362)	$ -	$ 123,268	$ (8,607,758)
Total Capital Assets, net	$ 9,272,283	$ 483,441	$ -	$ 7,386	$ 9,763,110

Cash flow information – Cash paid for additions and net removal costs totaled $996,273. This amount includes $980,346 in additions to construction-in-progress and electric, gas and general plant, partially offset by $5,319 in donated assets.

Other – Depreciation and amortization expense for the period totaled $508,421, while amortization of nuclear fuel of $49,941 was included in fuel expense on CPS Energy's Statement of Revenues, Expenses and Changes in Net Position, in CPS Energy's separately issued financial statements.

Note 5 Capital Assets (Continued)

San Antonio Water System (SAWS)

Capital asset activity for SAWS is as follows:

Capital Assets - San Antonio Water System	Beginning Balance Restated	Increases	Transfers	Decreases	Ending Balance
Non-Depreciable Assets:					
Land	$ 173,669	$ -	$ 7,406	$ -	$ 181,075
Intangible Assets:					
Water Rights	248,881				248,881
Other	370				370
Construction in Progress	775,306	731,155	(667,285)	(8,726)	830,450
Total Non-Depreciable Assets	$ 1,198,226	$ 731,155	$ (659,879)	$ (8,726)	$ 1,260,776
Depreciable Assets:					
Utility Plant in Service:					
Structures and Improvements	1,074,541	60	21,733		1,096,334
Pumping and Purification	287,592	1,391	73		289,056
Distribution and Transmission System	3,790,555		226,251	(12,829)	4,003,977
Treatment Facilities	3,201,653		389,927	(19,329)	3,572,251
Total Utility Plant in Service	$ 8,354,341	$ 1,451	$ 637,984	$ (32,158)	$ 8,961,618
Machinery and Equipment:					
Machinery and Equipment	515,153	9,928	13,560	(4,763)	533,878
Furniture and Fixtures	6,591				6,591
Computer Equipment	31,488	1,795	1,207	(454)	34,036
Software	59,450	105	7,128		66,683
Total Machinery and Equipment	$ 612,682	$ 11,828	$ 21,895	$ (5,217)	$ 641,188
Intangible Subscription Assets	6,892				6,892
Other Intangible Assets	1,354				1,354
Total Depreciable Assets	$ 8,975,269	$ 13,279	$ 659,879	$ (37,375)	$ 9,611,052
Accumulated Depreciation:					
Utility Plant in Service:					
Structures and Improvements	(329,141)	(28,334)			(357,475)
Pumping and Purification	(113,355)	(9,624)			(122,979)
Distribution and Transmission System	(996,903)	(76,188)		12,829	(1,060,262)
Treatment Facilities	(949,305)	(66,611)		19,328	(996,588)
Machinery and Equipment:					
Machinery and Equipment	(217,742)	(30,839)		4,708	(243,873)
Furniture and Fixtures	(6,428)	(47)			(6,475)
Computer Equipment	(24,228)	(2,839)		436	(26,631)
Software	(49,076)	(5,144)			(54,220)
Intangible Subscription Assets	(493)	(1,198)			(1,691)
Other Intangible Assets	(855)	(68)			(923)
Total Accumulated Depreciation	$ (2,687,526)	$ (220,892)	$ -	$ 37,301	$ (2,871,117)
Total Depreciable Assets, net	$ 6,287,743	$ (207,613)	$ 659,879	$ (74)	$ 6,739,935
Total Capital Assets, net	$ 7,485,969	$ 523,542	$ -	$ (8,800)	$ 8,000,711

Asset Impairment – SAWS periodically reviews its capital assets for possible impairment. As part of SAWS' capital improvement program, SAWS incurs costs to design capital improvement projects. These costs are included in capital assets as Construction in Progress. Periodically the actual construction of these projects may not occur due to changes in plans. Once it has been determined that construction will not proceed, any capitalized costs are charged off to operating expenses. Design and project costs written off totaled $8,726 in 2023.

Note 6 Receivables and Payables

Disaggregation of Receivables and Payables

Primary Government (City)

Net receivables at September 30, 2024 are as follows:

	Customer Accounts	Taxes	Notes and Loans	Accrued Interest	Other	Total Net Receivables	Lease Receivables
Governmental Activities	$ 120,587	$ 40,717	$ 109,885	$ 10,083	$ 100,715	$ 381,987	$ 57,614
Business-Type Activities	24,465			2,429	108	27,002	81,112
Total	$ 145,052	$ 40,717	$ 109,885	$ 12,512	$ 100,823	$ 408,989	$ 138,726

The receivable balances for Governmental Activities have been reduced by estimated allowances for doubtful accounts in the amount of $221,548; $119,893 against customer accounts, $4,186 against taxes, $55,606 against notes and loans and $41,863 against other receivables. The receivable balances for Business-Type Activities have been reduced by estimated allowances for doubtful accounts of $862 against customer accounts and $108 against other receivables.

Of the $109,885 recorded in notes and loans, only $33,327 is expected to be collected within one year. The remaining $76,558 note and loans receivables not expected to be collected within one year are related to General Fund, 2022 General Obligation Bonds, CDBG, Community Services, and SAEDC net of allowance for doubtful accounts of $73,182. The $73,182 allowance is comprised of forgivable non-interest-bearing notes and loans and aged loans greater than 90 days that are collectible. The notes and loans not collectible within 60 days have a corresponding deferred inflows of resources balance recorded within the governmental funds.

Payables at September 30, 2024 are as follows:

	Accounts	Construction	Accrued Payroll	Total Payables	Lease Payables	Subscription Payables
Governmental Activities	$ 166,682	$ 70,936	$ 18,931	$ 256,549	$ 83,928	$ 89,487
Business-Type Activities	26,164	27,163	2,823	56,150	11,679	6,694
Total	$ 192,846	$ 98,099	$ 21,754	$ 312,699	$ 95,607	$ 96,181

CPS Energy

Disaggregation of Receivables – Net customer accounts receivable as of January 31, 2024, included $28,420 for unbilled revenue receivables and $294,694 for billed utility services. Interest and other receivables included $20,229 for regulatory-related receivables and $99,027 for other miscellaneous receivables.

Disaggregation of Payables – At January 31, 2024, accounts payable and accrued liabilities included $348,999 related to standard operating supplier and vendor accounts payables, including fuels payable; $45,278 for employee-related payables; $114,963 for customer related payables; $52,605 for STP-related payables; and $234,681 for other miscellaneous payables and accrued liabilities.

Note 6 Receivables and Payables (Continued)

Disaggregation of Receivables and Payables (Continued)

San Antonio Water System (SAWS)

Disaggregation of Receivables – Gross customer accounts receivables as of December 31, 2023, included $87,557 from customers; $29,358 in unbilled revenue; $4,915 receivable from leases and other governmental agencies, and $4,816 for interest receivable, less an allowance of $30,000.

Disaggregation of Payables – At December 31, 2023, accounts payable and other current liabilities included $60,517 in accounts payable; $7,547 in vacation payable; $3,235 in accrued payroll and benefits; $93,112 in construction contracts; $15,994 in customer deposits; and $12,262 in other miscellaneous payables.

Interfund Receivable and Payable Balances

Primary Government (City)

The following is a summary of interfund receivables and payables for the City as of September 30, 2024:

	Due From Other Funds	Due To Other Funds
General Fund:		
Debt Service Fund	$ 100	$ 435
COVID-19 Funds	20,802	5,416
Categorical Grant In-Aid	44,168	
Nonmajor Governmental Funds	691	
Total General Fund	$ 65,761	$ 5,851
Debt Service Fund:		
General Fund	435	100
Total Debt Service Fund	$ 435	$ 100
COVID-19 Funds:		
General Fund	5,416	20,802
Total COVID-19 Funds	$ 5,416	$ 20,802
Categorical Grant In-Aid:		
General Fund		44,168
Total Categorical Grant In-Aid	$ -	$ 44,168
Nonmajor Governmental Funds:		
General Fund		691
Nonmajor Governmental Funds	10,790	17,338
Nonmajor Enterprise Funds		41
Total Nonmajor Governmental Funds	$ 10,790	$ 18,070
Nonmajor Enterprise Funds:		
Nonmajor Governmental Funds	41	
Total Nonmajor Enterprise Funds	$ 41	$ -
Total	$ 82,443	$ 88,991

Note 6 Receivables and Payables (Continued)

Interfund Receivable and Payable Balances (Continued)

Primary Government (City) (Continued)

As of September 30, 2024, the interfund receivable and payable balances represent short-term loans resulting from timing differences between the dates that transactions are recorded in the accounting system and short-term borrowings at fiscal year-end. Of the $65,761 due from other funds reported in General Fund, $65,661 is timing differences due to providing services and reimbursements not yet received. All interfund balances are expected to be paid within one year.

Different fiscal year-ends exist between the City and San Antonio Early Childhood Education Municipal Development Corporation (ECEMDC) component unit, (September 30th and June 30th, respectively); therefore, interfund receivables and payables do not eliminate by $6,548. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the City's transfer to ECEMDC represents its obligation to provide the 1/8 cents sales tax, for each program Pre-K 4 SA and SA: Ready to Work, collected 60 days after September 30; however, ECEMDC's due from other funds illustrates the City's 1/8 cents sales tax, for each program Pre-K 4 SA and SA: Ready to Work, collected 60 days after June 30, 2024. These transactions are in accordance with legislative and contractual requirements.

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Note 7 Deferred Outflows and Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Primary Government (City)

Deferred outflows and inflows of resources in the Statement of Net Position are shown in the table below:

	Primary Government		
Deferred Outflows of Resources:	**Governmental Activities**	**Business-Type Activities**	**Total**
Deferred Outflows of Resources related to Pensions	$ 480,583	$ 20,218	$ 500,801
Contributions Subsequent to Measurement Date related to Pensions	117,342	10,683	128,025
Deferred Outflows of Resources related to OPEB	182,655	15,631	198,286
Contributions Subsequent to Measurement Date related to OPEB	38,025	323	38,348
Deferred Outflows of Resources related to ARO	1,196	546	1,742
Unamortized Debt Reacquisition Costs	34,546	1,855	36,401
Total Deferred Outflows of Resources	$ 854,347	$ 49,256	$ 903,603
Deferred Inflows of Resources:			
Deferred Inflows of Resources related to Pensions	$ 54,162	$ 3,731	$ 57,893
Deferred Inflows of Resources related to OPEB	391,409	49,630	441,039
Deferred Inflows of Resources related to Leases	55,628	81,536	137,164
Deferred Inflows of Resources related to SCA	26,628		26,628
Total Deferred Inflows of Resources	$ 527,827	$ 134,897	$ 662,724

Additional information concerning deferred outflows of resources and deferred inflows of resources related to pensions and OPEB can be found in Note 10 Pension and Retirement Plans and Note 11 Other Postemployment Benefits, respectively. Additional information concerning deferred inflows of resources related to leases and service concession arrangements (SCA) can be found in Note 14 Leases and Subscription-Based Information Technology Arrangements and Note 20 Other Disclosures, respectively.

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Note 7 Deferred Outflows and Inflows of Resources (Continued)

Primary Government (City) (Continued)

Deferred inflows of resources in the governmental fund financial statements related to unavailable revenues are shown in the table below:

Deferred Inflows of Resources:	**Governmental Funds**
Revenues associated with:	
Loan receivables	$ 109,885
Accrued interest on loan receivables	12
Grants	52,786
Leases	53,895
Property Tax Collections	39,144
Service Concession Arrangements	26,628
EMS Collections	3,662
Municipal Court Fines	685
Library Fines	630
Alarm Fees	1,744
Magistrate/Detention Fees	398
Other entities	11,358
Total Deferred Inflows of Resources in the Balance Sheet - Governmental Funds Statement	$ 300,827

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Note 7 Deferred Outflows and Inflows of Resources (Continued)

CPS Energy

Deferred outflows and inflows of resources are shown in the table below:

Deferred Outflows of Resources:	**CPS Energy**
Unrealized pension contributions	$ 56,717
Losses related to pension	136,503
Unrealized contributions to the OPEB Plan	602
Losses related to OPEB	41,448
Unrealized losses to fuel hedges	30,243
Unamortized debt reacquisition costs	47,459
Unamortized costs for AROs	434,740
Total Deferred Outflows of Resources	$ 747,712
Deferred Inflows of Resources:	
Unrealized gains related to pension	$ 13,477
Unrealized gains related to OPEB	46,275
Leases	10,763
Sale of future revenues	70,481
Unamortized debt reacquisition costs	51,405
Total Deferred Inflows of Resources	$ 192,401

San Antonio Water Systems (SAWS)

Deferred outflows and inflows of resources are shown in the table below:

Deferred Outflows of Resources:	**SAWS**
Deferred charges on bond refunding	$ 17,886
Decrease of fair value of hedging derivatives	2,396
Deferred outflows of resources related to AROs	44,314
Unrealized pension contributions	11,537
Losses related to pension	3,300
Net Difference between projected and actual earnings on pension plan investments	44,255
Unrealized OPEB contributions	5,160
Net Difference between projected and actual earnings on OPEB plan investments	12,823
Losses related to OPEB	836
Total Deferred Outflows of Resources	$ 142,507
Deferred Inflows of Resources:	
Differences between expected and actual experience and changes of assumptions related to pension	$ 1,831
Differences between expected and actual experience and changes of assumptions related to OPEB	28,767
Gain on bond refunding	8,723
Leases	3,959
Total Deferred Inflows of Resources	$ 43,280

Note 8 Long-Term Obligations

Primary Government (City)

Governmental Activities Long-Term Obligations

Issuances

The City's debt management and on-going capital improvement financing for infrastructure and "quality of life" purposes resulted in the issuance of additional indebtedness during fiscal year 2024.

On July 10, 2024, the City issued $29,445 in Variable Lease Revenue Bonds, Series 2021 (2024 Tax-Exempt Remarketing) to remarket taxable bonds that were issued for the City Tower Renovation Project financing in June 2021, which had a three-year mandatory redemption on August 1, 2024, through the Texas Municipal Facilities Corporation. The Variable Rate Lease Revenue Bonds included a premium of $1,333 and have maturities ranging from 2049 to 2050, with an interest rate of 5.0%, and a mandatory redemption on August 1, 2027.

On May 7, 2022, voters approved a $1,200,000 bond program, the largest bond program in the City's history. On August 20, 2024, the City issued $175,975 in General Improvement Bonds, Series 2024. The General Improvement Bonds included a premium of $20,313, and were issued to finance improvements to streets, bridges, and sidewalks; drainage and flood control; parks and recreation; library and cultural facilities; and public safety facilities. The Bonds have maturities ranging from 2025 to 2044, with interest rates at 5.0%.

On August 20, 2024, the City issued $123,850 in Combination Tax and Revenue Certificates of Obligation, Series 2024; $32,355 in Combination Tax and Revenue Certificates of Obligation, Taxable Series 2024, and $55,100 in Tax Notes, Series 2024. The Tax-Exempt Certificates of Obligation included a premium of $12,069, and were issued to finance improvements to drainage, public safety, streets, information technology, municipal facilities, and parks and recreation. The Tax-Exempt Certificates have maturities ranging from 2025 to 2035, with an interest rate of 5.0%. The Taxable Certificates of Obligation proceeds were issued to finance Alamodome improvements and solar projects. The Taxable Certificates have maturities ranging from 2025 to 2044, with interest rates ranging from 4.1% to 5.0%. The Tax Notes proceeds included a premium of $1,672, and were issued to finance improvements for information technology, municipal facilities, parks and recreation, street maintenance projects, police, and council district improvements. The Tax Notes have maturities ranging from 2025 to 2027, with an interest rate of 5.0%.

In fiscal year 2024, Solid Waste Management debt of $28,715 was transferred to the governmental-type long-term debt obligations in an effort to keep solid waste customer rates affordable. The debt transferred included Tax-Exempt General Obligation Bonds, Series 2015 Refunding and Series 2016 Refunding, in addition to, Tax-Exempt Certificates of Obligation, Series 2016, Series 2017 and Series 2018.

Pledges and Significant Terms

The City's General Obligation Bonds, Certificates of Obligation, Tax Notes, and Public Property Finance Contractual Obligations are secured by ad valorem taxes levied upon all taxable property located within the City, within the limitations prescribed by law. The Certificates of Obligations are additionally secured by a lien on and pledge of certain revenues of the City's municipal parks system not to exceed $1 during the entire period the Certificates of Obligation or interest thereon remains outstanding in order to permit the Certificates of Obligation to be sold for cash. The total outstanding debt that is secured by an ad valorem tax pledge allocated to government-type activities is $2,504,180. Remedies for nonpayment of ad valorem tax-backed debt is bondholder suit in mandamus to compel the City's payment of scheduled debt service to occur in a given year. There is no lien on property, right to accelerate, or default rate of interest for City non-payment.

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

Pledges and Significant Terms (Continued)

The Municipal Drainage Utility System Revenue Bond is secured by a lien on Stormwater revenues. Remedies for nonpayment of debt is limited to the right of bondholders to file a mandamus action to compel the City's payment of scheduled debt service to occur in a given year. There is no lien on property, right to accelerate, or default rate of interest for City non-payment.

The Starbright Industrial Development Corporation Contract Revenue Bonds are secured with a pledge of utility revenue received by the City from CPS Energy. Remedies for nonpayment by the City of sums due under the Economic Development Contract between the City and the issuer are limited to the right of the trustee to pursue any remedies authorized by applicable law. Remedies for nonpayment of debt are limited to the right of the trustee, on behalf of the bondholders, to file a mandamus action to compel the issuer's payment of scheduled debt service to occur in a given year. There is no lien on property, right to accelerate, or default rate of interest for issuer or City non-payment.

The Texas Municipal Facilities Corporation (MFC) has secured bonds and loans. The 2011 MFC Bonds financed the construction of a new Fire and Police Emergency Dispatch Center, also known as the Public Safety Answering Point (PSAP) and are paid semi-annually by the General Fund. The payments from the General Fund are supported by appropriated lease payments which equal the annual debt service on the bonds. The 2019 MFC Contract Revenue Notes financed the redevelopment of two buildings at Brooks City Base for the City and are paid by annually appropriated Brooks City-Base Tax Increment Reinvestment Zone revenues. The 2021 MFC Bonds financed a portion of the acquisition and funded the renovation of the City Tower building for a consolidated City administrative office building. These Lease Revenue Bonds are paid semi-annually by the City Tower Fund and are supported by City department budget assessments, parking revenues, and external lease revenue held in the City Tower Lease Payment Fund. The 2023 MFC Contract Revenue Notes financed the Edwards Aquifer Protection Program. The Contract Revenue Notes are secured by a portion of the City's revenue payment from SAWS and paid for from the General Fund. Payment of debt service on the bonds and notes is solely dependent upon the payment by the City (as the "lessee" under the related lease agreement) of lease payments under the lease. In the event the City fails to appropriate for the payment of lease payments during any fiscal year, the lease will terminate at the end of the fiscal year for which sufficient appropriations have been made, and the City must, upon the expiration of such fiscal year, surrender possession and control of the assets to the lessor or the trustee. Remedies available under the lease upon a failure of the City to pay lease payments from appropriated funds could include some of the following: (i) immediate acceleration of all lease payments due or to become due during the current fiscal year, (ii) termination of the City's leasehold interest in the assets, (iii) the right of the trustee to take possession and control of the asset, and to sell, or lease or otherwise dispose of the asset upon foreclosure under the related mortgage and security agreement, (iv) with or without terminating the primary lease, immediate acceleration of all operating expenses due or to become due during the current fiscal year, and (v) take any other action at law or in equity that may be necessary or desirable to collect lease payments, including filing a suit in mandamus to compel payment. Remedies available under the trust agreement upon a failure of the issuer to pay debt service on the bonds or the occurrence of an event of default under the lease agreement include, (i) with or without terminating the lease and to the extent permitted by law, immediate acceleration of all outstanding bonds at the option of the trustee or if directed by the holders of at least 25.0% in principal amount of the outstanding bonds, and (ii) the right of the trustee to terminate the lease and take possession and control of the asset, and to sell, or lease, sublease or otherwise dispose of the asset upon foreclosure under the related mortgage and security agreement.

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

Pledges and Significant Terms (Continued)

For the Texas Municipal Facilities Corporation, City Tower Renovation Project, upon the occurrence of an Event of Default, the Master Trustee shall have the right to take one or any combination of the following remedial steps to the extent permitted by law (i) declare the principal of all outstanding parity bonds and all unpaid accrued interest thereon to be due and payable immediately, (ii) terminate the Sublease upon giving 30 days written notice to the City and the Corporation at the expiration of which period of time the City shall immediately surrender possession and control of the City Tower to the Master Trustee and the Master Trustee shall have the right, thereafter, to sublease the City Tower to any third party for a period up to but not exceeding the remaining Term of the Primary Lease, and (iii) exercise any rights, powers, or remedies it may have as a secured party under the Uniform Commercial Code of the State, or other similar laws in effect, and shall have the power to proceed with any available right or remedy granted by the financing documents, as it may deem best, including any suit, action, mandamus, or special proceeding in equity or at law or in bankruptcy or otherwise for the collection of all amounts due and unpaid under the Financing Documents, for specific performance of any covenant or agreement contained herein or therein, or for the enforcement of any legal or equitable remedy as the Master Trustee shall deem most effective to protect the rights aforesaid, insofar as such may be authorized by law.

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Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

Pledges and Significant Terms (Continued)

Texas Public Facilities Corporation Improvement and Refunding Lease Revenue Bonds, Convention Center Facilities, are paid by annually appropriated lease payments from any money that has not been encumbered to secure the payment of any indebtedness of the City and that may lawfully be used with respect to any payment obligated or permitted under the lease agreement, including but not limited to unencumbered and lawfully available revenues derived by the City from hotel occupancy taxes levied by the City; annual ad valorem taxes levied for maintenance and operation purposes (although pursuant to the authorization adopted on November 21, 2024, this portion of the security will not be pledged to prospective obligations issued); the 1.0% general sales and use tax levied by the City; and transfers from City-owned utility systems. The finance plan is based upon the utilization of hotel occupancy taxes and no other sources are anticipated to be used. In the event the City (as the "sublessee" under the related lease agreement) fails to appropriate for the payment of lease payments during any fiscal year, (i) the sublease will terminate at the end of the fiscal year for which sufficient appropriations have been made (but the primary lease will remain in existence and will not terminate), (ii) the City must, upon the expiration of such fiscal year, surrender possession and control of the Convention Center facilities to the trustee, and (iii) the City will be prohibited from conducting any operations or activities at the Convention Center facilities. Remedies available under the lease agreement upon a failure of the City to pay lease payments from appropriated funds include, (i) terminating the sublease upon the trustee giving 30 days written notice to the City, after which the City must surrender possession and control of the Convention Center facilities to the trustee, (ii) with or without terminating the sublease, (a) immediate acceleration of all lease payments due or to become due during the current fiscal year, and (b) the right of the trustee to take possession and control of the Convention Center facilities and exclude the City from using the Convention Center facilities, (iii) with or without terminating the primary lease, immediate acceleration of all operating expenses due or to become due during the current fiscal year, and (iv) take any other action at law or in equity that may be necessary or desirable to collect lease payments, including filing a suit in mandamus to compel payment. Remedies available under the trust agreement upon a failure of the issuer to pay debt service on the bonds or the occurrence of an event of default under the lease agreement include, (i) with or without terminating the sublease and to the extent permitted by law, immediate acceleration of all outstanding bonds at the option of the trustee or if directed by the holders of at least 25.0% in principal amount of the outstanding bonds, and (ii) the right of the trustee to terminate the sublease and take possession and control of the Convention Center facilities, and to sublease the Convention Center facilities for a period up to but not exceeding the remaining term of the primary lease.

Prior Years' Defeased Debt

In prior years, the City advance refunded, prior to maturity, certain General Obligation Bonds, Revenue Bonds, Certificates of Obligation and Tax Notes. The refunding bonds were utilized to purchase securities, which are direct obligations of the United States of America (the Purchased Securities). The Purchased Securities plus cash were deposited into irrevocable escrow accounts in amounts scheduled to mature in principal amounts that, when added to interest earned on the Purchased Securities plus remaining balances in the escrow fund, are fully sufficient to make timely payment on the principal, premium if any, and interest scheduled to come due on the refunded obligations. The refunded obligations represent a legal defeasance and are no longer a liability of the City; therefore, they are not included in the City's financial statements. As of September 30, 2024, $45,740 of previously defeased bonds are outstanding.

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

The following table is a summary of changes for the year-ended September 30, 2024 for governmental activities:

Governmental Activities Long-Term Debt							
	Time of Original Issuance						
Issue	Original Amount	Final Principal Payment	Interest Rates (%)	Balance Outstanding October 1, 2023	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2024
Tax-Exempt General Obligation Bonds:							
Series 2014	$ 227,275	2034	2.000-5.000	$ 30,020	$ -	$ (8,330)	$ 21,690
Series 2014 Refunding	51,955	2025	0.500-5.000	4,030		(1,965)	2,065
Series 2015 Refunding[1]	234,510	2035	4.000-5.000	88,745	1,010	(13,490)	76,265
Series 2016 Refunding[1]	194,175	2036	3.000-5.000	94,955	95	(14,595)	80,455
Series 2017	88,070	2037	4.000-5.000	60,985		(3,585)	57,400
Series 2018	154,850	2038	3.000-5.000	114,185		(5,305)	108,880
Series 2019 Refunding (HUD)	24,570	2025	2.000-5.000	7,515		(3,745)	3,770
Series 2019 Refunding	383,940	2040	3.000-5.000	340,080		(14,210)	325,870
Series 2020	145,565	2040	3.000-5.000	122,635		(4,845)	117,790
Series 2021	128,295	2041	4.000-5.000	110,835		(4,060)	106,775
Series 2022	57,680	2042	4.000-5.000	55,775		(1,815)	53,960
Series 2023	163,665	2043	4.000-5.000	163,665		(7,530)	156,135
Series 2024	175,975	2044	5.000		175,975		175,975
Total Tax-Exempt General Obligation Bonds	$ 2,030,525			$ 1,193,425	$ 177,080	$ (83,475)	$ 1,287,030
Taxable General Obligation Bonds:							
Series 2020 Refunding	$ 437,420	2034	0.314-2.013	$ 372,400	$ -	$ (34,730)	$ 337,670
Series 2022	100,520	2042	3.274-4.531	75,095		(2,705)	72,390
Series 2023	23,020	2024	5.485	23,020		(23,020)	
Total Taxable General Obligation Bonds	$ 560,960			$ 470,515	$ -	$ (60,455)	$ 410,060
Tax-Exempt Certificates of Obligation:							
Series 2015	$ 36,360	2035	1.500-5.000	$ 16,390	$ -	$ (1,615)	$ 14,775
Series 2016[1]	84,855	2036	2.000-5.000	58,115	4,980	(3,720)	59,375
Series 2017[1]	73,360	2037	3.000-5.000	44,360	4,005	(2,970)	45,395
Series 2018[1]	131,610	2038	4.000-5.000	90,605	18,625	(5,085)	104,145
Series 2019	30,235	2039	4.000-5.000	23,520		(1,860)	21,660
Series 2020	40,500	2040	3.000-5.000	35,475		(1,780)	33,695
Series 2021	41,425	2041	3.000-5.000	38,650		(1,430)	37,220
Series 2022	79,830	2042	4.000-5.000	77,195		(2,510)	74,685
Series 2023	46,990	2033	5.000	46,990		(3,490)	43,500
Series 2024	123,850	2035	5.000		123,850		123,850
Total Tax-Exempt Certificates of Obligation	$ 689,015			$ 431,300	$ 151,460	$ (24,460)	$ 558,300
Taxable Certificates of Obligation:							
Series 2015	$ 43,820	2035	0.880-4.162	$ 29,350	$ -	$ (2,000)	$ 27,350
Series 2016	24,830	2036	0.921-3.278	16,920		(1,710)	15,210
Series 2016 (Fixed Conversion)	47,000	2046	0.793-2.933	47,000		(205)	46,795
Series 2018	8,600	2038	2.580-4.050	6,980		(355)	6,625
Series 2020	15,440	2040	0.300-2.400	13,330		(700)	12,630
Series 2021A	22,890	2041	0.220-2.670	20,840		(1,015)	19,825
Series 2024	32,355	2044	4.131-4.997		32,355		32,355
Total Taxable Certificates of Obligation	$ 194,935			$ 134,420	$ 32,355	$ (5,985)	$ 160,790
Tax Notes:							
Series 2021	36,530	2024	5.000	12,735		(12,735)	
Series 2022	47,910	2024	5.000	24,475		(24,475)	
Series 2023	30,450	2025	5.000	30,450		(14,905)	15,545
Series 2024	55,100	2027	5.000		55,100		55,100
Total Tax Notes	$ 169,990			$ 67,660	$ 55,100	$ (52,115)	$ 70,645
Revenue Bonds:							
Series 2013 Municipal Drainage	$ 70,685	2030	3.000-5.000	$ 34,925	$ -	$ (5,090)	$ 29,835
Series 2013 Starbright Industrial Dev Corp	20,890	2033	1.078-4.750	13,120		(1,100)	12,020
Series 2011 Municipal Facilities Corp	27,925	2041	2.000-5.000	20,890		(775)	20,115
Series 2021 Municipal Facilities Corp	59,760	2048	3.000-5.000	59,760		(270)	59,490
Series 2021 Taxable Municipal Facilities Corp	30,550	2050	0.894	30,550		(30,550)	
Series 2012 Public Facilities Corp	550,374	2042	3.000-5.100	256,300			256,300
Series 2022 Public Facilities Corp and Refunding	292,880	2042	5.000	290,320		(4,040)	286,280
Series 2024 Tax-Exempt Remarketing Municipal Facilities Corp	29,445	2050	5.000		29,445		29,445
Total Revenue Bonds	$ 1,082,509			$ 705,865	$ 29,445	$ (41,825)	$ 693,485
Notes from Direct Placements							
Series 2023 Municipal Facility Corp - Contractual Obligations	$ 30,000	2027	3.950	$ 30,000			$ 30,000
Total Notes from Direct Placements	$ 30,000			$ 30,000	$ -	$ -	$ 30,000
Bonds from Direct Placements:							
Series 2019 Municipal Facilities Corp	$ 6,065	2034	2.390	$ 4,705	$ -	$ (380)	$ 4,325
Series 2020 Public Facilities Corp - Contractual Obligations	11,300	2025	1.701	4,635		(2,300)	2,335
Series 2021 Taxable Certificates of Obligation	15,955	2035	2.010	15,955		(935)	15,020
Total Bonds from Direct Placements	$ 33,320			$ 25,295	$ -	$ (3,615)	$ 21,680
Total	$ 4,791,254			$ 3,058,480	$ 445,440	$ (271,930)	$ 3,231,990

[1]$28,715 of General Obligation Bonds, Series 2015 and 2016 and Certificates of Obligation Series 2016, 2017 and 2018 were transferred from business-type debt to governmental-type debt.

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

Annual Requirements

The annual requirements to amortize all General Obligation Bonds, Certificates of Obligation, Tax Notes, Revenue Bonds, Notes from Direct Placements, and Bonds from Direct Placements outstanding as of September 30, 2024 are as follows:

	Principal and Interest Requirements					
	General Obligation Bonds[1]		Certificates of Obligation[2]		Tax Notes	
Year-Ending September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 147,260	$ 62,347	$ 53,705	$ 29,156	$ 33,240	$ 2,342
2026	137,240	57,533	44,430	27,944	18,235	1,414
2027	118,630	52,485	39,835	26,036	19,170	479
2028	114,095	48,111	50,995	23,953		
2029	110,025	43,902	50,120	21,671		
2030-2034	523,025	162,863	252,450	75,618		
2035-2039	391,070	75,270	161,335	26,696		
2040-2044	155,745	13,766	57,310	5,574		
2045-2046			8,910	264		
Total	$ 1,697,090	$ 516,277	$ 719,090	$ 236,912	$ 70,645	$ 4,235

[1] Includes both Tax-Exempt and Taxable General Obligation Bonds.

[2] Includes both Tax-Exempt and Taxable Certificates of Obligation.

	Principal and Interest Requirements					
	Revenue Bonds		Notes from Direct Placements		Bonds from Direct Placements	
Year-Ending September 30,	Principal	Interest	Principal	Interest	Principal	Interest
2025	$ 14,005	$ 31,024	$ -	$ 1,185	$ 3,660	$ 445
2026	17,020	30,367		1,185	1,335	377
2027	19,630	29,531	30,000	1,185	1,340	349
2028	23,130	28,563			1,350	320
2029	22,770	27,510			1,365	292
2030-2034	139,215	119,781			10,750	904
2035-2039	219,465	79,660			1,880	38
2040-2044	192,435	27,110				
2045-2049	30,735	9,018				
2050	15,080	754				
Total	$ 693,485	$ 383,318	$ 30,000	$ 3,555	$ 21,680	$ 2,725

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

In May 2022, the citizens authorized the City to sell $1,200,000 in debt for the 2022-2027 Bond Program. The program includes 183 projects designed to improve and enhance existing, as well as acquire or construct, streets, bridges, and sidewalks; drainage and flood control; parks, recreation, and open spaces; library, museum and cultural facilities; public safety facilities; and affordable housing. The Bonds are pledged with and will be repaid from ad valorem tax revenue the City collects on an annual basis.

Authorized but Unissued General Obligation Debt

Authorization Date	Purpose	Amount Authorized	Bonds Previously Issued	Bonds Authorized but Unissued
5/7/2022	Streets, Bridges, and Sidewalks[1]	$ 471,557	$ 175,474	$ 296,083
5/7/2022	Drainage and Flood Control[1]	169,873	49,938	119,935
5/7/2022	Parks, Recreation, and Open Space[1]	271,915	136,666	135,249
5/7/2022	Library, Museum, and Cultural Facilities[1]	58,375	28,946	29,429
5/7/2022	Public Safety Facilities[1]	78,280	38,321	39,959
5/7/2022	Affordable Housing[2]	150,000	123,540	26,460
Total		$ 1,200,000	$ 552,885	$ 647,115

[1] The amount issued of $429,345 includes the par value of the bonds in the amount of $397,320, the premium of the bonds in the amount of $34,586, and less the cost of issuance of $2,561.

[2] The taxable amount issued of $123,540 is the par value of the bonds, which include project funding of $122,770 and cost of issuance of $770.

Debt Limitation

The amount of debt that the City may incur is limited by City Charter and by the Constitution of the State of Texas. The City Charter establishes a limitation on the general obligation debt supported by ad valorem taxes to an amount not to exceed 10.0% of the total assessed valuation. The total assessed valuation for the fiscal year 2024 was $207,375,327 which provides a debt ceiling of $20,737,533. The total outstanding debt that is secured by an ad valorem tax pledge is $2,778,955 including $274,775 that is reported in business-type activities.

The Constitution of the State of Texas provides that the ad valorem taxes levied by the City for debt service and maintenance and operation purposes shall not exceed $2.50 for each $100 of assessed valuation of taxable property. There is no limitation within the $2.50 rate for interest and sinking fund purposes; however, it is the policy of the Attorney General of the State of Texas to prohibit the issuance of debt by a city if such issuance produces debt service requirements that exceed the amount that can be paid from $1.50 tax rate calculated at 90.0% collections. The Debt Service component is determined by the City's debt service requirements. The fiscal year 2024 Debt Service rate was 21.150 cents per $100 of taxable valuation. (Amounts in this paragraph are not in thousands).

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Governmental Activities Long-Term Obligations (Continued)

Interfund Borrowings

In 2016, the City authorized proceeds of $18,100 from the Combination Tax and Revenue Certificates of Obligation, Taxable Series 2016 to finance improvements to Hemisfair Park including continuing restoration of historic buildings, a civic park, landscaping, and other improvements. HPARC agreed to fund all regularly scheduled debt service on this debt. Until this debt has been fully repaid and retired, revenues from the NW Quadrant P3 development would be paid directly to the City, on behalf of HPARC, to fund the annual debt service requirements. To the extent that those revenues are not sufficient, HPARC would repay the debt service using other rental revenues. As a result of the COVID-19 pandemic and resulting delays in the development of the NW Quadrant P3, HPARC requested a five-year deferral with debt payments to the City resuming in fiscal year 2028. HPARC began accruing interest on the deferred amount in fiscal year 2023 at a rate of 4.0%. The total deferred amounts of $8,809, of which $7,821 is deferred debt service payments and $988 interest, will be paid in full on or before September 30, 2029. HPARC will pay the remaining balance beginning February 1, 2028 and annually thereafter through fiscal year 2036.

The following is HPARC's restructured debt schedule for fiscal year-ended September 30, 2024:

Year-Ending September 30,	Principal	Interest	Total
2025	$ -	$ -	$ -
2026			
2027			
2028			
2029	8,514	2,443	10,957
2030-2034	6,962	886	7,848
2035-2036	3,059	86	3,145
Total	$ 18,535	$ 3,415	$ 21,950

The City has authorized proceeds from various Certificates of Obligation issuances to MGA-SA to finance improvements to City owned golf courses. MGA-SA will repay the interfund borrowing with interest from revenues generated by its golf operations. Since MGA-SA is a blended component unit, activity between the Community Service Funds and MGA-SA are eliminated as part of government-wide reporting.

The following table is a summary of changes for the year-ended September 30, 2024:

	Time of Original Issuance						
Issue	Original Amount	Final Principal Payment	Interest Rates (%)	Balance Outstanding October 1, 2023	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2024
Series 2010	$ 1,185	2025	3.676	$ 195	$ -	$ (95)	$ 100
Series 2015	4,000	2025	1.500-5.000	955		(465)	490
Series 2016	3,275	2031	2.000-5.000	2,020		(215)	1,805
Series 2018	1,315	2033	4.000-5.000	980		(80)	900
Series 2021	1,655	2031	5.000	1,385		(145)	1,240
Series 2023	3,710	2033	5.000	3,710		(295)	3,415
Total	$ 15,140			$ 9,245	$ -	$ (1,295)	$ 7,950

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Business-Type Activities Long-Term Obligations

Business-Type Activities long-term obligations applies to those City operations that relate to business and quasi-business activities where net income and capital maintenance are measured (enterprise funds). Long-term debt, which is to be repaid from enterprise fund resources, is reported in the respective proprietary fund. The long-term indebtedness of the City's enterprise funds is presented in the discussion that follows.

Pledges and Significant Terms

The Airport System includes the City of San Antonio International Airport, Stinson Municipal Airport, and all land, buildings, structures, equipment, and facilities pertaining thereto. The Airport System's long-term debt consists of Airport System Revenue Improvement Bonds (GARB), Passenger Facility Charge and Subordinate Lien Bonds (PFC), and Customer Facility Charge Revenue Bonds (CFC). GARBs are payable from and secured solely by an irrevocable first lien on and pledge of the gross revenues of the Airport System. Gross revenues of the Airport System include all revenues of any nature derived from contracts or use agreements with airlines and other users of the Airport System and its facilities. PFCs are payable from and secured by an irrevocable first lien on and pledge of the PFC revenues and a first lien on and pledge of the subordinate net revenues. CFCs are payable from and secured by an irrevocable first lien on and pledge of the CFC revenues. Remedies for nonpayment of debt related to GARB, PFC, and CFC is limited to the right of bondholders to file a mandamus action to compel the City's payment of scheduled debt service to occur in a given year. There is no lien on property, right to accelerate, or default rate of interest for City non-payment.

The Development Services operation includes coordinating land and building development throughout the City. Long-term debt is allocated to Development Services on a pro rata basis from proceeds received from the issuance of certificates of obligation and is paid from revenues derived from the operation of Development Services. The allocated debt is secured by an ad valorem tax pledge.

The total outstanding debt that is secured by an ad valorem tax pledge allocated to business-type activities is $274,775. Remedies for nonpayment of ad valorem tax-backed debt is bondholder suit in mandamus to compel the City's payment of scheduled debt service to occur in a given year. There is no lien on property, right to accelerate or default rate of interest for City non-payment.

Prior Years' Defeased Debt

As of September 30, 2024, business-type activities do not have previously defeased debt outstanding.

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Business-Type Activities Long-Term Obligations (Continued)

The following table is a summary of changes for the year-ended September 30, 2024 for business-type activities:

Business-Type Long-Term Debt							
	Time of Original Issuance						
Issue	Original Amount	Final Principal Payment	Interest Rates (%)	Balance Outstanding October 1, 2023	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2024
Airport System:							
Revenue Bonds:							
Series 2012 Refunding	$ 70,135	2027	2.000-5.000	$ 23,565	$ -	$ (5,455)	$ 18,110
Series 2012 PFC Refunding	25,790	2027	2.000-5.000	8,880		(2,065)	6,815
Series 2015	38,805	2045	5.000	35,535		(925)	34,610
Series 2015 CFC	123,900	2045	2.910-5.871	117,915		(2,025)	115,890
Series 2019A Refunding	47,255	2032	5.000	36,890		(3,345)	33,545
Series 2019B Refunding	36,280	2040	2.020-3.527	32,495		(1,315)	31,180
Series 2019A PFC Refunding	63,405	2032	5.000	48,065		(4,860)	43,205
Series 2019B PFC Refunding	31,535	2040	2.120-3.707	27,885		(1,270)	26,615
Taxable Tax Notes:							
Series 2023	269,635	2026	5.635	269,635			269,635
Subtotal	$ 706,740			$ 600,865	$ -	$ (21,260)	$ 579,605
Bonds from Direct Placements:							
Taxable Tax Notes, Series 2017	$ 36,000	2024	3.080	$ 36,000	$ -	$ (36,000)	$ -
Taxable Tax Notes, Series 2021	26,000	2024	2.180	26,000		(26,000)	
Subtotal	$ 62,000			$ 62,000	$ -	$ (62,000)	$ -
Solid Waste Management:							
Tax-Exempt General Obligation Bonds:							
Series 2015 Refunding [1]	$ 1,290	2028	4.000-5.000	$ 1,010	$ -	$ (1,010)	$ -
Series 2016 Refunding [1]	300	2026	3.000-5.000	95		(95)	
Tax-Exempt Certificates of Obligation:							
Series 2016 [1]	6,585	2036	2.000-5.000	4,980		(4,980)	
Series 2017 [1]	6,065	2037	3.000-5.000	4,005		(4,005)	
Series 2018 [1]	22,375	2038	4.000-5.000	18,625		(18,625)	
Subtotal	$ 36,615			$ 28,715	$ -	$ (28,715)	$ -
Development Services:							
Tax-Exempt Certificates of Obligation:							
Series 2019	$ 6,190	2040	4.000-5.000	$ 5,370	$ -	$ (230)	$ 5,140
Subtotal	$ 6,190			$ 5,370	$ -	$ (230)	$ 5,140
Parking System:							
Taxable General Obligation Bonds:							
Series 2020 Refunding	$ 6,275	2024	0.314-0.613	$ 1,580	$ -	$ (1,580)	$ -
Subtotal	$ 6,275			$ 1,580	$ -	$ (1,580)	$ -
Total	$ 817,820			$ 698,530	$ -	$ (113,785)	$ 584,745

[1] $28,715 General Obligation Bonds, Series 2015 and 2016 and Certificates of Obligation Series 2016, 2017 and 2018 were transferred from business-type debt to governmental-type debt.

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Business-Type Activities Long-Term Obligations (Continued)

The annual requirements to amortize long-term debt for the City's Enterprise Funds related to General Obligation Bonds, Certificates of Obligation, Tax Notes, Revenue Bonds, and Bonds from Direct Placements outstanding at September 30, 2024 are as follows:

	Principal and Interest Requirements					
	Airport System			Development Services		
Year-Ending September 30,	Principal	Interest	Total	Principal	Interest	Total
2025	$ 22,505	$ 30,407	$ 52,912	$ 240	$ 232	$ 472
2026	293,595	21,768	315,363	255	220	475
2027	25,315	13,075	38,390	265	207	472
2028	17,575	11,909	29,484	280	195	475
2029	18,395	11,099	29,494	295	180	475
2030-2034	77,830	42,668	120,498	1,700	666	2,366
2035-2039	58,050	27,182	85,232	2,105	259	2,364
2040-2044	54,545	12,355	66,900			
2045	11,795	670	12,465			
Total	$ 579,605	$ 171,133	$ 750,738	$ 5,140	$ 1,959	$ 7,099

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Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Government and Business-Type Activities Long-Term Obligations

	Beginning Balance (Restated)[6]	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds Payable:					
Tax-Exempt General Obligation Bonds	$ 1,193,425	$ 177,080	$ (83,475)	$ 1,287,030	$ 115,960
Taxable General Obligation Bonds	470,515		(60,455)	410,060	31,300
Tax-Exempt Certificates of Obligation	431,300	151,460	(24,460)	558,300	45,705
Taxable Certificates of Obligation	134,420	32,355	(5,985)	160,790	8,000
Tax Notes	67,660	55,100	(52,115)	70,645	33,240
Revenue Bonds	705,865	29,445	(41,825)	693,485	14,005
Notes from Direct Placements	30,000			30,000	
Bonds from Direct Placements	25,295		(3,615)	21,680	3,660
Gross Bonds Payable	$ 3,058,480	$ 445,440	$ (271,930)	$ 3,231,990	$ 251,870
Unamortized (Discount) / Premium	$ 184,926	$ 37,807	$ (32,828)	$ 189,905	$ 29,253
Net Bonds Payable	$ 3,243,406	$ 483,247	$ (304,758)	$ 3,421,895	$ 281,123
Other Payables:					
Leases Liability [4]	$ 88,496	$ 5,140	$ (9,708)	$ 83,928	$ 10,122
Subscription Liability [4]	15,889	89,796	(16,198)	89,487	16,611
Financed Purchases [4]	5,686	1,293	(1,810)	5,169	1,740
Accrued Leave Payable	254,397	99,732	(90,773)	263,356	102,196
Net Pension Liability [1]	1,453,986	812,983	(888,926)	1,378,043	
Net OPEB Liability [2]	761,949	105,407	(83,312)	784,044	
Claims Payable Liability	83,153	189,463	(182,834)	89,782	30,365
Arbitrage Rebate Payable[3]	2,151	13,768		15,919	3,306
Pollution Remediation Liability [5]	6,575	1,602	(6,125)	2,052	2,052
Asset Retirement Obligations [5]	2,088	133	(133)	2,088	263
Other Payable	23	7		30	
Total Other Payables	$ 2,674,393	$ 1,319,324	$ (1,279,819)	$ 2,713,898	$ 166,655
Total Governmental Activities	$ 5,917,799	$ 1,802,571	$ (1,584,577)	$ 6,135,793	$ 447,778
Business-Type Activities:					
Bonds Payable:					
Tax-Exempt General Obligation Bonds	$ 1,105	$ -	$ (1,105)	$ -	$ -
Taxable General Obligation Bonds	1,580		(1,580)		
Tax-Exempt Certificates of Obligation	32,980		(27,840)	5,140	240
Taxable Tax Notes	269,635			269,635	
Revenue Bonds	331,230		(21,260)	309,970	22,505
Bonds from Direct Placements	62,000		(62,000)		
Gross Bonds Payable	$ 698,530	$ -	$ (113,785)	$ 584,745	$ 22,745
Unamortized (Discount)/Premium	$ 13,718	$ -	$ (4,807)	$ 8,911	$ 1,986
Net Bonds Payable	$ 712,248	$ -	$ (118,592)	$ 593,656	$ 24,731
Other Payables:					
Leases Liability [4]	$ 194	$ 11,801	$ (316)	$ 11,679	$ 549
Subscription Liability [4]	3,060	5,469	(1,835)	6,694	891
Financed Purchases [4]	4,879	4,717	(968)	8,628	1,541
Accrued Leave Payable	7,849	6,493	(6,053)	8,289	6,369
Net Pension Liability [1]	141,130	58,521	(79,405)	120,246	
Net OPEB Liability [2]	49,321	5,496	(6,716)	48,101	
Accrued Landfill Postclosure Costs [3]	240		(81)	159	159
Pollution Remediation Liability [5]	1,274			1,274	
Asset Retirement Obligations [5]	738	48		786	
Total Other Payables	$ 208,685	$ 92,545	$ (95,374)	$ 205,856	$ 9,509
Total Business-Type Activities	$ 920,933	$ 92,545	$ (213,966)	$ 799,512	$ 34,240

[1] See Note 10 Pension and Retirement Plans for a description of the pension program.
[2] See Note 11 Other Postemployment Benefits for a description of the postemployment program.
[3] See Note 13 Commitments and Contingencies for a description of Arbitrage costs and Landfill Postclosure Care costs.
[4] See Note 14 Leases & SBITA for a description of Lease Liability, SBITA Liability, and Financed Purchases reporting.
[5] See Note 15 Other Obligations for a description of the Pollution Remediation Liability and Asset Retirement Obligations.
[6] Beginning balance was restated by $1,204 to remove the balances for Prosper West San Antonio. See Note 21 Restatements for more information.

Note 8 Long-Term Obligations (Continued)

Primary Government (City) (Continued)

Government and Business-Type Activities Long-Term Obligations (Continued)

Accrued Leave

The following is a summary of accrued leave payable for the fiscal year-ended September 30, 2024:

	Governmental Activities				
Fund Type	Short-Term Available	Short-Term Remaining	Total Short-Term	Long-Term	Total
Governmental Funds	$ 8,170	$ 89,161	$ 97,331	$ 159,325	$ 256,656
Internal Service Funds		4,865	4,865	1,835	6,700
Total Governmental Activities	$ 8,170	$ 94,026	$ 102,196	$ 161,160	$ 263,356

The General Fund accounts for approximately 63.8% of the City's employees; therefore, most of the accrued leave payable has been liquidated from the General Fund. When a City employee terminates, the fund that salary was last charged to, will be the same fund that will pay their accrued leave. However, there is an exception for some grant funds due to expenses being unallowable, which will be paid by the General Fund.

	Business-Type Activities		
Fund	Short-Term	Long-Term	Total
Airport System	$ 2,565	$ 1,225	$ 3,790
Solid Waste Management	2,147	660	2,807
Nonmajor Enterprise Funds	1,657	35	1,692
Total Business-Type Activities	$ 6,369	$ 1,920	$ 8,289

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Note 8 Long-Term Obligations (Continued)

CPS Energy

To support its long-term capital financing needs, CPS Energy uses several types of debt instruments. As of January 31, 2024, these included fixed-rate and variable-rate bonds, as well as commercial paper. Relative to the bond instruments, provisions may be included that allow for refunding after specified time periods during the bond term.

Subject to applicable timing restrictions that may prevent early payoff, CPS Energy also has the option to defease or extinguish debt. A defeasance occurs when funds are placed in an irrevocable trust to be used solely for satisfying scheduled payments of both interest and principal of the defeased debt, which fully discharges the bond issuer's obligation. At the time of an extinguishment, since the issuer no longer has the legal obligation, the defeased debt is removed from the Statement of Net Position, the related unamortized costs are expensed, and the gain or loss is immediately recognized.

Bond premiums and discounts are amortized using the effective interest method over the life of the related debt.

CPS Energy's outstanding debt agreements specify certain events of default or breach of a financial covenant or failure to make debt service. Such an event would trigger a covenant requiring the City to charge rates sufficient to make debt service payments and satisfy debt service coverage. During the year-ended January 31, 2024, CPS Energy did not default on any terms of its debt agreements.

As of January 31, 2024, the bond ordinances for senior lien New Series Bonds contained, among others, the following provisions:

Revenue deposited in CPS Energy's General Account shall be pledged and appropriated to be used in the following priority for:

- Maintenance and operating expenses of CPS Energy;
- Payment of the New Series Bonds;
- Payment of prior lien bonds, including junior lien obligations;
- Payment of the notes and the credit agreement (as defined in the ordinance authorizing commercial paper);
- Payment of any inferior lien obligations issued, which are inferior in lien to the New Series Bonds, the prior lien bonds and the notes and credit agreement;
- An annual amount equal to 6.0% of the gross revenues of CPS Energy to be deposited in the Repair and Replacement Account;
- Cash payments and benefits to the General Fund of the City not to exceed 14.0% of the gross revenues of CPS Energy; and
- Any remaining net revenues of CPS Energy in the General Account to the Repair and Replacement Account, which is used to partially fund construction costs.

The maximum amount in cash to be transferred or credited to the City's General Fund from the net revenues of CPS Energy during any fiscal year shall not exceed 14.0% of the gross revenues of CPS Energy, less the value of gas and electric services of CPS Energy used by the City for municipal purposes and the amounts expended during the fiscal year for additions to the street lighting system and other authorized exclusions. The percentage of gross revenues of CPS Energy to be paid over, or credited to, the City's General Fund each fiscal year shall be determined (within the 14.0% limitation) by the governing body of the City.

Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

The net revenues of CPS Energy are pledged to the payment of principal and interest on the New Series Bonds, which are classified as senior lien obligations. All New Series Bonds and the interest thereon shall have a first lien upon the net revenues of CPS Energy.

The junior lien obligations are composed of two categories of debt: fixed interest rate and variable interest rate. The junior lien fixed interest rate Series Bonds are similar to the senior lien New Series Bonds, as they have fixed and set interest rates for the life of the bonds. The junior lien Variable-Rate Note Bonds are variable interest rate debt instruments of the City. The junior lien obligations are payable solely from, and equally and ratably secured by, a junior lien on and pledge of the net revenues of CPS Energy, subject and subordinate to liens and pledges securing the outstanding senior lien obligations and any additional senior lien obligations hereafter issued, and superior to the pledge and lien securing the currently outstanding commercial paper obligations, all as fully set forth in the ordinances authorizing the issuance of the junior lien obligations as noted below:

The City agrees that it will maintain rates and charges for the sale of electric energy, gas, or other services furnished, provided, and supplied by CPS Energy to the City and all other consumers, which shall be reasonable and nondiscriminatory, and which will produce income and revenues sufficient to pay:

- All operation and maintenance expenses, depreciation, replacement and betterment expenses, and other costs as may be required by Chapter 1502 of the Texas Government Code, as amended;
- The interest on, and principal of, senior lien bonds, as defined in the New Series Bond ordinances, as and when the same shall become due, and for the establishment and maintenance of the funds and accounts created for the payment and security of the senior lien bonds;
- The interest on, and principal of, the prior lien bonds, including the junior lien obligations and any additional junior lien obligations hereafter issued (all as defined in the New Series Bond ordinances), as and when the same shall become due, and for the establishment and maintenance of the funds and accounts created for the payment and security of the junior lien obligations and any additional junior lien obligations;
- To the extent the same are reasonably anticipated to be paid with available revenues (as defined in the ordinance authorizing the commercial paper), the interest on and principal of all notes (as defined in said ordinance), and the credit agreement (as defined in said ordinance); and
- Any inferior lien obligations or any other legal debt or obligation of CPS Energy as and when the same shall become due.

Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

Revenue Bonds

On June 22, 2023, CPS Energy issued $459,450 of Series 2023A Revenue Refunding Bonds. Proceeds, including the $50,678 premium associated with the bonds, were used to refund $325,000 and $175,000 par value of the Tax-Exempt Commercial Paper Series A and Tax-Exempt Commercial Paper Series B, respectively. The true interest cost for this issue, which has maturities in 2024 through 2050, is 4.4%.

On June 22, 2023, CPS Energy issued $177,130 of New Series 2023B Revenue Refunding Bonds. Proceeds, including the $15,404 premium associated with the bonds, were used to tender $89,620 par value of Taxable New Series 2020 Revenue Refunding Bonds and $129,315 par value of Taxable New Series 2022 Revenue Refunding Bonds. The true interest cost for this issue, which has maturities ranging between 2028 through 2044, is 4.2%.

Also, on June 22, 2023, CPS Energy issued $100,340 of Series 2023 Variable-Rate Junior Lien Revenue Refunding Bonds. Proceeds were used to refund $5,000 and $95,000 par value of the Tax-Exempt Commercial Paper Series A and Tax-Exempt Commercial Paper Series C, respectively. Reflecting stepped interest rate provisions applicable to the bonds, the true interest cost for this issue, which has maturities in 2051 through 2053, is 7.0%. The bonds were issued as a multi-modal variable-rate instruments with initial term rates of 3.7% and a stepped rate of 8.0%, which is only applicable if the bonds are not remarketed before their expiration date.

On November 7, 2023, CPS Energy issued $162,715 of New Series 2023C Revenue Refunding Bonds. Proceeds, including the $9,809 premium associated with the bonds, were used to refund $169,230 par value of Series 2014 Revenue Refunding Bonds. The true interest cost for this issue, which has maturities in 2024 and 2026 through 2042, is 4.3%.

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Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

Revenue Bonds (Continued)

Long-Term Debt Activity							
	Time of Original Issuance			Balance			Balance
Issue	Original Amount	Final Principal Payment	Interest Rates (%)	Outstanding February 1, 2023	Additions During Year	Decreases During Year	Outstanding January 31, 2024
Revenue and Refunding Bonds:							
2009C Taxable New Series [1]	$ 375,000	2039	6.051	$ 375,000	$ -	$ -	$ 375,000
2010A Taxable New Series [1]	380,000	2041	3.834	280,000			280,000
2010A Taxable Junior Lien [1]	300,000	2041	3.399	300,000			300,000
2012 Taxable New Series	521,000	2042	4.382	404,225			404,225
2012 Tax Exempt New Series	655,370	2025	2.552	315,685		(78,950)	236,735
2014 Tax Exempt Junior Lien	200,000	2044	4.142	200,000		(169,230)	30,770
2015A Tax Exempt Junior Lien	125,000	2033	Variable	124,205			124,205
2015B Tax Exempt Junior Lien	125,000	2033	1.428	104,150			104,150
2015 Tax Exempt Senior Lien	320,530	2032	2.992	237,700		(19,290)	218,410
2015 Tax Exempt Senior Lien	235,000	2039	3.476	235,000			235,000
2015C Tax Exempt Junior Lien	100,000	2045	Variable	99,740			99,740
2015D Tax Exempt Junior Lien	100,000	2046	Variable	99,450			99,450
2016 Tax Exempt Senior Lien	544,260	2034	2.144	343,375		(8,435)	334,940
2017 Tax Exempt Senior Lien	267,320	2047	3.804	267,320			267,320
2017 Tax Exempt Senior Lien	194,980	2047	3.619	194,980			194,980
2018 Tax Exempt Senior Lien	218,285	2028	2.745	122,425			122,425
2018A Tax Exempt Senior Lien	130,220	2048	3.654	130,220			130,220
2018 Tax Exempt Junior Lien	134,870	2048	Variable	134,870			134,870
2019 Tax Exempt Senior Lien	114,685	2030	1.462	114,685			114,685
2019 Tax Exempt Junior Lien	252,640	2041	2.885	252,640			252,640
2020 Tax Exempt Senior Lien	134,580	2049	3.132	134,580			134,580
2020 Tax Exempt Junior Lien	127,770	2049	Variable	127,770			127,770
2020 Taxable New Series	418,255	2048	2.864	418,255		(89,620)	328,635
2021A Tax Exempt Junior Lien	330,700	2049	3.139	330,700			330,700
2022 Tax Exempt Junior Lien	125,005	2049	Variable	125,005			125,005
2022 Tax Exempt Junior Lien	234,460	2044	2.782	234,460			234,460
2022 Taxable Senior Lien	413,720	2047	4.315	413,720		(137,680)	276,040
2022 Tax Exempt Senior Lien	109,620	2025	2.264	109,620		(46,735)	62,885
2023A Tax Exempt - Senior Lien	459,450	2050	4.382		459,450		459,450
2023B Tax Exempt - Senior Lien	177,130	2044	4.209		177,130		177,130
2023 Tax Exempt - Junior Lien	100,340	2053	Variable		100,340		100,340
2023C Tax Exempt - Senior Lien	162,715	2042	4.336		162,715		162,715
Total	$ 8,087,905			$ 6,229,780	$ 899,635	$ (549,940)	$ 6,579,475
Bond Current Maturities				(161,775)	(19,520)		(181,295)
Bond (Discount)/Premium				407,250	75,891	(57,269)	425,872
Revenue Bonds, Net				$ 6,475,255	$ 956,006	$ (607,209)	$ 6,824,052
Taxable and Tax Exempt Commercial Paper			Variable	455,500	530,900	(635,000)	351,400
Long-term debt, Net				$ 6,930,755	$ 1,486,906	$ (1,242,209)	$ 7,175,452

[1] Direct Subsidy Build America Bonds

Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

Revenue Bonds (Continued)

Build America Bonds Direct Subsidy - The American Recovery and Reinvestment Act of 2009 (ARRA) provided authority for the issuance of Build America Bonds (BABs), which were issuable in calendar years 2009 and 2010 as taxable bonds. The ARRA permitted the issuer or the issuer's paying agent to receive a subsidy payment equal to 35.0% of the bond's interest directly from the U.S. Department of Treasury. Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, the federal government has reduced the BABs subsidy through sequestration reduction. For the year-ended January 31, 2024, the total subsidy recorded for the 2009C and 2010A Senior Lien BABs and the 2010A Junior Lien BABs was $18,423, which included a reduction totaling $1,115.

As of January 31, 2024, principal and interest amounts due for all revenue bonds outstanding for each of the next five years and thereafter to maturity are:

CPS Energy
Principal and Interest Requirements

Year	Principal	Interest	Direct Subsidy	Total
2025	$ 181,295	$ 291,155	$ (18,443)	$ 454,007
2026	187,160	289,415	(18,443)	458,132
2027	168,025	290,782	(18,443)	440,364
2028	196,140	294,821	(18,443)	472,518
2029	205,300	291,011	(18,443)	477,868
2030-2034	1,133,706	1,322,406	(95,068)	2,361,044
2035-2039	1,578,523	995,514	(72,595)	2,501,442
2040-2044	1,624,896	565,936	(12,558)	2,178,274
2045-2049	1,057,035	224,287		1,281,322
2050-2053	247,395	34,611		282,006
Totals	$ 6,579,475	$ 4,599,938	$ (272,436)	$ 10,906,977

The above table includes senior lien and junior lien bonds. Interest on the senior lien bonds and the junior lien fixed-rate bonds are based upon the stated coupon rates of each series of bonds outstanding. The direct subsidy associated with the BABs has been presented in a separate column and includes the impact of sequestration. CPS Energy has taken the position that the BABs direct subsidy should be deducted when calculating total debt service since the subsidy is received directly by the trustee to be used solely for BABs debt service payments.

The Series 2015A Junior Lien Bonds were issued as multi-modal variable-rate bonds. The bonds were remarketed in fiscal year 2020 and utilize an interest rate of 1.8% through their term rate period's expiration in fiscal year 2025. A stepped rate of 7.0% is assumed in the previous table for this series thereafter through applicable final maturity. The stepped rate is applicable only if the bonds are not remarketed by their respective expiration date.

The Series 2015C and Series 2015D Junior Lien Bonds were issued as multi-modal variable-rate bonds. The Series 2015C Junior Lien Bonds were remarketed in fiscal year 2020 and utilize an interest rate of 1.8% through their term rate period's expiration in fiscal year 2025. A stepped rate of 7.0% is assumed in the above table for this series thereafter through applicable final maturity. The Series 2015D Junior Lien Bonds were remarketed in fiscal year 2021 and utilize an interest rate of 1.1% through their term rate period's expiration in fiscal year 2027. A stepped rate of 7.0% is assumed in the previous table for each series thereafter through applicable final maturity. The stepped rate is applicable only if the bonds are not remarketed by their respective expiration date.

Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

Revenue Bonds (Continued)

The Series 2018 Junior Lien Bonds were issued as multi-modal variable-rate bonds. The bonds were remarketed in fiscal year 2023 as multi-modal variable-rate bonds issued in a SIFMA Index Mode with an applicable spread of 0.9% through their term rate periods of 2025 and at a stepped rate of 8.0% thereafter through applicable final maturity. In the table on previous page, interest on these variable-rate bonds is calculated at an assumed rate of 3.5% for the applicable initial interest period and at an assumed stepped rate of 8.0% thereafter through stated maturity. The stepped rate is applicable only if the bonds are not remarketed by their respective expiration date.

The Series 2020 Junior Lien Bonds were issued as multi-modal variable-rate bonds that utilize an interest rate of 1.8% through their term rate period's expiration in 2025. A stepped rate of 7.0% is assumed in the table on previous page for each series thereafter through applicable final maturity. The stepped rate is applicable only if the bonds are not remarketed by their respective expiration date.

The Series 2022 Junior Lien Bonds were issued as multi-modal variable-rate bonds that utilize an interest rate of 1.8% through their term rate period's expiration in 2027. A stepped rate of 7.0% is assumed in the in the table on the previous page for each series thereafter through applicable final maturity. The stepped rate is applicable only if the bonds are not remarketed by their respective expiration date.

The Series 2023 Junior Lien Bonds were issued as multi-modal variable-rate bonds that utilize an interest rate of 3.7% through their term rate period's expiration in 2026. A stepped rate of 8.0% is assumed in the table on the previous page for each series thereafter through applicable final maturity. The stepped rate is applicable only if the bonds are not remarketed by their respective expiration date.

Pursuant to guidance provided in GASB Statement No. 65, debt reacquisition costs meet neither the definition of an asset nor a liability and are therefore required to be classified as deferred outflows *(unamortized loss on debt refunding)* or inflows *(unamortized gain on debt refunding)* of resources on the Statements of Net Position. The debt refundings that occurred in fiscal year 2024 resulted in a difference between the reacquisition price and the net carrying amount of the old debt of $35,199 in deferred inflows of resources. Debt reacquisition costs reported as deferred outflows of resources totaled $47,459 at January 31, 2024. Debt reacquisition costs reported as deferred inflows of resources totaled $51,405 at January 31, 2024. These amounts are amortized as components of interest expense using the effective interest method over the shorter of the remaining life of the refunding or the refunded debt.

CPS Energy, as a rate-regulated entity and in accordance with guidance found in GASB Statement No. 62, establishes regulatory assets for debt issuance costs that would otherwise be required to be expensed in accordance with GASB Statement No. 65. This regulatory accounting treatment results in the amortization of these costs over the life of the related debt. Debt issuance costs, which are reported within other noncurrent assets on the Statement of Net Position, totaled $43,131 at January 31, 2024.

Note 8 Long-Term Obligations (Continued)

CPS Energy (Continued)

Flexible Rate Revolving Notes

In fiscal year 2010, the San Antonio City Council adopted an ordinance authorizing the establishment of the Flexible Rate Revolving Note (FRRN) Private Placement Program (Series A Flex Notes), under which CPS Energy may issue taxable or tax-exempt notes, bearing interest at fixed or variable rates. This ordinance provides for funding to assist in the interim financing of eligible projects that include the acquisition or construction of improvements, additions or extensions to the electric and gas systems, including capital assets and facilities incident and related to the operation, maintenance and administration of fuel acquisition and development and facilities for the transportation thereof; capital improvements to CPS Energy; and refinancing or refunding of any outstanding obligations secured by the net revenues of CPS Energy; or with respect to the payment of any obligation of CPS Energy pursuant to any credit. The note purchase agreement that was entered into in fiscal year 2019, under the program, was not renewed and terminated in calendar year 2019. On May 27, 2020, the Board authorized for CPS Energy to enter into a new FRRN note purchase agreement not to exceed $100,000.

Additionally, on March 18, 2021, the City Council and the Board approved a second FRRN program (Series B Flex Notes) with an additional $500,000 in capacity to provide assurance of sufficient liquidity to address the costs incurred related to Winter Storm Uri.

On February 24, 2023, the City entered into a note purchase agreement under the Series A Flex Notes program, with Truist Bank and Truist Commercial Equity, Inc. replacing the note purchase agreement with Wells Fargo Bank, National Association. The stated expiration of the note purchase agreement with Truist Bank and Truist Commercial Equity, Inc. is November 1, 2028. As of January 31, 2024, there were no Series A Flex Notes outstanding.

On April 12, 2023, the City entered into a Note Purchase Agreement under the Series B Flex Notes program, with JPMorgan Chase Bank, National Association, Wells Fargo Bank, National Association, and Frost Bank as the note purchasers by contractual agreement in effect through April 4, 2028, with the approval of $500,000 in additional capacity.

When issued, Series B Flex Notes will be classified as long-term in accordance with the financing terms under the Note Purchase Agreement. Any outstanding notes under Series B Flex Note will be secured by a lien on and pledge of the new revenue of CPS Energy and the proceeds of sale. There are no Series B Flex Notes outstanding at January 31, 2024.

Accrued Leave

Employees earn vacation benefits based upon their employment status and years of service. At January 31, 2024, the accruals for employee vested benefits were $29,516 which were reported under Accounts Payable and Other Current Liabilities on the Statement of Net Position. CPS Energy does not accrue a liability for sick leave since there is no cash payment made for sick leave when an employee terminates or retires.

Note 8 Long-Term Obligations (Continued)

San Antonio Water System (SAWS)

City Ordinance No. 75686 requires that SAWS' gross revenues be applied in sequence to: (1) Payment of current maintenance and operating expenses including a two-month reserve amount based upon the budgeted amount of maintenance and operating expenses for the current fiscal year; (2) Debt Service Fund requirements of Senior Lien Obligations; (3) Reserve Fund requirements of Senior Lien Obligations; (4) Interest and Sinking Fund and Reserve Fund requirements of Junior Lien Obligations; (5) Interest and Sinking Fund and Reserve Fund requirements of Subordinate Lien Obligations; (6) Payment of amounts required on Inferior Lien Obligations; and (7) Transfers to the City's General Fund and to SAWS' Renewal and Replacement Fund.

City Ordinance No. 75686 requires SAWS to make payments to the City each month after making all other payments required by the ordinance. The amount of the payment is determined by City Council from time to time and cannot exceed 5.0% of gross revenues. SAWS payment to the City in fiscal year 2024 was 4.0%. Gross Revenues consist of all revenue with respect to the operation and ownership of SAWS with the exception of capital contributions, payments received under the CPS Energy contract, the federal subsidy of interest on Build America Bonds and earnings on funds deposited in the Project Fund and Reserve Fund until the Reserve Fund contains the required reserve amount. The Ordinance does not allow for the provision of free services except for municipal fire-fighting purposes.

SAWS has a contract with CPS Energy, the City-owned electricity and gas utility, for the provision of reuse water. According to City Ordinance No. 75686, the revenues derived from the contract have been restricted in use to only reuse activities and are excluded from gross revenue for purposes of calculating any payments to the City's General Fund.

Net revenues of SAWS have been pledged to the payment and security of its debt obligations. Net revenues are defined by the City Ordinance No. 75686 as SAWS' gross revenues after deducting operating expenses before depreciation.

Revenue Bonds

SAWS issues revenue bonds to finance capital improvement projects, refund outstanding bonds to reduce future debt service payments, and pay the cost of issuance. All SAWS' revenue bonds are secured by a lien on and pledge of net revenues of the system. Additionally, certain SAWS' bonds are further secured by the maintenance of a reserve fund established for the benefit of the bondholders.

On May 15, 2023, SAWS deposited $42,525 from available cash on hand to the paying agent for the redemption of $42,525 City of San Antonio, Texas Water System Revenue Refunding Bonds, Series 2013B. The redemption of these bonds reduced future debt service by $56,347 between 2023 and 2034.

On August 17,2023, SAWS issued $289,165 City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2023A (No Reserve Fund). The proceeds from the sale of the bonds were used to (i) finance capital improvement projects (ii) refund $39,700 City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2013E (Series 2013E) and (iii) pay the cost of issuance. The refunding of the Series 2013E bonds reduced future debt service by $2,486 and resulted in an economic gain of $2,226. The bonds are secured together with other outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

Note 8 Long-Term Obligations (Continued)

San Antonio Water System (SAWS) (Continued)

Revenue Bonds (Continued)

On November 15, 2023, SAWS deposited $47,120 from available cash on hand to the paying agent for the redemption of $47,120 City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2014A. The redemption of these bonds reduced future debt service by $53,190 between 2024 and 2029.

Senior lien water system revenue bonds consists of the Series 2009B and Series 2010B, outstanding in the amount of $101,835 at December 31, 2023. Senior Lien revenue bonds are collateralized by a senior lien and pledge of the gross revenues of SAWS after deducting and paying the current expenses of operations and maintenance and SAWS maintaining, a two-month operating reverse for such expenses. Interest rates on Senior Lien bonds range from 5.5% to 5.9%, exclusive of any federal interest subsidy on the Series 2009B and 2010B Build America Bonds.

The junior lien water system revenue bonds are composed of two categories of debt: fixed rate debt and variable rate debt. The junior lien fixed rate debt is similar to the senior lien bonds, as they have fixed interest rates for the life of the bonds. The junior lien variable rate bonds have interest rates that are periodically reset throughout the life of the bonds. An additional component of the fixed rate junior lien debt is direct placement debt with the Texas Water Development Board (TWDB). Direct placement debt with TWDB is offered at subsidized interest rates for qualified water, wastewater, and water supply projects. All the junior lien water system revenue bonds are collateralized by a junior lien and pledge of the gross revenue of SAWS after deducting the current expenses of operation and maintenance of SAWS, maintaining a two-month operating reserve for such expenses, and paying debt service on senior lien obligations.

As of December 31, 2023, direct placement bonds with TWDB consist of Junior Lien Series 2012, Series 2013A, Series 2013C, Series 2013D, Series 2014C, Series 2014D, Series 2015A, Series 2016D, Series 2016E, Series 2018B, Series 2019B, Series 2020B, and Series 2020D in an outstanding amount of $288,250. Interest rates on the TWDB junior lien fixed rate bonds range from 0.0% to 3.9%.

As of December 31, 2023, the remaining junior lien fixed rate revenue bonds consist of Series 2015B (No Reserve Fund), Series 2016A (No Reserve Fund), Taxable Series 2016B, Series 2016C (No Reserve Fund), Series 2017A (No Reserve Fund), Series 2018A (No Reserve Fund), Series 2019C (No Reserve Fund), Series 2020A (No Reserve Fund), Series 2020C (No Reserve Fund), Series 2021A (No Reserve Fund), Series 2022A (No Reserve Fund), and Series 2022B (No Reserve Fund), and Series 2023A (No Reserve Fund) is outstanding in the amount of $2,323,025. Interest rates on the junior lien fixed rate bonds range from 2.0% to 5.3%.

The junior lien variable rate bonds, comprised of the Series 2013F (No Reserve Fund) (Series 2013F Bonds), the Series 2014B (No Reserve Fund) (Series 2014B Bonds) and the Series 2019A (No Reserve Fund) (Series 2019A Bonds), are outstanding in the amount of $364,490 at December 31, 2023. The Series 2013F Bonds are tax- exempt variable rate notes currently in a Term Mode through October 31, 2026, at an interest rate of 1.0% with a yield of 0.8%. The Series 2014B Bonds are tax-exempt variable rate notes currently in a SIFMA Index Mode with interest reset weekly at a spread of 0.7% over the SIFMA Swap Index through October 31, 2025. The Series 2019A Bonds are tax-exempt variable rate notes currently in the term mode through April 30, 2024, at an interest rate of 2.6% with a yield of 2.5%.

Note 8 Long-Term Obligations (Continued)

San Antonio Water System (SAWS) (Continued)

Revenue Bonds (Continued)

Upon conclusion of the initial interest period, SAWS is permitted to change the mode for all or any portion of the junior lien variable interest bonds to a different mode. The Bonds are subject to a mandatory tender without right of retention at the conclusion of the interest period. The Bonds are not subject to the benefit of a liquidity facility provided by a third party. Accordingly, a failure to remarket the Bonds at the end of the initial interest period or subsequent new interest period will result in the rescission of the notice of mandatory tender with respect to the Bonds and SAWS has no obligation to purchase the Bonds at such time. The occurrence of a failed remarketing will not result in an event of default under the ordinance. Until SAWS redeems or remarkets the Bonds that had a failed remarketing, the Bonds shall bear interest at the stepped rate of 7.0% for the Series 2013F Bonds and Series 2014B Bonds, and 8.0% for the Series 2019A Bonds.

The following summarizes transactions of the Revenue Bonds for the year-ended December 31, 2023:

	Beginning Balance January 1, 2023	Additions	Reductions	Ending Balance December 31, 2023	Due Within One Year
Revenue Bonds	$ 2,689,565	$ 289,165	$ 189,380	$ 2,789,350	$ 56,385
Direct Placement Bonds	301,960		13,710	288,250	13,835
Unamortized Premium	301,304	26,661	34,971	292,994	29,909
Unamortized Discount	(249)		(47)	(202)	(16)
Total Bonds Payable, Net	$ 3,292,580	$ 315,826	$ 238,014	$ 3,370,392	$ 100,113

The following table shows the annual debt service requirements on SAWS' debt obligations for each of the next five years and then in five-year increments:

Annual Debt Service Requirements Revenue and Refunding Bonds

	Fixed Rate						Variable Rate	
	Revenue Bonds				Direct Placement Bonds		Revenue Bonds	
Year-Ended December 31,	Principal	Interest Expense	Direct Subsidy[1]	Net Interest	Principal	Interest Expense	Principal	Interest Expense*
2024	$ 56,385	$ 115,870	$ (1,908)	$ 113,962	$ 13,835	$ 4,554	$ -	$ 8,654
2025	60,790	113,088	(1,875)	111,213	13,980	4,408		8,966
2026	66,300	110,043	(1,797)	108,246	14,155	4,242		8,966
2027	63,880	106,764	(1,716)	105,048	14,315	4,062		10,934
2028	64,570	103,565	(1,650)	101,915	14,510	3,869	5,425	10,853
2029-2033	463,190	453,929	(7,361)	446,568	76,035	15,892	72,730	49,390
2034-2038	618,310	321,749	(4,286)	317,463	54,670	10,095	125,475	38,148
2039-2043	450,220	186,981	(283)	186,698	57,945	4,709	112,865	17,000
2044-2048	359,025	96,699		96,699	25,100	625	37,810	4,253
2049-2053	222,190	20,804		20,804	3,705	20	10,185	153
Total	$ 2,424,860	$ 1,629,492	$ (20,876)	$ 1,608,616	$ 288,250	$ 52,476	$ 364,490	$ 157,317

[1] Federal interest rate subsidy on Build America Bonds (BABs) is utilized to pay interest on those bonds but is reported as nonoperating revenue. The Balanced Budget and Emergency Deficit Control Act of 1985, as amended, reduced the BAB subsidy paid during fiscal years 2021-2030 by 5.7%. The BAB subsidy to be received by SAWS is reduced by this amount for payments through September 30, 2023.

* The variable rate bonds are currently in a fixed rate Term Mode and SIFMA Index Mode. Interest listed above is based on fixed rate through the interest period for the Term Mode and a budgeted rate of 3.0% thereafter and at 3.0% for the SIFMA Index Mode.

In fiscal year 2023, SAWS received a total of $1,914 in BABs subsidy.

Note 8 Long-Term Obligations (Continued)

San Antonio Water System (SAWS) (Continued)

Revenue Bonds (Continued)

SAWS is required to comply with various provisions included in the ordinances which authorized the bond issuances. SAWS believes it is in compliance with all significant provisions of the bond ordinances.

Under these bond ordinances, SAWS is required to establish and maintain rates and charges for services sufficient to produce Net Revenues sufficient to pay 1.3 times the annual debt service requirements on Senior Lien debt obligations (senior lien debt coverage ratio) and at least 1.0 times the current year annual debt service on outstanding Junior Lien debt. SAWS senior lien debt coverage ratio was 102.2 times at December 31, 2023. The current annual combined debt coverage ratio was 2.0 times at December 31, 2023.

In prior years, SAWS either legally defeased revenue bonds by placing revenues or proceeds of new bond issuance in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust accounts' assets and liabilities for the defeased bonds are not included in SAWS' financial statements. At December 31, 2023, there were $2,241 of the former Bexar Metropolitan Water District's bonds outstanding considered legally defeased.

Accrued Leave

SAWS records an accrual for vacation payable for all full-time employees and pays unused vacation hours available at the end of employment with the final paycheck. The current and long-term portion of these accruals are reported under the Accounts Payable and Other Current Liabilities and Other Payables line items, respectively, in the Statement of Net Position. Changes in the liability amount for 2023 are as follows:

Year-Ended	Liability Beginning Balance	Current-Year Accruals	Payments	Liability Ending Balance	Estimated Due Within One Year
December 31, 2023	$ 15,632	$ 8,699	$ (7,547)	$ 16,784	$ 7,547

Note 9 Commercial Paper Programs

Primary Government (City)

The City had no commercial paper debt during fiscal year 2024.

CPS Energy

As of January 31, 2024, the commercial paper ordinances contain, among others, the following provisions:

- Authorized capacity of $1,000,000;
- Allow flexibility to issue tax-exempt or taxable commercial paper;
- Allow the issuance of multiple series notes;
- Final maturity on April 20, 2053.

Eligible projects include fuel acquisition, capital improvements to CPS Energy, and refinancing or refunding any outstanding obligations, which are secured by and payable from a lien and/or a pledge of net revenues of CPS Energy. Such pledge of net revenues is subordinate and inferior to the pledge securing payment of existing senior lien and junior lien obligations. The original commercial paper program has a final maturity of April 11, 2049 and the new series commercial paper program as a final maturity date of April 20, 2053.

To secure the payment of commercial paper principal and interest, a pledge is made of:

- Proceeds from:
  - The sale of Bonds issued for such purposes, and
  - The sale of Project Notes;
- Borrowings under a related Credit Agreement; and
- Amounts held in payment funds used specifically for payment of commercial paper principal and interest balances; and
- The Net Revenues of CPS Energy, however, being subordinate to the pledge securing payment of CPS Energy Revenue Priority Obligations.

The commercial paper has been classified as long-term in accordance with the refinancing terms under various revolving credit agreements with a consortium of banks, that serve as liquidity facility support for the commercial paper program. Each revolving credit agreement relates to a particular series of notes and provides liquidity facility support in the amount specified. The Series A agreement provides $400,000 in liquidity facility support for the Series A Notes and is effective through June 19, 2026. The Series B agreement provides $200,000 in liquidity facility support for the Series B Notes. The Series B agreement was renewed for up to six months from the initial termination date of June 21, 2023, meanwhile replacement capacity was effectuated. The renewed agreement was terminated on July 26, 2023. The Series C agreement provides $100,000 in liquidity facility support for Series C Notes and is effective through June 21, 2025. The New Subseries A1 agreement replaces the Series B capacity of $200,000 in liquidity support through the New Subseries A1 Notes and is effective through July 31, 2031. The New Series B agreement provides $150,000 in liquidity support for the New Series B Notes and is effective through July 31, 2028. The New Series C agreement provides $150,000 in liquidity support for the New Series C Notes and is effective through October 12, 2025. Under the terms of these revolving credit agreements, CPS Energy may borrow up to an aggregate amount not to exceed $1,000,000 for the purpose of paying principal due under the commercial paper program. At January 31, 2024, and since inception of the program, there have been no back-stop options exercised under the revolving credit agreements.

Note 9 Commercial Paper Programs (Continued)

CPS Energy (Continued)

During fiscal year 2024, CPS Energy issued a total of $530,900 in commercial paper. As of January 31, 2024, the outstanding commercial paper balance was $351,400, which was issued as tax-exempt.

	January 31, 2024
Commercial Paper Outstanding	$ 351,400
New Commercial Paper Issues	$ 530,900
Weighted Average Interest Rate of Outstanding	3.4%
Average Life Outstanding (Number of Days)	360

CPS Energy's outstanding debt agreements specify certain events of default or breach of a financial covenant or failure to make debt service. Such an event would trigger a covenant requiring the City Council to charge rates sufficient to make debt service payments and satisfy debt service coverage. During fiscal year 2024, CPS Energy did not default on any terms of its debt agreements.

San Antonio Water System (SAWS)

SAWS maintains a commercial paper program that is used to provide funds for the interim financing of a portion of its capital improvements. The City Council has authorized the commercial paper program in an amount of $500,000. Notes payable under the program cannot exceed maturities of 270 days.

The City has covenanted in the ordinance authorizing the commercial paper program (Note Ordinance) the issuance of City of San Antonio, Texas Water System Commercial Paper Notes, Series A (Series A Notes), the issuance of City of San Antonio, Texas Water System Commercial Paper Notes, Series B (Series B Notes), and City of San Antonio, Texas Water System Commercial Paper Notes, Series C (Series C Notes) and the maintenance at all times of credit facilities with banks or other financial institutions which would provide available borrowing capacity sufficient to pay the principal of the commercial paper program. The credit facility is maintained under the terms of a revolving credit agreement. The Note Ordinance also authorizes the ability to designate and issue subseries of notes. The Series A Notes are currently authorized as City of San Antonio, Texas Water System Commercial Paper Notes, Subseries A-1 (Subseries A-1 Notes) and City of San Antonio, Texas Water System Commercial Paper Notes, Subseries A-2 (Subseries A-2 Notes). The Subseries A-2 Notes are directly placed with JPMorgan Chase Bank, N.A. under a Note Purchase Agreement.

The borrowings under the commercial paper program are equally and ratably secured by and are payable from (i) the proceeds from the sale of bonds or additional borrowing under the commercial paper program and (ii) borrowing under and pursuant to the revolving credit agreement. The capacity of the combined revolving credit and note purchase agreements is $500,000 with the Revolving Credit Agreement with JPMorgan Chase Bank, N.A. in the amount of $400,000, supporting the Series A Notes expiring October 4, 2026; and the Revolving Credit Agreement with Wells Fargo Bank, N.A. in the amount of $100,000, supporting the Series B Notes expiring October 31, 2028.

The issuance of commercial paper is further supported by the following agreements and related participants:

- Dealer Agreements with Goldman, Sachs & Co., J.P. Morgan Securities LLC., and Ramirez & Co., Inc.
- Issuing and Paying Agency Agreement with the Bank of New York Mellon Trust Company, N.A.

Note 9 Commercial Paper Programs (Continued)

San Antonio Water System (SAWS) (Continued)

Commercial paper notes of $224,945 are outstanding as of December 31, 2023, with all notes issued under the subseries A-1 Notes. Interest rates on the Subseries A-1 Notes outstanding at December 31, 2023 range from 3.7% to 4.0% and maturities range from 62 to 124 days. All outstanding notes combined had an average rate of 3.8% and average 94 days to maturity.

SAWS intends to reissue maturing commercial paper, in accordance with the refinancing terms of the revolving credit agreement, and ultimately refund such maturities with proceeds from the issuance of long-term revenue bonds. Consistent with this intent, and since SAWS has the available $500,000 revolving credit agreement described above, SAWS has classified nearly all outstanding commercial paper notes as long-term debt. In accordance with the amortization schedule of the interest rate swap agreement, SAWS intends to redeem $4,850 of commercial paper in 2024. Therefore, this portion of outstanding commercial paper is classified as a current liability.

The commercial paper notes contain events of default and/or termination provisions with possible finance-related consequences and in the opinion of SAWS, the likelihood is remote that these provisions will have a significant effect on SAWS' financial position or results of operations.

The following table summarizes transactions of the program for the year-ended December 31, 2023.

	Beginning Balance Balance as of January 1, 2023	Additions during year	Deletions during year	Ending Balance Balance as of December 31, 2023	Due Within One Year
Tax Exempt Commercial Paper Notes					
Subseries A-1 Notes	$ 227,585	$ 2,000	$ (4,640)	$ 224,945	$ 4,850
Subseries A-2 Notes (Direct Placement)	2,000		(2,000)		
Total Tax Exempt Commercial Paper Notes	$ 229,585	$ 2,000	$ (6,640)	$ 224,945	$ 4,850

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Note 10 Pension and Retirement Plans

Summary of Pension and Retirement Plans

Pension and Retirement Plans provide information relating to various City and component unit pension plans. These pension and retirement plans include the City's TMRS Plan, the San Antonio Fire and Police Pension Plan, CPS Energy All Employee Plan, the SAWS TMRS Plan, the SAWS Retirement Plan, and the SAWS District Special Project Retirement Income Plan.

	City - TMRS	Fire and Police Pension Plan	Total City Pension Plans	CPS Energy All Employee Plan	SAWS-TMRS	SAWS Retirement Plan	SAWS District Special Project Retirement Income Plan
Total Pension Liability	$ 2,589,628	$ 4,773,074	$ 7,362,702	$ 2,357,824	$ 269,472	$ 295,551	$ 6,962
Plan Fiduciary Net Position	1,940,809	3,923,604	5,864,413	2,007,845	231,030	260,948	7,203
Net Pension (Asset) Liability	$ 648,819	$ 849,470	$ 1,498,289	$ 349,979	$ 38,442	$ 34,603	$ (241)
Total Deferred Inflows of Resources	$ (15,802)	$ (42,091)	$ (57,893)	$ (13,477)	$ (64)	$ (958)	$ (809)
Deferred Outflows of Resources	84,080	416,721	500,801	136,503	18,417	28,172	966
Contributions Subsequent to Measurement Date	56,221	71,804	128,025	56,717	5,267	6,136	134
Total Deferred Outflows of Resources	$ 140,301	$ 488,525	$ 628,826	$ 193,220	$ 23,684	$ 34,308	$ 1,100
Pension Expenses	$ 88,169	$ 130,440	$ 218,609	$ 81,024	$ 7,942	$ 9,426	$ 45

Primary Government (City)

Texas Municipal Retirement System (TMRS)

Plan Description — TMRS is a statewide public retirement plan created by the State of Texas and administered in accordance with Texas Government Code, Title 8, Subtitle G (TMRS Act) for the benefit of the employees of Texas participating cities. The TMRS Act places the administration and management of TMRS with a six-member Board of Trustees appointed by the Governor with the advice and consent of the Texas Senate. TMRS does not receive any funding from the State of Texas.

TMRS administers a defined benefit cash-balance plan for the eligible employees of 934 participating cities. Under GASB, TMRS is an agent multiple-employer public employee retirement system.

Benefits Provided — TMRS provides retirement, disability, and death benefits to all eligible employees, excluding firefighters and police officers. Members are eligible to retire upon attaining the retirement age of 60 and above with five or more years of service, or with 20 years of service regardless of age. A member is vested after five years, but must leave accumulated contributions in the TMRS plan. If a member withdraws the contributions with interest, the member would not be entitled to the City-financed monetary credits, even if vested.

Benefits depend upon the sum of the employee's contributions to the TMRS plan with interest, the City-financed monetary credits with interest, their age at retirement, and other actuarial factors. City-financed monetary credits are composed of three sources: prior service credits, current service credits, and updated service credits. Prior service credit, granted by the City, is a monetary credit equal to the accumulated value of the percentage of prior service credit adopted times an employee's deposits that would have been made, based on the average salary prior to participation, for the number of months the employee has been employed, accruing 3.00% annual interest, and including the matching ratio adopted by the City (2 to 1). Monetary credits for service since the TMRS plan began are a percentage of the employee's accumulated contributions. In addition, the City may grant, as often as annually or annually on a repeating basis, another type of monetary credit referred to as an updated service credit.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

This monetary credit is determined by hypothetically re-computing the employee's account balance by assuming that the current employee deposit rate (6.00%) has always been in effect. The computation also assumes that the employee's salary has always been the employee's average salary, using a salary calculation based on the 36-month period ending a year before the effective date of calculation. This hypothetical amount is increased by 3.00% each year and increased by the City's match currently in effect (12.00%). The resulting sum is then compared to the employee's actual account balance increased by the actual City match and actual interest credited. If the hypothetical calculation exceeds the actual calculation, the member is granted a monetary credit (or updated service credit) equal to the difference between the hypothetical calculation and the actual calculation times the percentage adopted.

At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the City-financed monetary credits with interest were used to purchase an annuity. Employees may choose to receive their retirement benefit in one of seven payment options: retiree life only, retiree life with 100.00% survivor benefit payments, retiree life with 75.00% survivor benefit payments, retiree life with 50.00% survivor benefit payments, retiree life with five years guaranteed balance payout to survivor, retiree life with ten years guaranteed balance payout to survivor, and retiree life with 15 years guaranteed balance payout to survivor. Employees may also choose to receive a portion of their benefit as a partial lump sum distribution in an amount equal to 12, 24, or 36 monthly payments under the retiree life only option, which cannot exceed 75.00% of the total employee's deposits and interest. The City may elect to increase the annuities of its retirees, either annually or on an annually repeating basis, effective January 1 of the calendar year. The City may also adopt annuity increases at a rate equal to 30.00%, 50.00%, or 70.00% of the increase in the Consumer Price Index – all Urban Consumers between the December preceding the employee's retirement date and the December one year before the effective date of the increase, minus any previously granted COLA increases.

City Council, based on available financial resources, may approve an annual ad hoc cost of living adjustment for the City's retirees as part of the annual adopted budget. The ad hoc cost of living adjustments were deemed to be substantively automatic in TMRS' actuarial report. The default method for determining whether ad hoc benefit enhancements are substantively automatic is if the City had granted them in one of the last two years and two of the last five years; the City has met these requirements. TMRS provisions and contribution requirements adopted by the City Council are within the options available in the state statutes governing TMRS and within the actuarial constraints contained in the statutes.

The following table presents information about TMRS Pension Plan participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability (asset), as of the measurement date of December 31, 2023, for the fiscal year-ended September 30, 2024, were:

Number of:	
Active Members	7,949
Retirees and Beneficiaries	5,722
Inactive Members [1]	4,010
Total	17,681

[1] Inactive members are vested employees no longer employed by the City, but are eligible for a deferred retirement benefit.
Amounts not in thousands.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Contributions — The City must pay its required contribution rate, which is determined annually by TMRS' external actuary using the Entry Age Normal actuarial cost method based on the liabilities (assets) created from the benefit plan options selected by the City and any changes in benefits or actual experience over time. This rate consists of the normal cost contribution rate and the prior service contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for the City is the percentage of total gross payroll which, if applied to all employees' compensation throughout their period of anticipated employment with the City, would be sufficient to pay the expected benefits. The prior service contribution rate amortizes any unfunded (overfunded) actuarial accrued liability (asset) over the amortization period for the City. Both the normal cost and prior service contribution rates include the projected costs of annually repeating benefits adopted by the City, such as updated service credits and cost of living adjustments.

In the fiscal year 2024 budget, City Council adopted a one-time annuity increase that was provided to retired employees and to beneficiaries of deceased employees. The amount of the increase is computed as the sum of the prior service and current service annuities on the effective date of retirement of the person on whose service the annuities are based. This number was multiplied by 70.00% of the percentage change in the Consumer Price Index – all Urban Consumers, from December of the year immediately preceding the effective date of the person's retirement to the December that is 13 months before the effective date of the increase. The provision for the one-time annuity contribution increased from 13.08% to 13.91%, effective January 1, 2024.

The contribution rate for the City's employees is 6.00% of their annual gross earnings during the fiscal year and the matching percent was 13.91% for calendar year 2024, both as adopted by City Council. The City's contribution to TMRS for fiscal year 2024 was $104,923, with $31,939 contributed by City employees and $72,984 contributed by the City. These amounts were equal to required contributions.

As of September 30, 2024, the City reported a payable to TMRS in the amount of $8,208 for the outstanding amounts of contributions from the City and active civilian employees.

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Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Actuarial Assumptions — The total pension liability calculated in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years (longest amortization ladder)
Asset Valuation Method	Ten-year smoothed market; 12.00% soft corridor
Inflation	2.50%
Salary Increases	3.60% to 11.85% including inflation
Investment Rate of Return	6.75%, including inflation, net of pension plan investment expense
Retirement Age	Experience-based table of rates that vary by age.
Cost-of-living Adjustments	Granted 70.00% retroactive ad hoc COLA
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103.00% and female rates are multiplied by 105.00%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB (10) mortality tables, with the 110.00% of the Public Safety table used for males and the 100.00% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence).

Salary increases were based on a service-based scale. The Retirement Age was last updated for the 2023 valuation pursuant to an experience study of the period ending 2022. Mortality rates for active members, retirees, and beneficiaries are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence) to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees are used with a four-year set-forward for males and a three-year set-forward for females. In addition, a 3.50% and 3.00% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively.

Actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS as of December 31, 2022. They were adopted in 2023 and first used in the December 31, 2023 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

The long-term expected rate of return on pension plan investments is 6.75%. A single discount rate of 6.75% was used to measure the total pension liability as of December 31, 2023. This single discount rate was based on the expected rate of return on pension plan investments of 6.75%. Based on the stated assumptions and projection of cash flows, the City's fiduciary net position and future contributions were sufficient to finance the future benefit payments of the current plan members for all projection years. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability for the City. The projection of cash flows used to determine the single discount rate for the City assumed that the funding policy adopted by the TMRS Board will remain in effect for all future years. Under this funding policy, the City will finance the unfunded actuarial accrued liability over the 22 years remaining for the closed period existing for each base in addition to the employer portion of all future benefit accruals.

The long-term expected rate of return on pension plan investments is determined by weighting the expected return for each major asset class by the respective target asset allocation percentage. The target allocation and best estimates of arithmetic rates of return for each major asset class are summarized in the table below:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Public Equity	35.00%	7.70%
Core Fixed Income	6.00%	4.90%
Non-Core Fixed Income	20.00%	8.70%
Other Public and Private Markets	12.00%	8.10%
Real Estate	12.00%	5.80%
Hedge Funds	5.00%	6.90%
Private Equity	10.00%	11.80%
Total	100.00%	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate — The following presents the City's net pension liability, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1.00% lower, 5.75%, or 1.00% higher, 7.75%, than the current rate:

	1.00% Decrease 5.75%	Current Discount Rate 6.75%	1.00% Increase 7.75%
Net Pension Liability	$ 988,791	$ 648,819	$ 367,300

Pension Plan Fiduciary Net Position — Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained at http://www.tmrs.com.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios — The following table presents the changes in the net pension liability for the year-ended September 30, 2024, based on the measurement date and actuarial valuation date of December 31, 2023.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	$ 76,026
Interest Cost	164,733
Difference Between Expected and Actual Experience	22,767
Changes of Assumptions	(19,183)
Benefit Payments, including Refunds of Employee Contributions	(114,397)
Net Change in Total Pension Liability	$ 129,946
Total Pension Liability - Beginning	2,459,682
Total Pension Liability - Ending	$ 2,589,628
Plan Fiduciary Net Position	
Contributions - Employer	$ 66,253
Contributions - Employee	30,391
Net Investment Income	203,000
Benefit Payments, including Refunds of Employee Contributions	(114,397)
Administrative Expense	(1,293)
Other	(9)
Net Change in Plan Fiduciary Net Position	$ 183,945
Plan Fiduciary Net Position - Beginning	1,756,864
Plan Fiduciary Net Position - Ending	$ 1,940,809
Net Pension Liability	$ 648,819
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.95%

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Pension Expense — For the year-ended September 30, 2024, based on the actuarial valuation of December 31, 2023, the City recognized pension expense of $88,169.

Schedule of Pension Expense	
Total Service Cost	$ 76,026
Interest Cost	164,733
Employee Contributions (Reduction of Expense)	(30,391)
Projected Earnings on Plan Investments (Reduction of Expense)	(118,588)
Administrative Expense	1,293
Other Changes in Fiduciary Net Position	9
Expensed Portion of Current Year Period Differences Between Expected and Actual Experience	876
Expensed Portion of Current Year Period Differences Between Projected and Actual Earnings	(16,882)
Amortization of Prior Year Outflows (Inflows) of Resources - Liabilities	6,373
Amortization of Prior Year Outflows (Inflows) of Resources - Assets	4,720
Total Pension Expense	$ 88,169

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At September 30, 2024, the City reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	$ 36,002	$ (1,310)
Changes of Assumptions		(14,492)
Net Difference in Projected and Actual Earnings on Pension Plan Investments	48,078	
Contributions Subsequent to the Measurement Date	56,221	
Total	$ 140,301	$ (15,802)

$56,221 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year-ending September 30, 2025.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Other amounts reported as deferred outflows and deferred inflows of resources will be recognized in future pension expense as follows:

Year-Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2025	$ 23,007
2026	23,643
2027	38,431
2028	(16,803)
Total	$ 68,278

City Deferred Compensation

The City has a deferred compensation program for its employees, created in accordance with Internal Revenue Code Section 457(b). The program, available to all full-time civilian and uniform employees, permits them to defer a portion of their salary on a pre-tax basis. The compensation deferred under this program is not available to employees until termination, retirement, death, loan, or qualifying unforeseeable emergency. Participation in the program is voluntary. In fiscal year 2012, the City implemented a matching contribution of up to 1.00% of base salary to eligible executives who participated in the program. In fiscal year 2015, the City increased its matching contribution for executives up to 2.00% of base salary. There has been no change to the matching contribution rate since 2015. In fiscal years 2018, 2019, and 2020, executives in the third and fourth quartile of their salary ranges received 1.00% of their prior year performance pay as a deferred compensation contribution, and this annual contribution will continue for these executives until their employment ends with the City. Performance pay contributions do not count towards the employer match program. The City has no liability for losses under this plan and it does not meet the criteria of a fiduciary activity as defined in GASB Statement No. 84, *Fiduciary Activities*.

Fire and Police Pension Plan

The Pension Fund is a single-employer defined benefit pension plan established in accordance with the laws of the State of Texas, administered by the San Antonio Fire and Police Pension Fund. The governing document for the Pension Fund is found in Vernon's Texas Civil Statutes, Article 6243o. The pension law governing the Pension Fund was amended on October 1, 2009. The Pension Fund meets the criteria of a fiduciary fund of the City as established by governmental standards and is therefore included in the City's financial statements as a pension trust fund. A more complete description of the Pension Fund is provided in the Pension Fund's 2023 separately issued financial statements.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

The following table presents information about Pension Plan participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability, as of the measurement date, for the fiscal year-ended December 31, 2023, were:

Number of:	
Active Members	4,272
Retirees and Beneficiaries	3,376
Inactive Members [1]	28
Total	7,676

[1] Inactive members are vested employees no longer employed by the City, but are eligible for a deferred retirement benefit. Amounts not in thousands. Includes terminated members due a refund of contributions.

Currently, the Pension Fund provides retirement benefits to eligible uniformed employees of the fire and police departments of the City who have served for 20 years or more. Employees who terminate prior to accumulating 20 years of service may apply to receive a refund of their contributions. Upon application for a service retirement pension from the Pension Fund, retiring employees are entitled to a retirement annuity computed based on the average of the employee's total salary, excluding overtime pay, for the highest three years of the last five years. The retirement annuity computation for employees retiring during the period covered by the financial statements and following, is 2.25% of such average for each of the first 20 years served, plus 5.00% of the participant's average total salary for each of the next seven years, plus 2.00% of the participant's average total salary for each of the next three years of service, plus 0.50% of the participant's average total salary for each of the next three years of service, with fractional years of service prorated based on full months served as a contributing participant. In making the computation for a year, the year is considered to begin on the first day a contribution is made. A retirement annuity under this subsection may not exceed, as of the date of retirement, 87.50% of the member's average total salary.

There is a provision for the Backwards Deferred Retirement Option Plan (BackDROP), which, as of October 1, 2009, permits retiring members who had actual service credit of at least 20 years and one month to elect to receive a lump-sum payment for a number of full months of service elected by the member that does not exceed the lesser of the number of months of service credit the member had in excess of 20 years, or 60 months and a reduced annuity payment. For purposes of a BackDROP benefit calculation, the participant's salary beyond 34 years of service is used to determine the participant's average salary.

There is also a provision for a 13th and 14th pension check. At the end of each fiscal year, the Board may authorize the disbursement of a 13th monthly pension check if the annualized yield on the Pension Fund's investments exceeds the actuarial projections for the preceding five-year fiscal period by at least 100 basis points (basis points not reported in thousands). In the same way, the Board may authorize a 14th monthly pension check if the annualized yield on the Pension Fund's investments exceeds the actuarial projections for the preceding five-year period by at least 300 basis points. The 13th and 14th pension checks are paid to each retiree and beneficiary receiving a pension at the end of the fiscal year and are in an amount equal to the pension check paid in the last month of the preceding fiscal year of the Pension Fund (retirees/beneficiaries with less than one year of benefits will receive a prorated check, and no check will be paid to members who retired after the end of the fiscal year). Authorization for one year does not obligate the Board to authorize a 13th and 14th check for any other year. The Pension Fund met the criteria for the 13th check for the year-ended December 31, 2023. Payment of the 13th check was made on May 10, 2024.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

The Pension Fund provides benefits when service is terminated by reason of disability. The employee is entitled to one-half of the average of the employee's total salary, excluding overtime pay, or vested benefit as is provided in the computation of normal retirement benefits, whichever is higher. As of September 1, 2023, the death benefit for the beneficiaries who were married to or dependents of a participant who dies while still active was changed from 50.00% to 75.00% of the participant's total salary, excluding overtime pay, or vested benefit as is provided in the computation of normal retirement benefits, whichever is higher. The increase began September 1, 2023 for active participant deaths after September 1, 2005. If a member dies after retiring, spouses or beneficiaries who were married to, or dependents of, the member at the time of retirement receive the same annuity paid to the member as of the date of the member's death up to the maximum benefit. The maximum benefit for surviving spouses and dependent children is equal to a 27-year service pension. As of October 1, 2009, the allocation of death benefits between a surviving spouse and the dependent children of a member is 75.00% to the spouse and 25.00% to the children. The spousal death benefit provided to a spouse who married a retiree after retirement, and at least five years prior to the date of the retiree's death, is the same as a spouse who married a member prior to retirement. In the case of marriage after retirement, a spouse who is otherwise qualified to receive a pension is subject to a 55-year-old minimum age to begin receiving annuity payments. As of October 1, 2009, the spousal death benefit for a spouse who married a retiree after retirement, and less than five years prior to the date of the retiree's death, is $15 if there are no other beneficiaries.

The Pension Fund provides a disability annuity equal to 87.50% of average total salary if the member suffers a catastrophic injury. A catastrophic injury is described as an irreparable physical bodily injury suffered during the performance of high-risk line of duty activities, when the injury results in the individual being unable to obtain any sort of employment sufficient to generate income above the poverty level.

The surviving spouse of an active member may elect to receive benefits in the form of a lump-sum payment and reduced annuity, similar to a BackDROP election made by a retiring member.

The estate of an active member who dies and does not leave a beneficiary will receive either ten times the amount of an annuity computed according to the annuity computation, using the deceased member's service credit and average total salary as of the date of death, or the deceased member's contributions that were deducted from their City paycheck. The estate of a retired member who dies and does not leave a beneficiary will receive a lump-sum benefit equal to ten times the amount of the annual annuity awarded by the Board effective on the retiree's date of retirement, less any retirement or disability annuity and any lump-sum payments paid to the retiree. The Pension Fund also provides benefits when an eligible member is killed in the line of duty. The member's surviving spouse and dependent children are entitled to a total pension equal to the member's base salary at the time of death. A member of the fund is considered to have been killed in the line of duty if the member's death directly resulted from traumatic injury sustained while engaging in or conducting simulated training of a law enforcement activity, fire suppression activity, rescue, hazardous material response, emergency medical services, disaster relief, or other emergency response activity. Traumatic injury, in this instance, means severe physical injury of sudden onset and of a life-ending or life-threatening nature.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

Another important provision of the Pension Fund is the Cost-of-Living Adjustment (COLA). The COLA is based on the Consumer Price Index for all Urban Consumers – U.S. City Average (CPI-U) as published by the Bureau of Labor Statistics. Members whose retirement, disability, or death occurred before August 30, 1971, receive an increase equal to 100.00% of the increase in the CPI-U. Members whose retirement, disability, or death occurred after August 30, 1971, but before October 1, 1999, receive an increase equal to 100.00% of the increase in the CPI-U up to 8.00% and 75.00% of the increase in the CPI-U in excess of 8.00%. Members whose retirement, disability, or death occurred after October 1, 1999, receive an increase equal to 75.00% of the increase in the CPI-U.

The Pension Fund is funded in accordance with Texas state statutes and is not actuarially determined. In fiscal year 2024, the City was required to contribute 24.64% of salary, or $92,853, excluding overtime pay, and the employee contribution rate was 12.32%, or $46,424. New firefighters and police officers are immediately eligible for membership after they receive state certification and complete all other requirements. The new member contributes to the Pension Fund upon becoming eligible.

The Pension Fund has a provision that allows the fire chief and police chief to opt out of membership in the Pension Fund.

The Net Pension Liability for the plan was measured as of December 31, 2023. Plan Fiduciary Net Position (plan assets) was valued as of the measurement date and Total Pension Liability was determined from actuarial valuations as of January 1, 2023:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, using 3.00% annual increases
Remaining Amortization Period	20.11 years remaining as of January 1, 2023
Asset Valuation Method	Five-year smoothed fair value based on expected return of 7.25%.
Inflation	3.00%
Salary Increases	3.00% (plus merit scale of 0.00% - 11.00%)
Investment Rate of Return	7.25% including inflation, net of pension plan investment expense
Cost-of-living Adjustments	3.00% for retirements before October 1, 1999; 2.25% for retirements on or after October 1, 1999
Retirement Rates	Fire: Rates based on years of service ranging from 20 to 43 years, with 100.00% retirement at the earlier of age 65 or 43 years of service Police: Rates based on years of service ranging from 20 to 40 years, with 100.00% retirement at the earlier of age 65 or 40 years of service
Mortality:	
Pre-retirement	Sex-distinct PUBS-2010 Safety Employee Amount-Weighted Table
Healthy Annuitant	Sex-distinct PUBS-2010 Safety Health Retiree Amount-Weighted Table
Disabled Annuitant	Sex-distinct PUBS-2010 Safety Disabled Retiree Amount-Weighted Table
Beneficiaries	Sex-distinct PUBS-2010 Safety Contingent Survivor Amount-Weighted Table
Future Improvement	Generational Projection using Scale SSA2019-2D improvement scale

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

The actuarial assumptions used are based on the results of an experience study for the period October 1, 2014 to December 31, 2018. There were no changes in the actuarial assumptions for the year ended December 31, 2023.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table as of December 31, 2023:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)[1]
Large Cap U.S. Equities	22.00%	6.40%
Small Cap U.S. Equities	5.00%	7.30%
International Equities	10.00%	6.70%
International Small Cap Equities	3.00%	8.10%
Emerging Markets Equities	6.00%	8.00%
Private Equity	8.00%	9.90%
Core Bonds	7.00%	1.80%
High Yield	5.00%	3.60%
Bank Loans	5.00%	3.20%
TIPS	3.00%	1.80%
Private Debt	9.00%	6.20%
Unconstrained Fixed Income	3.00%	2.70%
Real Estate	9.00%	3.40%
Real Assets	5.00%	6.60%
Total	100.00%	

[1] Arithmetic real rates of return are net of assumed inflation of 3.00%

The discount rate used to measure the total pension liability is 7.25%. The projection of cash flows used to determine the discount rate assumed contributions will continue to be made at 12.32% of the compensation from plan members and 24.64% of the compensation from the City. Based on these assumptions, the Pension Fund's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Pension Fund's investments was applied to all periods of the projected benefit payments to determine the total pension liability.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

The following presents the net pension liability of the City, calculated using the discount rate of 7.25%, for the year-ended September 30, 2024, based on the measurement date of December 31, 2023, as well as what the City's net pension liability would be if it were calculated using a discount rate that is one percentage point lower, 6.25%, or one percentage point higher, 8.25%, than the current rate:

	1.00% Decrease 6.25%	Current Discount Rate 7.25%	1.00% Increase 8.25%
Net Pension Liability	$ 1,505,556	$ 849,470	$ 312,323

The City is responsible for funding the deficiency, if any, between the amount available to pay all retirement annuities and other benefits owed by the Pension Fund and the amount required to pay such benefits.

Schedule of Changes in Net Pension Liability and Related Ratios — The following table presents the changes in the net pension liability for the year-ended September 30, 2024, based on the measurement date of December 31, 2023 and actuarial valuation date of January 1, 2023.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	$ 85,145
Interest Cost	322,506
Difference Between Expected and Actual Experience	117,765
Benefit Payments, including Refunds of Employee Contributions	(231,124)
Net Change in Total Pension Liability	$ 294,292
Total Pension Liability - Beginning	4,478,782
Total Pension Liability - Ending	$ 4,773,074
Plan Fiduciary Net Position	
Contributions - Employer	$ 89,741
Contributions - Employee	44,870
Net Investment Income	437,251
Benefit Payments, including Refunds of Employee Contributions	(231,125)
Administrative Expense	(3,617)
Net change in Plan Fiduciary Net Position	$ 337,120
Plan Fiduciary Net Position - Beginning	3,586,484
Plan Fiduciary Net Position - Ending	$ 3,923,604
Net Pension Liability	$ 849,470
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.20%

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

For the fiscal year-ended September 30, 2024, based on December 31, 2023 measurement date, the City recognized pension expense of $130,440. Amounts recognized in the fiscal year represent changes between current and prior measurement dates:

Schedule of Pension Expense	
Service Cost	$ 85,145
Interest Cost	322,506
Employee Contributions	(44,870)
Administrative Expenses	3,617
Expected Return on Assets	(256,390)
Expensed Portion of Current Year Period Differences Between Expected and Actual Experience	13,085
Expensed Portion of Current Year Period Differences Between Projected and Actual Earnings	(36,172)
Current Year Recognition of Deferred Outflows Established in Prior Years	186,098
Current Year Recognition of Deferred Inflows Established in Prior Years	(142,579)
Total Expense	$ 130,440

At September 30, 2024, the City reported pension-related deferred outflows of resources and deferred inflows of resources from the following:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	$ 224,925	$ (42,091)
Changes of Assumptions	20,120	
Net Difference in Projected and Actual Earnings on Pension Plan Investments	171,676	
Contributions Subsequent to the Measurement Date	71,804	
Total	$ 488,525	$ (42,091)

$71,804 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year-ending September 30, 2025.

Note 10 Pension and Retirement Plans (Continued)

Primary Government (City) (Continued)

Fire and Police Pension Plan (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year-Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2025	$ 63,738
2026	88,532
2027	142,569
2028	(12,104)
2029	24,905
Thereafter	66,990
Total	$ 374,630

The Pension Fund issues a publicly available financial report that includes financial statements and required supplemental information, and detailed information about the Pension Fund's net pension liability (asset). That report may be obtained by writing to the Fire and Police Pension Fund of San Antonio, 11603 W. Coker Loop, Suite 201, San Antonio, Texas 78216 or by calling (210) 534-3262. You may also access the financial report at www.safppf.org.

CPS Energy

All Employee Plan

Plan Description — The CPS Energy Pension Plan (the Pension Plan) is a self-administered, single-employer, defined-benefit contributory pension plan covering substantially all employees who have attained age 21 and completed one year of service. The Pension Plan is sponsored by and may be amended at any time by CPS Energy, acting by and through the Employee Benefits Oversight Committee (EBOC), which includes the President and CEO, the Chief Financial Officer, and the Audit & Finance Committee of CPS Energy's board. Pension Plan assets are segregated from CPS Energy's assets and are separately managed by an Administrative Committee, whose members are appointed by the EBOC. The Pension Plan reports results on a calendar-year basis, and the separately audited financial statements, which contain historical trend information, may be obtained at www.cpsenergy.com or by contacting Benefit Trust Administration at CPS Energy. The Pension Plan's financial statements include certain disclosures related to CPS Energy's net pension liability. However, because the financial reporting and pension measurement dates for the Pension Plan and CPS Energy are not aligned, the Pension Plan's disclosures will vary from information provided by CPS Energy in this footnote and in the accompanying RSI.

In addition to the defined-benefit Pension Plan, CPS Energy has two Restoration Plans that were effective as of January 1, 1998, which supplement benefits paid from the Pension Plan due to Internal Revenue Code restrictions on benefit and compensation limits. The benefits due under those Restoration Plans have been paid annually by CPS Energy.

Note 10 Pension and Retirement Plans (Continued)

CPS Energy (Continued)

All Employee Plan (Continued)

Benefits Provided — Participants become fully vested in the benefits of the Pension Plan upon attainment of age 40 or after completion of seven years of vesting service before age 40. Normal retirement is age 65; however, early retirement is available with 25 years of benefit service, as well as to those employees who are age 55 or older with at least ten years of benefit service. Retirement benefits consist of a normal retirement annuity calculated based primarily on length of service and compensation. Benefits are reduced for retirement before age 55 with 25 years or more of benefit service or before age 62 with less than 25 years of service. If early retirement occurs due to disability, the reductions in benefits normally associated with early retirement are modified.

Payments to retirees are adjusted each year by an amount equal to 50.00% of the change in the Consumer Price Index-U, limited to a maximum adjustment of 5.00% each year, with no reduction allowed below the retirees' initial benefit levels.

The following table presents information about Pension Plan participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability, as of the January 31, 2023 measurement date, for the fiscal year-ended January 31, 2024, were:

Number of:	
Active Members	2,759
Retirees and Beneficiaries	2,678
Inactive Members [1]	258
Total	5,695

[1] Inactive members are Pension Plan participants that are entitled to deferred benefits.

Amounts not in thousands.

Contributions — The current policy of CPS Energy is to use an actuarial valuation as the basis for determining employer contributions to the Pension Plan during the fiscal year beginning 13 months after the valuation date. With recommendations from the Administrative Committee, composed of a cross-functional group of active and retired CPS Energy employees, CPS Energy establishes funding levels, considering annual actuarial valuations. Generally, participating employees contribute 5.00% of their total compensation, commencing with the effective date of participation and continuing until normal or early retirement, completion of 44 years of benefit service, or termination of employment. Participants who leave CPS Energy service before becoming eligible for retirement benefits receive a return of the total amount they contributed to the Pension Plan, plus the vested portion of accumulated interest. Beginning January 1, 2022, the employee contribution interest crediting rate was 5.00%.

The balance of Pension Plan contributions is the responsibility of CPS Energy, giving consideration to actuarial information, budget controls, legal requirements, compliance, and industry and/or community norms. For fiscal year 2024, the amount to be funded was established using a general target near the 30-year layered amortization funding contribution level as determined by the Pension Plan's actuary using the entry-age normal cost method.

Note 10 Pension and Retirement Plans (Continued)

CPS Energy (Continued)

All Employee Plan (Continued)

Actuarial Assumptions — Significant actuarial assumptions used in the January 1, 2022, valuation include:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percent; Layered Periods
Remaining Amortization Period	25 Years
Asset Valuation Method	Fair value gains/losses recognized over five years.
Discount Rate	7.00%
Inflation	2.30%, compounded annually.
Salary Increases	5.65%, average including inflation
Investment Rate of Return	7.00% per year, compounded annually
Cost-of-living Increases	1.25% per year
Mortality	Mortality rates were based on the Pri-2012 Employee/Retiree Mortality Table (fully generational) with mortality Improvement Scale MP-2021. Separate tables are used for disabled participants and contingent annuitants.

The actuarial assumptions used in the January 1, 2022 valuation for amounts reported in fiscal year 2024 were based on the results of an actuarial experience study completed in 2020 covering experience for the period January 1, 2017, through December 31, 2019.

The long-term expected rate of return on Pension Plan investments was determined based on a blend of historical performance data and future expectations for each major asset class, while also reflecting current capital market conditions, developed on a geometric basis. An economic simulation method was used in which best-estimate ranges of expected future rates of return (expected returns net of Pension Plan investment expense) for each major asset class were combined using simulations that ensure the economic consistency of each individual trial, and then reduced by a factor representing inflation to produce long-term expected real rates of return for each major asset class.

Note 10 Pension and Retirement Plans (Continued)

CPS Energy (Continued)

All Employee Plan (Continued)

The assumed allocation and expected real rates of return for each major asset class are summarized in the following table:

Asset Class	Assumed Asset Allocation	Expected Real Rate of Return
Equities	54.50%	4.90%
Debt securities	23.50%	3.40%
Alternative Investments	22.00%	4.40%
Total Investments	100.00%	

Discount Rate — The discount rate used to measure the total pension liability for fiscal year 2024 was 7.00%, The projection of cash flows used to determine the discount rate assumed that future employee contributions will be made at the current contribution rate and that future CPS Energy contributions will be made in a manner consistent with the current contribution practices. Based on those assumptions, the Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on Pension Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following table presents the sensitivity of net pension liability (asset) calculation to a 1.00% increase and a 1.00% decrease in the discount rate used to measure the total pension liability.

	1.00% Decrease 6.00%	Current Discount 7.00%	1.00% Increase 8.00%
Net Pension Liability (asset)	$ 637,950	$ 349,979	$ 108,204

Pension Plan Fiduciary Net Position — The financial results of the Pension Plan are included, in combination with the Employee Benefits Plans, in CPS Energy's Statement of Fiduciary Net Position. Detailed information about the Pension Plan's fiduciary net position is available in separately issued Pension Plan financial statements. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pension and pension expense, information about the fiduciary net position for the Pension Plan, and additions to/deductions from the Pension Plan's fiduciary net position have been determined on the same basis as they are reported by the Pension Plan. Investments are stated at fair value. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the terms of the Pension Plan.

Note 10 Pension and Retirement Plans (Continued)

CPS Energy (Continued)

All Employee Plan (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios — CPS Energy's net pension liability as of January 31, 2024 was measured as of January 31, 2023. The total pension liability used to calculate the net pension liability was determined by actuarial valuations as of January 1, 2022 and rolled forward using generally accepted actuarial procedures to the January 31, 2023 measurement date.

Changes in Net Pension Liability		
Total Pension Liability		
Service Cost	$	40,271
Interest Cost		155,015
Effect of plan changes		(12)
Difference Between Expected and Actual Experience		394
Changes of Assumptions		51,083
Benefit Payments		(123,427)
Net Change in Total Pension Liability	$	123,324
Total Pension Liability - Beginning		2,234,500
Total Pension Liability - Ending	$	2,357,824
Plan Fiduciary Net Position		
Contributions - Employer	$	58,986
Contributions - Employee		14,970
Net Investment Earnings		(64,655)
Benefit Payments		(123,427)
Administrative Expense		(474)
Net Change in Plan Fiduciary Net Position	$	(114,600)
Plan Fiduciary Net Position - Beginning		2,122,445
Plan Fiduciary Net Position - Ending	$	2,007,845
Net Pension Liability - Ending	$	349,979
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		85.16%

CPS Energy recorded $81,024 in pension expense for the year-ended January 31, 2024.

Note 10 Pension and Retirement Plans (Continued)

CPS Energy (Continued)

All Employee Plan (Continued)

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pension – The following table presents information about the pension-related deferred outflows of resources and deferred inflows of resources for CPS Energy as of January 31, 2024:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	$ 2,593	$ (4,055)
Changes of Assumptions	66,624	(9,422)
Difference in Projected and Actual Earnings on Pension Assets	67,286	
Contributions Subsequent to the Measurement Date	56,717	
Total	$ 193,220	$ (13,477)

$56,717 reported as deferred outflows of resources related to pension resulting from CPS contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year-ending January 31, 2025.

The following table presents the future amortization of pension-related deferred outflows of resources and deferred inflows of resources, excluding the balance attributable to the employer's contribution to the Pension Plan in the current fiscal year and subsequent to the net pension liability measurement date. The deferred outflows of resources balance for such contribution amounts at the end of a fiscal period are recognized fully as adjustments to the net pension liability in the subsequent fiscal year.

Year-Ended January 31,	Net Deferred Outflows (Inflows) of Resources
2025	$ 16,675
2026	19,636
2027	32,006
2028	50,895
2029	3,814
Total	$ 123,026

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS)

Texas Municipal Retirement System (TMRS)

Plan Description — SAWS' pension program includes benefits provided by TMRS, the San Antonio Water System Retirement Plan (SAWSRP) and the District Special Project Retirement Income Plan (DSPRP).

SAWS provides pension benefits for all of its eligible employees through a nontraditional, joint contributory, hybrid defined benefit plan in the statewide TMRS, an agent multiple employer public employee retirement system.

Benefits Provided — TMRS provides retirement benefits to eligible SAWS employees. All eligible employees of SAWS are required to participate in TMRS. Members are eligible to retire upon attaining the normal retirement age of 60 and above with five or more years of service, or with 20 years of service regardless of age. A member is vested after five years.

At retirement, the benefit is calculated as if the sum of the employee's contribution, with interest, and the SAWS financed monetary credits with interest were used to purchase an annuity. Members choose to receive their benefit in one of seven payment options. Members may also choose to receive a portion of their benefit as a partial lump sum distribution in the amount equal to 12, 24 or 36 monthly payments which cannot exceed 75.00% of the member's deposits and interest.

The following table presents information about SAWS TMRS participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability (asset), as of the December 31, 2022 measurement date, for the fiscal year-ended December 31, 2023, were:

Number of:	
Active Members	1,722
Retirees and Beneficiaries	1,405
Inactive Members [1]	899
Total	4,026

[1] Inactive members are vested employees no longer employed by SAWS, but are eligible for a deferred retirement benefit.

Amounts not in thousands.

Contributions — Under the state law governing TMRS, SAWS' contribution rate is determined annually by the actuary using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Eligible SAWS employees are required to contribute 3.00% of their annual gross earnings. The employer required contribution rate for SAWS was 3.64% in calendar year 2022. SAWS' contribution to TMRS totaled $8,227 for the year-ended December 31, 2022, with $3,717 contributed by SAWS' employees, and $4,510 contributed by SAWS. The total contribution equaled the required contributions.

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Actuarial Assumptions — The total pension liability calculated in the December 31, 2022 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percentage of payroll, closed
Remaining Amortization Period	23 years
Asset Valuation Method	Ten-year smoothed fair value; 12.00% soft corridor.
Inflation Rate	2.50%
Salary Increases	3.50% to 11.50%, including inflation
Investment Rate of Return	6.75%, including inflation, net of pension plan investment expense
Retirement Age	Experience-based table of rates that are specific to SAWS plan of benefits.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Salary increases are based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety table used for males and the General Employee table used for females. Mortality rates for healthy retirees and beneficiaries are based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for healthy retirees are used with a 4- year set-forward for males and a 3-year set-forward for females. In addition, a 3.50% and 3.00% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of the experience of TMRS over the four-year period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for Annuity Purchase Rates (APRs) is based on the mortality study performed in 2013, with factors based on a unisex blend of the RP-2000 Combined Healthy Mortality Tables with Blue Collar Adjustment for males and females.

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, the plan actuary focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table. The long-term expected real rate of return amounts do not include inflation.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	35.00%	7.55%
Non-Core Fixed Income	20.00%	5.68%
Real Estate	12.00%	6.85%
Other Public & Private Markets	12.00%	7.22%
Private Equity	10.00%	10.00%
Core Fixed Income	6.00%	2.00%
Hedge Funds	5.00%	5.35%
Total	100.00%	

The discount rate of 6.75% was used to measure the total pension liability in the December 31, 2022 actuarial valuation. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the TMRS pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate — The following presents the net pension liability (asset) as of fiscal year ended December 31, 2023, calculated using the discount rate of 6.75%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1.00% lower, 5.75%, or 1.00% higher, 7.75%, than the current rate:

	1.00% Decrease 5.75%	Current Discount Rate 6.75%	1.00% Increase 7.75%
Net Pension Liability (Asset) - TMRS	$ 72,594	$ 38,442	$ 10,006

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

Texas Municipal Retirement System (TMRS) (Continued)

Schedule of Changes in Net Pension Liability and Related Ratios — The table presents the components used to calculate the net pension liability for fiscal year-ended December 31, 2023, based on the measurement date of December 31, 2022.

Changes in the Net Pension Liability	
Total Pension Liability	
Service Cost	$ 6,318
Interest Cost	17,061
Difference Between Expected and Actual Experience	2,221
Benefit Payments	(11,442)
Net Change in Total Pension Liability	$ 14,158
Total Pension Liability - Beginning	255,314
Total Pension Liability - Ending	$ 269,472
Plan Fiduciary Net Position	
Contributions - Employer	$ 4,510
Contributions - Employee	3,717
Net Investment Income	(18,429)
Benefits Payments, including Refunds of Employee Contributions	(11,442)
Administrative Expense	(159)
Other	190
Net change in Plan Fiduciary Net Position	$ (21,613)
Plan Fiduciary Net Position - Beginning	252,643
Plan Fiduciary Net Position - Ending	$ 231,030
Net Pension Liability	$ 38,442
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.73%

San Antonio Water System Retirement Plan (SAWSRP)

Plan Description — The San Antonio Water System Retirement Plan (SAWSRP) is a single-employer pension plan controlled by the provisions of Ordinance No. 75686, which serves as a supplement to TMRS and Social Security. The plan has both a defined benefit and a defined contribution component. SAWS delegated to Principal Financial Group the authority to manage plan assets and administer the payment of benefits under the plan.

The financial information for SAWSRP is reported in the SAWS Fiduciary Funds financial statements. SAWSRP does not issue stand-alone financial statements.

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

San Antonio Water System Retirement Plan (SAWSRP) (Continued)

The following table presents information about SAWSRP Pension Plan participants covered by the benefits terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability (asset), as of the January 1, 2023 measurement date, for the fiscal year-ended December 31, 2023, were:

Number of:	
Active Members	837
Retirees and Beneficiaries	1,235
Inactive Members [1]	563
Total	2,635

[1] Inactive members are vested employees no longer employed by SAWS, but are eligible for a deferred retirement benefit.
Amounts not in thousands.

Benefits Provided — Eligible employees hired prior to June 1, 2014 participate in the defined benefit component of the plan. Eligible employees vest in this plan after completion of five years of service.

Covered employees are eligible to retire upon attaining the normal retirement age of 65. An employee may elect early retirement, with reduced benefits, upon attainment of 20 years of vesting service regardless of age or five years of vesting service and at least age 60. An employee is automatically 100.00% vested upon attainment of age 65 or upon becoming totally and permanently disabled.

The normal retirement benefit is based upon two factors: average compensation and years of vesting service. Average compensation is defined as the monthly average of total compensation received for the three consecutive years-ending December 31, out of the last ten compensation years prior to normal retirement date, which gives the highest average.

The normal retirement benefit under SAWSRP is equal to the following:

- 1.20% of the average compensation, times years of credited service not in excess of 25 years, plus
- 0.75% of the average compensation, times years of credited service in excess of 25 years but not in excess of 35 years, plus
- 0.38% of the average compensation, times years of credited service in excess of 35 years.

Upon retirement, an employee must select from one of eight alternative payment plans. Each payment plan provides for monthly payments as long as the retired employee lives. The options available address how plan benefits are to be distributed to the designated beneficiary of the retired employee. The program also provides disability benefits.

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

San Antonio Water System Retirement Plan (SAWSRP) (Continued)

The funding policy provides for actuarially determined periodic contributions so that sufficient assets will be available to pay benefits when they are due. Contribution requirements are established and may be amended by the SAWS Board. The actuarially determined contribution for 2023 was determined using Entry Age Normal cost method. The actuarially determined contribution is the estimated amount necessary to finance the cost of benefits earned by participating employees during the year, with an additional amount to finance any unfunded accrued liability. Prior to 2015, active members made no contributions to the plan and all obligations with respect to the defined benefit feature of the plan were paid solely by SAWS. On January 1, 2015, active members began sharing in the cost of providing benefits under the plan by contributing 3.00% of their compensation.

Contributions — Eligible employees hired on or after June 1, 2014 participate in the defined contribution component of the plan. SAWS contributes 4.00% of participant's compensation into an individual retirement account. Participants are required to contribute 3.00% of their compensation into their individual retirement account. Contributions under the defined contribution feature of the plan are made to participants' individual retirement accounts on a bi-weekly basis based on the participants' compensation during the period. An eligible employee totally vests in SAWS contributions to the individual retirement account after one year of service and immediately vests in the employee's contributions to the plan. The employee directs the investments in their individual retirement account. SAWS has no liability for losses under the defined contribution component of the SAWSRP but does have the usual fiduciary responsibilities of a plan sponsor.

During the year-ended December 31, 2023, SAWS made contributions to participants' individual retirement accounts totaling $2,775, net of forfeitures of $30, and employees contributed $2,149.

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Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

San Antonio Water System Retirement Plan (SAWSRP) (Continued)

Actuarial Assumptions — The total pension liability calculated in the January 1, 2023 actuarial valuation was determined using the following actuarial assumptions:

Actuarial Cost Method	Entry Age Normal
Remaining Amortization Period	Unfunded liability at December 31, 2013 of $40,551 is being amortized over a 15 fixed year period. The annual impact of experience gains/losses, plan amendments and changes in plan assumptions are amortized over ten years.
Amortization Method	Equal annual installments
Asset Valuation Method	Four-year smoothed fair value
Inflation	2.25%
Salary Increases	In 2021, changed to a new table based on management philosophies and more recent experience of plan participants. Previously, scale based on 2011-2013 SAWS experience.
Retirement Age	Active: In 2020, changed to a table of rates starting at age 45 and ending at age 70. Inactive: In 2020, changed from 100.00% at age 62 to a table of rates starting at age 60 and ending at age 65.
Investment Rate of Return	6.25%, net of pension expense, including inflation.
Mortality Table	In 2023, the mortality assumptions were based on PubG-2010 General base rate mortality table projected to future years with historical and assumed Mortality Improvement (MI) rates that were issued by the Society of Actuaries (SOA). PubG-2010 is the baseline mortality rate table underlying the SOA Pub-2010 experience study published in January 2019. The January 1, 2023 valuation was based on MP-2021, the most recent MI scale published in October 2021.

The interest rate was developed as a long-term expected geometric return on plan assets. Arithmetic expected return is calculated as the weighted average of broad asset classes' arithmetic returns of the plan's target asset allocation, and then converted to the geometric under lognormal distribution assumption. The 2023 valuation used the assumptions updated in November 2022. Due to the long-term nature of pension obligations, the investment horizon for the CMA is 20 years. The November 2022 CMA was an interim update to the CMA 2020 to help ensure that the results are consistent with the current economic situation and outlook.

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

San Antonio Water System Retirement Plan (SAWSRP) (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table. The Long-term Expected Real Rate of Return amounts do not include inflation.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Total Return	34.00%	2.90%
US Equity - Large Cap	19.00%	5.10%
International Equity	10.00%	3.90%
US Mid Cap Equity	10.00%	7.40%
International Small/Mid Equity	7.00%	6.40%
US Small Cap Equity	7.00%	5.80%
Real Estate	7.00%	6.80%
High Yield Bond	6.00%	4.70%
Total	100.00%	

The discount rate used to measure the total pension liability was 6.25% at December 31, 2023. The projection of cash flows used to determine the discount rate assumed that contributions will be made based on actuarial determined amounts. Based on that assumption, the SAWSRP defined benefit component's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine total pension liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate — The following presents the net pension liability (asset), calculated using the discount rate of 6.25%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate of 1.00% lower, 5.25%, or 1.00% higher, 7.25%, than the current rate:

	1.00% Decrease 5.25%	Current Discount 6.25%	1.00% Increase 7.25%
Net Pension Liability (Asset) - SAWSRP	$ 71,552	$ 34,603	$ 3,810

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

San Antonio Water System Retirement Plan (SAWSRP) (Continued)

Schedule of Changes in Net Pension (Asset) Liability and Related Ratios — The following table summarizes changes in the SAWSRP net pension (asset) for the fiscal year-ended December 31, 2023, based on the measurement date and actuarial valuation date of January 1, 2023.

Changes in the Net Pension (Asset)	
Total Pension Liability	
Service Cost	$ 4,933
Interest Cost	17,869
Differences Between Expected and Actual Experience	(1,814)
Changes of Assumptions	
Benefit Payments	(11,654)
Net Change in Total Pension Liability	$ 9,334
Total Pension Liability - Beginning	286,217
Total Pension Liability - Ending	$ 295,551
Plan Fiduciary Net Position	
Contributions - Employer	$ 7,000
Contributions - Employee	2,165
Net Investment Income	(43,417)
Benefit Payments	(11,654)
Administrative Expense	(264)
Net Change in Plan Fiduciary Net Position	$ (46,170)
Plan Fiduciary Net Position - Beginning	307,118
Plan Fiduciary Net Position - Ending	$ 260,948
Net Pension (Asset) Liability	$ 34,603
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.29%

District Special Project Retirement Income Plan (DSPRP)

Plan Description — The District Special Project Retirement Income Plan (DSPRP) is a single-employer defined benefit pension plan that covers all eligible employees. The plan was originally established by Bexar Metropolitan Water District (BexarMet) to provide pension benefits to its employees. In 2008, the BexarMet Board elected to freeze pension benefits and entry into the plan effective September 30, 2008. In 2012, BexarMet was dissolved and all its assets and liabilities were transferred to the San Antonio Water System District Special Project (DSP). The plan was renamed District Special Project Retirement Income Plan (DSPRP). In 2016, DSP was merged into SAWS and DSPRP is now governed by SAWS, which is authorized to establish and amend all plan provisions. SAWS has delegated to Standard Insurance Company the authority to manage plan assets and administer the payment of benefits under the plan.

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

District Special Project Retirement Income Plan (DSPRP) (Continued)

The financial information for DSPRP is reported in the SAWS Fiduciary Funds financial statements. DSPRP does not issue stand-alone financial statements.

The following table presents information about DSPRP Pension Plan participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net pension liability (asset), as of the January 1, 2023 measurement date, for the fiscal year-ended December 31, 2023, were:

Number of:	
Active Members	82
Retirees and Beneficiaries	14
Inactive Members [1]	38
Total	134

[1] Inactive members are vested employees no longer employed by DSP, but are entitled to a deferred retirement benefit.

Amounts not in thousands.

Benefits Provided — Prior to freezing entry into the plan, employees were eligible to enter on May 1st or November 1st following the completion of 12 months of employment and attaining the age of 21. Participating employees accrued benefits if they worked at least 1,000 hours per plan year. Eligible employees vested in this plan after the completion of five years of service. Employees are 100.00% vested in any benefits derived from employee contributions regardless of years of service. A terminating participant who has completed five years of service is entitled to receive a vested benefit starting on their normal retirement date.

The normal retirement benefit is a percentage of average monthly earnings. Prior to March 1, 1996, the monthly benefit was 60.00% of average monthly earnings reduced proportionately for less than 15 years of service. Effective March 1, 1996, the monthly benefit is 40.00% of average monthly earnings reduced proportionately for less than 20 years of service. Prior to March 1, 1996, average monthly earnings were based on the monthly earnings during the five consecutive and complete calendar years that produced the highest average. After March 1, 1996, average monthly earnings are determined by the ten consecutive and complete calendar years after December 31, 1990, which produce the highest average. Upon retirement, retirees may choose from three different types of annuities or receive a single lump sum distribution.

Contributions — The plan's funding policy provides for actuarially determined periodic contributions so that sufficient assets will be available to pay benefits as they come due. The contribution requirements of the plan are established and may be amended by the SAWS Board. The unit credit method was used to calculate the actuarial determined contribution for 2023. Under this method, the actual or expected accrued benefit of each participant is allocated to the year in which it accrues. The normal cost is the present value of benefits expected to accrue in the current year.

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

District Special Project Retirement Income Plan (DSPRP) (Continued)

Actuarial Assumptions — The total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date performed as of the measurement date:

Actuarial Cost Method	Unit Credit
Amortization Method	Rolling level amortization over a declining period.
Remaining Amortization Period	Ten years
Asset Valuation Method	Fair Value with smoothing
Inflation	3.00%
Salary Increase	Earned benefits frozen in 2008.
Investment Rate of Return	5.75%, net of pension plan investment expense, including inflation.
Retirement Age	Normal retirement age - the earlier of (a) age 65 or (b) the "rule of 90" where the participant's age and years of service added together equal 90 or greater.
Mortality	Mortality rates are based on the PUB-2010 General Table projected on a fully generational basis using mortality improvement scale MP-2021. Due to the limited size of this plan and the frozen nature of benefits under the plan, an experience study has not been done.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class for the January 1, 2023 valuation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Domestic Equity	36.00%	4.85%
Fixed Income	40.00%	1.40%
International Equity	17.00%	5.05%
Real Estate	7.00%	4.05%
Total	100.00%	

The discount rate used to measure the total pension liability was 5.75%. The projection of cash flows used to determine the discount rate assumed that contributions will be made equal to the actuarially determined contributions. Based on those assumptions, the defined benefit component's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the defined benefit component's investments was applied to all periods of projected benefit payments to determine the total pension liability.

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

District Special Project Retirement Income Plan (DSPRP) (Continued)

Sensitivity of the Net Pension Liability (Asset) — The following table presents the net pension liability (asset), calculated at December 31, 2023 using the discount rate of 5.75%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1.00% lower, 4.75%, or 1.00% higher, 6.75%, than the current rate.

	1.00% Decrease 4.75%	Current Discount 5.75%	1.00% Increase 6.75%
Net Pension Liability (Asset) - DSPRP	$ 445	$ (241)	$ (835)

Schedule of Changes in Net Pension (Asset) and Related Ratios — The following table summarizes the changes in the DSPRP net pension (asset) for the fiscal year-ended December 31, 2023 based on the measurement date of January 1, 2023.

Changes in the Net Pension (Asset)	
Total Pension Liability	
Service Cost	$ 201
Interest Cost	426
Difference Between Expected and Actual Experience	(285)
Changes of Assumptions	36
Benefit Payments	(371)
Net Change in Total Pension Liability	$ 7
Total Pension Liability - Beginning	6,955
Total Pension Liability - Ending	$ 6,962
Plan Fiduciary Net Position	
Contributions - Employer	$ 138
Net Investment Income	(1,034)
Benefit Payments, Including Refunds of Employee Contributions	(371)
Administrative Expense	(5)
Net change in Plan Fiduciary Net Position	$ (1,272)
Plan Fiduciary Net Position - Beginning	8,475
Plan Fiduciary Net Position - Ending	$ 7,203
Net Pension (Asset)	$ (241)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.46%

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

Other Pension Disclosures

Deferred Compensation Plans — In November 2019, SAWS consolidated its prior deferred compensation plans into one plan with Empower Retirement, who acts as an independent administrator of the plan. The plan complies with Section 457(b) of the Internal Revenue Code (Deferred Compensation Plans with Respect to Service for State and Local Governments) and is classified as an other employee benefit plan for accounting and financial reporting basis. Employee participation is voluntary, and SAWS makes no contributions to the plan. Empower Retirement issues a publicly available financial report that includes financial information relating to participating entities. The report may be obtained at: http://www.empower-retirement.com/about/financial-strength.

Pension Expense — For the year-ended December 31, 2023, SAWS recognized pension expense under the TMRS, SAWSRP, and DSPRP plans as follows:

Schedule of Pension Expense	
TMRS	$ 7,942
SAWSRP - Defined Benefit	6,651
SAWSRP - Defined Contribution	2,775
DSPRP	45
Total Pension Expense	$ 17,413

Amounts payable to the pension plans by SAWS for contributions totaled $201 at December 31, 2023.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions — At December 31, 2023, Deferred Outflows of Resources and Deferred Inflows of Resources associated with SAWS plans related to the following sources:

	TMRS		SAWSRP		DSPRP		ALL PLANS	
	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	$ 2,446	$ (64)	$ 331	$ (958)	$ 253	$ (809)	$ 3,030	$ (1,831)
Changes of Assumptions	23		61		186		270	
Net Difference in Projected and Actual Earnings on Pension Plan Investments	15,948		27,780		527		44,255	
Contributions Subsequent to the Measurement Date	5,267		6,136		134		11,537	
Total	$ 23,684	$ (64)	$ 34,308	$ (958)	$ 1,100	$ (809)	$ 59,092	$ (1,831)

$11,537 reported as deferred outflows of resources related to pension resulting from SAWS contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability (asset) in the year-ending December 31, 2024.

Note 10 Pension and Retirement Plans (Continued)

San Antonio Water System (SAWS) (Continued)

Other Pension Disclosures (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Net Deferred Outflows (Inflows) of Resources

Year-Ending December 31,	TMRS	SAWSRP	DSPRP	Combined
2024	$ 1,497	$ 130	$ (157)	$ 1,470
2025	4,664	5,598	(34)	10,228
2026	4,930	8,975	94	13,999
2027	7,262	12,511	279	20,052
2028			(25)	(25)
Total	$ 18,353	$ 27,214	$ 157	$ 45,724

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Note 11 Other Postemployment Benefits

Summary of Other Postemployment Benefits

The other postemployment benefits are provided at the City and component unit levels. The City's and component units' other postemployment benefits include the City's Retiree Health Care Fund, the Retiree Health & Wellness San Antonio Fire and Police Fund, CPS Energy Health, Life, and Disability, and SAWS Retiree Health Trust.

	Retiree Health Care Fund [1]	Retiree Health & Wellness SA Fire and Police Fund (Health Fund)	Total City OPEB Plans	CPS Energy: Health, Life, and Disability	SAWS Retiree Health Trust
Total OPEB Liability	$ 232,140	$ 1,184,955	$ 1,417,095	$ 316,844	$ 63,181
Plan Fiduciary Net Position	6,057	578,893	584,950	358,246	107,580
Net OPEB Liability (Asset)	$ 226,083	$ 606,062	$ 832,145	$ (41,402)	$ (44,399)
Total Deferred Inflows of Resources	$ (248,033)	$ (193,006)	$ (441,039)	$ (46,275)	$ (28,767)
Deferred Outflows of Resources	74,922	123,364	198,286	41,448	13,659
Contributions Subsequent to Measurement Date		38,348	38,348	602	5,160
Total Deferred Outflows of Resources	$ 74,922	$ 161,712	$ 236,634	$ 42,050	$ 18,819
Total OPEB Expense	$ 2,790	$ 34,077	$ 36,867	$ 2,391	$ (12,591)

1 Retiree Health Care Fund's total net position does not include $198 of claims that were incurred as of September 30, 2024 but not reported due to the earlier completion of the City's GASB 75 actuarial report.

Primary Government (City)

Plan Description — In addition to the pension benefits discussed in Note 10 Pension and Retirement Plans, the City provides a single-employer defined benefit postemployment benefit plan for Medicare eligible civilian retirees, pre-Medicare eligible civilian retirees, and uniform employees who retired prior to October 1, 1989. Activity related to the postemployment benefits is reported in the Fiduciary Component Unit Retiree Health Care Fund. Pursuant to GASB Statement No. 75, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*, the City is required to account for and disclose its other postemployment liability for this plan. The City administers the plan and continues to actively review and have actuarial valuations performed for all programs as required. This plan is administered through an equivalent arrangement.

Medicare eligible retirees and surviving spouses, who have reached age 65 or have otherwise become eligible for Medicare may participate in one of three plans, Medicare Advantage Standard PPO, Medicare Advantage Enhanced PPO, or a fully insured Medicare Part D Drug Plan. All retirees and surviving spouses are required to apply for and maintain Medicare Parts A & B coverage in order to participate in any of the three programs previously listed. Of the current 1,187 participating Medicare retirees, 202 participate in Medicare Advantage PPO Plus plan, 982 participate in a Medicare Advantage PPO plan, and three participate in the Medicare Part D Drug Plan (participants not in thousands).

Pre-Medicare retirees and surviving spouses are covered under a program comprised of three self-funded medical plans administered by Blue Cross Blue Shield of Texas; Blue Essential HMO, Consumer Choice PPO, and New Value PPO. These plans may be amended at any time with approval from the City Council. As of September 30, 2024, there were 462 retirees, who have not reached age 65 and are not eligible for Medicare, participating in the pre-Medicare eligible program (participants not in thousands).

Civilian retirees must be a minimum of age 60 and have at least five years of service or have at least 20 years of service at any age to be eligible for retiree health benefits.

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Civilian retirees who qualify for a disability pension under TMRS rules are also eligible to receive the retiree medical benefit under this plan. There is no minimum length of service or age required to be eligible.

A dental and vision insurance benefit is made available to eligible retired employees on a fully contributory basis. Since retirees pay the full premium for dental and vision benefits, there is no liability associated with either benefit.

Contributions — The two postemployment benefit programs are funded on a pay-as-you-go basis with an aggregate sharing of premium costs based on the following targets: 67.00% by the City and 33.00% by the retiree for those retirees hired prior to October 2007. With the adoption of the fiscal year 2008 Budget, additional changes were made to this retirement health plan. For all non-uniformed employees beginning employment on or after October 1, 2007, a revised schedule for sharing of the costs on a pay-as-you-go basis is effective. The revised schedule is as follows: (1) Employees who separate from the City with less than five years of service are not eligible to participate in the program; (2) Employees who separate with at least five years of service but less than ten years of service are eligible to participate in the program but without City subsidy; and (3) Employees who separate from employment with ten years of service or more will pay for 50.00% of the pay-as-you-go contributions to the program and the City will contribute the remaining 50.00%. The program requires employees to meet the retirement eligibility criteria set forth by TMRS and accrued actual years of service with the City.

Retirees may waive coverage at retirement but must do so at the exact time of retirement. These retirees are allowed a one-time opportunity to re-enter the plan at a later date upon submitting proof of continuous health coverage. Retirees may only enroll dependents that were covered at the time coverage was waived. Dependents must return to the plan with the retiree, otherwise coverage for the dependent is forfeited.

The following table presents information about OPEB participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the total OPEB liability, as of the measurement date, for the fiscal year-ended September 30, 2024, were:

Number of:	
Active Members	8,048
Retirees and Beneficiaries	1,639
Inactive Members [1]	1,453
Total	11,140

[1] Inactive members are vested employees no longer employed by the City, but are eligible for a deferred retirement benefits.

Amounts not in thousands.

The cost of the program is reviewed annually, and the costs of medical claims are funded jointly by the City and retirees on a pay-as-you-go basis, based on the allocations described above. No contributions were made in fiscal year 2024 to prefund benefits. Total contributions by the City and Retirees for fiscal year-ended September 30, 2024 were $7,085 and $1,536 respectively. The plan's fiduciary net position is a result of the accumulation of prescription rebates earned and savings from claim payments being lower than anticipated.

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Actuarial Assumptions — Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. This valuation's assumptions are as follows:

Actuarial Cost Method	Entry Age Normal based on level percentage of projected salary
Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 11.9 years starting on the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service)
Asset Valuation Method	Fair Value
Inflation	2.00%
Remaining Amortization Period	10.9 years
Salary Increase Rate	3.50% per annum
Discount Rate	4.00% per annum (EOY)
Healthcare and Prescription Cost Trend Rates	Pre-65 Select 7.75% and Ultimate 4.00%; Post-65 Select 6.75% and Ultimate 4.00%; Stop Loss Fees Select 7.75% and Ultimate 4.00%; Administrative Fees Select 4.00% and Ultimate 4.00%
Mortality	PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

The City's retiree participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 50.00% of all employees and their dependents who are eligible for early retiree benefits will participate in the retiree medical plan. Additionally, current waived retirees that are eligible to return to the plan have a 10.00% participation rate for returning to a Medicare Advantage plan.

Annual retirement probabilities have been determined based on the TMRS Actuarial Valuation as of December 31, 2023. The annual retirement probability is dependent on an employee's gender, entry age group, and age. Additional criteria that adjust the base table rates include employee contribution rate, employer match, and if the City has a recurring cost-of-living adjustment.

The rate of withdrawal for reasons other than death and retirement has been developed from the TMRS Actuarial Valuation as of December 31, 2023. The annual termination probability is dependent on an employee's age, gender, and years of service. Additional criteria that adjust the base table rates include employee group (Police, Fire, Other) and a city multiplier.

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

The target allocation for each major asset class are summarized in the following table:

Asset Class	Target Allocation
U.S. Government Agency Securities	63.10%
U.S. Treasuries	10.30%
Money Market Mutual Funds	3.60%
Government Investment Pool	22.90%
Repurchase Agreement	0.10%
Total	100.00%

The long-term investment return is 4.00% per annum, which includes inflation of 2.00%.

Discount Rate — The discount rate used to measure the total OPEB Liability was 4.00%, based on the Expected Return on Assets assumption. The City's OPEB Trust is assumed fully funded to cover all future expected benefit payments based on the current OPEB Trust Funding Policy. As of the current valuation, the Policy is to fund, annually, an amount equal to the benefit payments required each year.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate — The following shows the net OPEB liability, calculated using the discount rate of 4.00% in comparison to what the net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (3.00%) or 1.00% higher (5.00%) than the current rate:

	1.00% Decrease 3.00%	Current Discount 4.00%	1.00% Increase 5.00%
Net OPEB Liability	$ 251,346	$ 226,083	$ 204,725

Sensitivity of the Net OPEB Liability to Changes in the Health Care Trend Rates — The following shows the current net OPEB liability, calculated using the assumed health benefit cost trend rates, in comparison to what the net OPEB liability would be if it were calculated using trend rates that are 1.00% lower (5.75% decreasing to 3.00%) or 1.00% higher (7.75% decreasing to 5.00%) than the assumed health benefit costs trend rates:

	1.00% Decrease (6.75% - 5.75% decreasing to 3.00%)	Assumed Rates (7.75% - 6.75% decreasing to 4.00%)	1.00% Increase (8.75% - 7.75% increasing to 5.00%)
Net OPEB Liability	$ 200,597	$ 226,083	$ 256,884

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Changes in the Net OPEB Liability — The following table shows the changes in the net OPEB liability as of the fiscal year-ended September 30, 2024.

Changes in the Net OPEB Liability		
Total OPEB Liability		
Service Cost	$	7,847
Interest Cost		9,692
Difference Between Expected and Actual Experience		(7,276)
Changes of Assumptions		(9,534)
Benefit Payments		(9,343)
Net Change in Total OPEB Liability	$	(8,614)
Total OPEB Liability - Beginning		240,754
Total OPEB Liability - Ending	$	232,140
Plan Fiduciary Net Position		
Contributions - Employer	$	7,085
Contributions - Employee		1,536
Net investment income		436
Benefit Payments, including Refunds of Employee Contributions		(9,343)
Administrative Expense		(43)
Net change in Plan Fiduciary Net Position	$	(329)
Plan Fiduciary Net Position - Beginning		6,386
Plan Fiduciary Net Position - Ending	$	6,057
Net OPEB Liability	$	226,083
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		2.61%

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

OPEB Expense — For the year-ended September 30, 2024, the City recognized OPEB expense of $2,790.

Schedule of OPEB Expense		
Service Cost	$	7,847
Interest Cost		9,692
Expected return on assets		188
Employee Contributions		(1,536)
Administrative expenses		43
Current Recognized Deferred Outflows/(Inflows):		
Differences Between Expected and Actual Experience		(28,994)
Changes in Assumptions or Other Inputs		15,729
Projected Investment earnings difference		(179)
Total OPEB Expense	$	2,790

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — At September 30, 2024, the City reported OPEB related deferred outflows of resources and deferred inflows of resources from the following:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Net difference in projected and actual earnings on OPEB plan investments	$ -	$ (194,480)
Changes of Assumptions	74,922	(52,867)
Difference in Expected and Actual Experience		(686)
Total	$ 74,922	$ (248,033)

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year-Ending September 30,	Net Deferred Outflows (Inflows) of Resources
2025	$ (11,259)
2026	(11,622)
2027	(22,097)
2028	(23,949)
2029	(23,824)
Thereafter	(80,360)
Total	$ (173,111)

Contact Information — For additional information regarding the separately issued actuarial valuation report contact the City of San Antonio Human Resource Department, Employee Benefit Division, at P.O. Box 839966, San Antonio, Texas, 78283-3966. The City's Retiree Health Care Fund's financials are reported as a fiduciary fund in the City's Annual Comprehensive Financial Report (ACFR). The City's ACFR is available for viewing at www.sanantonio.gov.

Retiree Health & Wellness SA Fire and Police Fund

Plan Description — The Retiree Health & Wellness San Antonio Fire and Police Fund (Health Fund) is a Texas statutory retirement health trust for firefighters and police officers of the City, established under Article 6243q, Vernon's Texas Civil Statutes. The trust holds assets and liabilities of the City's Fire and Police Retiree Health Care Plan (Plan). This Plan is a single-employer defined benefit postemployment health care plan that was created in October 1989 in accordance with provisions established by contract with the local fire and police unions to provide postemployment healthcare benefits to police officers and firefighters of the City retiring after October 1, 1989. Authority to establish and amend the Plan's postemployment health care benefits is based on regulations enacted by the Texas Legislature that control the operation of the Health Fund. The statutory trust is governed by a Board of Trustees that meet on a monthly basis. The Board consists of nine members: the Mayor or his representative; two members of the City Council; one retired and two active duty police officers; and one retired and two active duty firefighters. The City is the only participating employer in the Plan. The plan is operated on an advance-funded basis and has established the Health Fund as the trust for accumulating assets.

WEB-TPA Employer Services, LLC and WellDyncRx serve as the medical and prescription third party administrators for the Health Fund.

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

Benefits Provided — The Health Fund provides postretirement health benefits for uniform employees of the fire and police departments who become eligible retirees, and their spouses. Eligible retirees are those who retire after October 1, 1989. Eligible spouses are spouses at the time of retirement of the eligible retirees and either remain married to or survive the eligible retiree. In addition, eligible spouses include the surviving spouses of active members whose death was duty-related or who died while eligible for retirement. Retirement eligibility is according to the provisions of the Fire and Police Pension Fund, San Antonio, which requires 20 or more years of service after completing the required training to be certified.

The health benefits are indemnity style coverage with a maximum annual deductible per individual. After age 65, the benefits are coordinated with Medicare. The maximum deductible and out-of-pocket payments are indexed to the annual increase in the medical care category of the CPI-U.

Contributions — Since its inception, the Health Fund has been funded primarily by contributions from the City and active firefighters and police officers, as part of the compensation for services rendered by members, and by contributions made by retirees for their dependents. As of the January 1, 2023 valuation date, the contributions required by the City were 14.30% of average covered pay of the combined fire and police departments for the City's fiscal year 2023. For the active fire and police employees, the contributions required were 7.15% of the average covered pay for the City's fiscal year 2024.

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Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

Total contributions by the City and active members for fiscal year-ended September 30, 2024 were $49,725 and $24,866 respectively.

Going forward, the total statutorily determined contribution rates effective October 1, 2024 through October 1, 2025 are presented in the table below.

Contribution Rates			
Effective Date	City	Member	Total
10/1/2022	14.30%	7.15%	21.45%
10/1/2024	14.30%	7.15%	21.45%
10/1/2025[1]	14.30%	7.15%	21.45%

[1] The January 1, 2025 actuarial valuation will determine the actual increase beginning October 1, 2025, where necessary.

Ultimately, the contribution policy also depends upon the total return of the Health Fund's assets, which varies from year to year. Investment policy decisions are established and maintained by the Board of Trustees. The Board selects and employs investment managers with the advice of their investment consultant who is completely independent of the investment managers. For the year-ending December 31, 2023, the money-weighted rate of return on plan investments was 4.40%. The measurement of the investment performance is net of investment-related expenses, reflecting the effect of the timing of the contributions received and the benefits paid during the year.

The following table presents information about OPEB participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net OPEB liability (asset), as of the measurement date of December 31, 2023, were:

Number of:	
Active Members	4,223
Retirees and Beneficiaries	4,999
Total	9,222

Amounts not in thousands.

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

Actuarial Assumptions — The net OPEB liability (asset) in the January 1, 2024 actuarial valuation was determined using the following assumptions, applied to all periods included in the measurement:

Actuarial Cost Method	Entry Age Normal
Amortization Period	15 years
Asset Valuation Method	Adjusted fair value gains/losses spread over a five-year period
Inflation	2.75%
Salary Increases	Varies with service
Discount Rate	7.00%
Initial Trend Rate	6.25%
Ultimate Trend Rate	4.25%
Years to Ultimate	Five
Mortality	Based on the PUB-2010 Mortality Tables projected generationally with scale MP-2021.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

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Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

The target allocation and long-term expected rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Net Real Rate of Return
Domestic Equity	20.0%	10.30%
International Developed Market Equity	6.0%	5.50%
International Emerging Market Equity	8.0%	2.40%
Private Equity	20.0%	7.00%
Real Estate	10.0%	7.90%
High Yield Bonds	4.0%	4.20%
Bank Loans	5.0%	3.80%
Investment Grade Bonds	5.0%	1.60%
TIPS	4.0%	1.70%
Emerging Markets Debt	3.0%	2.20%
Private Debt	14.0%	9.10%
Cash	1.0%	0.00%
Total	100.00%	
Weighted Average		6.62%

Discount Rate — The discount rate used to measure the net OPEB liability was 7.00%. The 7.00% discount rate is the single rate of return that, when applied to all projected benefit payments, results in an actuarial present value of projected benefit payments equal to the total of the actuarial present values determined in conformity with GASB statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans.*

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate — The following shows the net OPEB liability, calculated using the discount rate of 7.00% in comparison to what the net OPEB liability would be if it were calculated using a discount rate that is 1.00% lower (6.00%) or 1.00% higher (8.00%) than the current rate:

	1.00% Decrease 6.00%	Current Discount 7.00%	1.00% Increase 8.00%
Net OPEB Liability	$ 788,935	$ 606,062	$ 458,346

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Health Care Trend Rates — The following shows the current net OPEB liability, calculated using the assumed health benefit cost trend rates, in comparison to what the net OPEB liability would be if it were calculated using trend rates that are 1.00% lower (5.25% decreasing to 3.25%) or 1.00% higher (7.25% decreasing to 5.25%) than the assumed health benefit costs trend rates:

	1.00% Decrease (5.25% decreasing to 3.25%)	Assumed Rates (6.25% decreasing to 4.25%)	1.00% Increase (7.25% decreasing to 5.25%)
Net OPEB Liability	$ 443,802	$ 606,062	$ 811,584

Changes in the Net OPEB Liability — The following table shows the changes in the net OPEB liability for the year ended September 30, 2024 based on the measurement period ended December 31, 2023.

Changes in the Net OPEB Liability	
Total OPEB Liability	
Service Cost	$ 25,994
Interest Cost	78,173
Difference Between Expected and Actual Experience	8,671
Changes of Assumptions	9,066
Benefit Payments	(54,490)
Net Change in Total OPEB Liability	$ 67,414
Total OPEB Liability - Beginning	1,117,541
Total OPEB Liability - Ending	$ 1,184,955
Plan Fiduciary Net Position	
Contributions - Employer	$ 47,832
Contributions - Employee	23,920
Net Investment Income	23,910
Benefit Payments, including Refunds of Employee Contributions	(54,490)
Administrative Expense	(5,180)
Other	2,262
Net change in Plan Fiduciary Net Position	$ 38,254
Plan Fiduciary Net Position - Beginning, Restated	540,639
Plan Fiduciary Net Position - Ending	$ 578,893
Net OPEB Liability	$ 606,062
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	48.85%

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

OPEB Expense — For the year-ended September 30, 2024, based on the actuarial valuation of December 31, 2023, the recognized OPEB expense was $34,077. Amounts recognized in the fiscal year represent changes between current and prior measurement dates.

Schedule of OPEB Expense		
Service Cost	$	25,994
Interest Cost		78,173
Projected Earnings on OPEB Plan Investments		(38,347)
Amortization of Differences Between Projected and Actual Earnings on Plan Investments		10,927
Amortization of Changes of Assumptions		(29,750)
Amortization of Differences Between Expected and Actual Experience		8,081
OPEB plan administrative expenses		5,181
Employee Contributions		(23,920)
Retiree Contributions		(2,262)
Net OPEB Expense	$	34,077

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — At September 30, 2024, the City reported OPEB related deferred outflows of resources and deferred inflows of resources from the following:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	$ 53,324	$ (1,676)
Changes of Assumptions	23,150	(191,330)
Net Difference in Projected and Actual Earnings on OPEB Plan Investments	46,890	
Contributions Subsequent to the Measurement Date	38,348	
Total	$ 161,712	$ (193,006)

$38,348 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year-ending September 30, 2025.

Note 11 Other Postemployment Benefits (Continued)

Primary Government (City) (Continued)

Retiree Health & Wellness SA Fire and Police Fund (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year-Ended September 30,	Net Deferred Outflows (Inflows) of Resources
2025	$ (12,184)
2026	(6,873)
2027	(1,946)
2028	(16,897)
2029	(16,202)
Thereafter	(15,540)
Total	$ (69,642)

Contact Information — Additional information regarding the Health Fund separately issued stand-alone financial report, or the actuarial valuation report for OPEB, may be obtained at 11603 W. Coker Loop, Suite 210, San Antonio, Texas, 78216.

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Note 11 Other Postemployment Benefits (Continued)

CPS Energy

CPS Energy provides certain health, life insurance and disability income benefits for active and retired employees. CPS Energy employees and their dependents may elect to participate in the plans and most CPS Energy employees continue eligibility upon retirement from CPS Energy. Disclosures in this footnote are limited to information related only to those benefits provided on a postemployment basis. Assets of the plans are held in three separate, single-employer defined benefit contributory plans:

- CPS Energy Group Health Plan (Health Plan) – a defined-benefit contributory group health plan that provides health, dental, and vision insurance benefits.
- CPS Energy Group Life Insurance Plan (Life Plan) – a defined-benefit contributory plan that provides life insurance benefits.
- CPS Energy Long-Term Disability Income Plan (Disability Plan) – a defined-benefit contributory plan that provides disability income benefits.

The Employee Benefit Plans may be amended at any time by CPS Energy, acting by and through the Employee Benefits Oversight Committee (EBOC), which includes the President & CEO, the Chief Financial Officer, and the Audit & Finance Committee of the Board.

The Employee Benefit Plans' assets are segregated from CPS Energy's assets and are separately managed by an Administrative Committee whose members are appointed by the EBOC. The Employee Benefit Plans report results on a calendar-year basis and issue separately audited financial statements that may be obtained by contacting Benefit Trust Administration at CPS Energy. The Employee Benefit Plans' financial statements include certain disclosures related to CPS Energy's Net OPEB liability (asset). However, because the financial reporting and OPEB measurement dates for the Employee Benefits Plans and CPS Energy are not aligned, the Employee Benefit Plans' disclosures will vary from information provided by CPS Energy in this footnote and in the accompanying RSI.

Benefits Provided — The Health Plan provides health, dental, and vision benefits to eligible retirees, including their enrolled dependents, and the spouse and dependent children of deceased employees. The Life Plan provides life insurance benefits and death benefits to eligible retired employees and enrolled dependents. The Disability Plan provides disability income benefits to employees as of an employee's date of hire; however, benefits under the Plan are reduced if the employee is receiving certain other disability, retirement, or welfare benefits.

The following table presents information about OPEB participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net OPEB liability (asset), as of the measurement dates, for the fiscal year-ended January 31, 2024, were:

	Health	Life	Disability
Number of:			
Active Members	2,759	2,759	2,809
Retirees and Beneficiaries	1,951	2,509	74
Total	4,710	5,268	2,883

Amounts not in thousands.

Note 11 Other Postemployment Benefits (Continued)

CPS Energy (Continued)

Contributions — The funding requirements for both the plan participants and the employer are established by and may be amended by CPS Energy. Funding is based on projected pay-as-you-go financing requirements, with an additional amount to prefund benefits as determined annually by CPS Energy. The current policy of CPS Energy is to use each actuarial valuation as the basis for determining monthly employer contributions to the plans during the fiscal year beginning 13 months after the valuation date. The January 1, 2022 valuation was the basis for contributions in fiscal year 2024.

Retired employees contribute to the Health Plan in varying amounts depending upon an equity formula that considers age and years of service. Individuals who retired before February 1, 1993, contribute a base rate plus 2.25% of the difference between that amount and the aggregate rate for each year that the sum of age and service is less than 95. Those who retired on or after February 1, 1993, contribute a base rate plus a percentage of the CPS Energy contribution, based on the number of years of service, if they retired with less than 35 years of service.

Based on the funded status of the Health Plan, CPS Energy made no contributions in fiscal year 2024.

The Medicare Prescription Drug Improvement and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D entitled the Health Plan to receive retiree drug subsidy payments from the federal government to offset pharmacy claims paid by the Health Plan on behalf of certain plan participants. These payments totaled $985 for fiscal year 2024. In accordance with GASB Technical Bulletin 2006-01, *Accounting and Financial Reporting by Employers for Payments from the Federal Government Pursuant to the Retiree Drug Subsidy Provisions of Medicare Part D,* future projected payments from the federal government have not been used to lessen total projected obligations under CPS Energy's Health Plan.

Active employees contribute to the Life Plan at a rate of $0.13 per $1 of insurance per month on amounts in excess of $20. Employees who retired prior to February 1, 1993, contribute to the Life Plan at a rate of $0.13 per $1 of insurance per month on amounts in excess of $20 plus 2.25% of the difference between that amount and the aggregate rate for retiree coverage for each year the sum of retirement age and service is less than 95. Those who retired on or after February 1, 1993, contribute $0.13 per $1 of insurance per month on amounts in excess of $20 plus a percentage of the CPS Energy contribution, based on number of years of service, if they retired with less than 35 years of service. CPS Energy's contributions in fiscal year 2024 were $925.

Beginning in fiscal year 2015, the Disability Plan has been funded by a combination of employee and employer contributions. Active employee contribution rates are determined by CPS Energy and may be adjusted on an annual basis. CPS Energy's contributions are determined on a discretionary basis and are generally based on the actuarial valuation calculations. Retired employees are not eligible to participate and therefore do not contribute to the Disability Plan. Prior to fiscal year 2015, the Disability Plan was funded completely by CPS Energy. CPS Energy's average contribution rate was 0.21% of covered-employee payroll in fiscal year 2024. CPS Energy's contributions in fiscal year 2024 were $559.

Note 11 Other Postemployment Benefits (Continued)

CPS Energy (Continued)

Actuarial Methods and Assumptions — Significant actuarial assumptions used in the calculations for the January 1, 2022, actuarial valuation for fiscal year 2024 included:

	Health	Life	Disability
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal
Amortization Method	Level percent; layered periods	Level dollar; layered periods	Level dollar; layered periods
Remaining Amortization Period	25 years	Three years	Three years
Asset Valuation Method	Fair value gains/losses recognized over five years	Fair value gains/losses recognized over five years	Fair value gains/losses recognized over five years
Inflation	2.30%, compounded annually	2.30%, compounded annually	2.30%, compounded annually
Salary Increase	3.30% to 11.58%	3.30% to 11.58%	3.30% to 11.58%
Investment Rate of Return	7.00% per year, compounded annually	7.00% per year, compounded annually	7.00% per year, compounded annually
Health and Prescription Cost Trend Rates	5.50% initial, decreasing to an ultimate rate of 3.70%.	N/A	N/A
Mortality	Based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with MP-2021, with employee rates before termination and healthy annuitant rates after termination.	Based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with MP-2021, with employee rates before termination and healthy annuitant rates after termination.	Healthy mortality based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with mortality improvement scale MP-2021 Disabled mortality based on Pri-2012 Private Retirement Plans Disabled Mortality Table (headcount weighted) projected with Mortality Improvement Scale MP-2020.

The actuarial assumptions used in the January 1, 2022 valuation for amounts reported in fiscal year 2024 were based on the results of an actuarial experience study completed in 2020 covering experience for the period January 1, 2017 through December 31, 2019.

Note 11 Other Postemployment Benefits (Continued)

CPS Energy (Continued)

The long-term expected rate of return on OPEB plan investments was determined based on a blend of historical performance data and future expectations for each major asset class, while also reflecting current capital market conditions, developed on a geometric basis. An economic simulation method was used in which best-estimate ranges of expected future rates of return (expected returns on Employee Benefit Plans investment expense) for each major asset class were combined using simulations that ensure the economic consistency of each individual trial, then reduced by a factor representing inflation to produce long-term expected real rate of return for each major asset class. The assumed allocation and expected real rate of return for each major asset class are summarized in the table below.

	Assumed Asset Allocation	Expected Real Rate of Return
Asset Class		
Equities	56.50%	4.90%
Debt Securities	26.50%	3.30%
Alternative Investments	17.00%	4.70%
Total Investments	100.00%	

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate — The discount rate used to measure the total OPEB liability for fiscal year 2024 was 7.00%. The projection of cash flows used to determine the discount rate assumed that CPS Energy contributions will be made in a manner consistent with the current contribution practices. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table present the sensitivity of the net OPEB liability (asset) calculation to a 1.00% increase and a 1.00% decrease in the discount rate used to measure the total OPEB liability:

	Net OPEB Liability (Asset)		
	1.00% Decrease 6.00%	Current Discount 7.00%	1.00% Increase 8.00%
Health	$ (20,702)	$ (46,648)	$ (69,021)
Life	12,165	4,787	(1,241)
Disability	670	459	262
Total	$ (7,867)	$ (41,402)	$ (70,000)

Note 11 Other Postemployment Benefits (Continued)

CPS Energy (Continued)

Sensitivity of the Net OPEB (Asset) Liability to Changes in the Health Care Trend Rates - The following table presents the sensitivity of net Health Plan OPEB asset calculation to a 1.00% increase and a 1.00% decrease in the healthcare cost trend rates used to measure the total Health Plan OPEB asset:

	1.00% Decrease (4.50% decreasing to 2.70%)	Current Discount (5.50% decreasing to 3.70%)	1.00% Increase (6.50% decreasing to 4.70%)
Net Health Plan OPEB (Asset)	$ (73,640)	$ (46,648)	$ (14,262)

Net OPEB (Asset) Liability — CPS Energy's net OPEB (Asset) Liability at January 31, 2024, was measured as of January 31, 2023. The total OPEB liability used to calculate the net OPEB (Asset) Liability was determined by actuarial valuations as of January 1, 2022, rolled forward using generally accepted actuarial procedures to the January 31, 2023 measurement date. At January 31, 2024, the net OPEB (Asset) Liability was ($41,402), and is reflected as part of the Other Noncurrent Assets on the Statement of Net Position.

Changes in Net OPEB (Asset) Liability

	Health	Life	Disability	Total
Total OPEB Liability				
Service Cost	$ 4,302	$ 586	$ 680	$ 5,568
Interest Cost	17,092	3,688	490	21,270
Differences Between Expected and Actual Experience	(29,153)	561	468	(28,124)
Changes of Assumptions	(970)	820	142	(8)
Benefit Payments	(18,104)	(4,204)	(1,049)	(23,357)
Net Change in Total OPEB Liability	$ (26,833)	$ 1,451	$ 731	$ (24,651)
Total OPEB Liability - Beginning	277,924	57,208	6,363	341,495
Total OPEB Liability - Ending	$ 251,091	$ 58,659	$ 7,094	$ 316,844
Plan Fiduciary Net Position				
Contributions - Employer	$ -	$ 925	$ 559	$ 1,484
Contributions - Employee		1,131	287	1,418
Medicare Part D Payment	985			985
Earnings on Plan Assets	(10,701)	(1,950)	(191)	(12,842)
Benefit Payments	(18,104)	(4,204)	(1,049)	(23,357)
Administrative Expense	(1,300)	(17)	(12)	(1,329)
Net Change in Plan Fiduciary Net Position	$ (29,120)	$ (4,115)	$ (406)	$ (33,641)
Plan Fiduciary Net Position - Beginning	326,859	57,987	7,041	391,887
Plan Fiduciary Net Position - Ending	$ 297,739	$ 53,872	$ 6,635	$ 358,246
Net OPEB (Asset) Liability	$ (46,648)	$ 4,787	$ 459	$ (41,402)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	118.58%	91.84%	93.53%	113.07%

CPS Energy recorded $2,391 in OPEB expense for the year-ended January 31, 2024.

Note 11 Other Postemployment Benefits (Continued)

CPS Energy (Continued)

Plan Fiduciary Net Position — Detailed information about the OPEB plans' fiduciary net position is available in the separately issued Employee Benefit Plans financial statements. For purposes of measuring the net OPEB (asset) liability, deferred outflows of resources and deferred inflows of resources related to OPEB, OPEB expense, information about the fiduciary net position for the Employee Benefit Plans, and additions to/deductions from the Employee Benefit Plans' fiduciary net position have been determined on the same basis as they are reported by the Employee Benefit Plans. Investments are stated at fair value. Benefit payments are recognized when due and payable in accordance with the terms of the Employee Benefit Plans.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB — The following table presents information about the OPEB-related deferred outflows of resources and deferred inflows of resources for CPS Energy at January 31, 2024:

	Health	Life	Disability	Total
Deferred Outflows of Resources				
Differences Between Projected and Actual Earnings on OPEB Assets	$ 9,084	$ 2,473	$ 262	$ 11,819
Differences Between Expected and Actual Experience in the Measurement of Total OPEB Liability	19,155	4,315	396	23,866
Changes of Assumptions	1,380	3,117	1,266	5,763
Contributions Subsequent to the Measurement Date			602	602
Total Deferred Outflows of Resources	$ 29,619	$ 9,905	$ 2,526	$ 42,050
Deferred Inflows of Resources				
Differences Between Projected and Actual Earnings on OPEB Assets	$ -	$ -	$ -	$ -
Differences Between Expected and Actual Experience in the Measurement of Total OPEB Liability	(38,480)	(216)	(960)	(39,656)
Changes in Assumptions	(6,552)	(65)	(2)	(6,619)
Total Deferred Inflows of Resources	$ (45,032)	$ (281)	$ (962)	$ (46,275)

$602 reported as deferred outflows of resources in the Disability Plan related to OPEB resulting from CPS Energy contributions subsequent to the measurement date, will be recognized as an adjustment of the net OPEB (asset) in the year-ending January 31, 2025.

Note 11 Other Postemployment Benefits (Continued)

CPS Energy (Continued)

The following table presents the future amortization of OPEB-related deferred outflows of resources and deferred inflows of resources, excluding the balance attributable to the employer's contribution to the Employee Benefit Plans in the current fiscal year and subsequent to the net OPEB (asset) liability measurement date. The deferred outflows of resources balance for such contribution amounts at the end of a fiscal period are recognized fully as adjustments to the net OPEB (asset) liability in the subsequent fiscal year.

Year-ended January 31,	Health	Life	Disability	Total
2025	$ (6,655)	$ 1,902	$ 122	$ (4,631)
2026	(5,789)	2,433	192	(3,164)
2027	(3,051)	2,455	281	(315)
2028	4,286	2,385	296	6,967
2029	(1,886)	342	24	(1,520)
Thereafter	(2,318)	107	47	(2,164)
Total	$ (15,413)	$ 9,624	$ 962	$ (4,827)

San Antonio Water System (SAWS)

SAWS provides certain healthcare and life insurance benefits for eligible retirees, their spouses, and their dependents through San Antonio Water System Retiree Health Trust (SAWS' OPEB Plan), a single-employer defined benefit plan administered by SAWS. The authority to establish and amend the OPEB provisions is vested in the SAWS Board of Trustees.

SAWS does not issue a separate financial report for its OPEB plan.

By State law, any employee that retires under either the TMRS or SAWS retirement plans is eligible, at the time of retirement, to obtain health insurance benefits similar to those offered to active SAWS employees. Retirees may also purchase coverage for their spouse and qualifying dependents at group rates partially subsidized by SAWS. Any plan participant eligible for Medicare is required to enroll in a Medicare Advantage Plan. No supplemental health benefits are provided to those participants enrolled in Medicare Advantage Plans. Employees hired after December 31, 2013 will not be eligible for any subsidized medical benefits upon retirement from SAWS.

The following table presents information about OPEB participants covered by the benefit terms. Participants providing the basis of the actuarial valuations used to calculate the net OPEB liability (asset), as of the measurement date, for the fiscal year-ended December 31, 2023, were:

Number of:	
Active Members	821
Retirees and Beneficiaries	789
Total	1,610

Amounts not in thousands.

Note 11 Other Postemployment Benefits (Continued)

San Antonio Water System (SAWS) (Continued)

Contributions — The contribution requirements of plan participants are established and may be amended by the SAWS Board. Contributions made by retirees for health insurance benefits vary based on retirement date, years of service, and the health care options selected. Plan participants made contributions toward plan benefits totaling $1,050 for year-ended December 31, 2023.

SAWS contributions to the plan are also established by the SAWS Board. Prior to 2012, SAWS only funded the shortfall between annual benefit payments and retiree contributions (current benefit payments). In March 2012, SAWS established an OPEB Trust for the exclusive purpose of prefunding future benefit payments for eligible retirees and their dependents. In addition to making contributions to the trust, SAWS has continued to fund current benefit payments outside of the trust. Going forward, SAWS intends to fund current benefit payments from the trust assets. Future contributions to the trust will be based on the actuarially determined annual required contributions for these benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between SAWS and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Actuarial Methods and Assumptions — Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

The following table summarizes the actuarial methods and assumptions used in the most recent actuarial valuation for SAWS' OPEB plan.

Actuarial Cost Method	Entry Age Normal
Actuarial Value of Assets	Fair Value
Remaining Amortization Period	11 Years - Closed
Inflation Rate	2.50%
Salary Increases	3.75% to 9.00%, varies by age
Investment Rate of Return	6.25%
Healthcare Cost Trend:	
Initial	6.80%
Ultimate	4.14%
Mortality	In 2023, the mortality rate was based on Pub-2010 General base rate mortality table projected to future years with historical and assumed mortality improvement rates that were issued by the SOA. PubG-2010 is the baseline mortality rate table underlying the SOA Pub-2010 experience study published in January 2019. The mortality improvement scale is based on MP-2021 published in October 2021.

Note 11 Other Postemployment Benefits (Continued)

San Antonio Water System (SAWS) (Continued)

Sensitivity of the Net OPEB (Asset) to Changes in the Discount Rate – The discount rate used to measure the total OPEB liability at December 31, 2023 was 6.25%. The projection of cash flows used to determine the discount rate assumed that contributions will be made equal to the actuarially determined contributions. Based on those assumptions, the defined benefit component's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the defined benefit component's investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The following table presents the SAWS' OPEB Plan net OPEB (asset) calculated at December 31, 2023 using the discount rate of 6.25%, as well as what the net OPEB (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.25%) or one percentage point higher (7.25%) than the current rate.

	1.00% Decrease 5.25%	Current Discount 6.25%	1.00% Increase 7.25%
Net OPEB (Asset)	$ (37,061)	$ (44,399)	$ (50,511)

Sensitivity of the Net OPEB (Asset) to Changes in the Health Care Trend Rates – The following table presents the change in the SAWS' OPEB net (asset) calculated at December 31, 2023 assuming healthcare cost trends decrease or increase by one percentage point from the assumptions used in total OPEB liability.

	1.00% Decrease (5.80% decreasing to 3.14%)	Assumed Rates (6.80% decreasing to 4.14%)	1.00% Increase (7.80% decreasing to 5.14%)
Net OPEB (Asset)	$ (46,010)	$ (44,399)	$ (42,618)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table. The long-term expected rate of return amounts does not include inflation.

Asset Class	Target Allocation	Long-term expected real rate of return
Fixed Income - Core Bond	37.00%	1.42%
Domestic Equity - Large Cap	30.40%	6.54%
Foreign Equity - Developed International	11.30%	5.93%
Domestic Equity - Small Cap	6.40%	8.06%
Domestic Equity - Mid Cap	6.30%	7.36%
Foreign Equity - Emerging Markets	3.10%	8.28%
Fixed Income - High Yield	3.00%	4.14%
Real Estate	2.50%	6.14%
Total	100.00%	

Note 11 Other Postemployment Benefits (Continued)

San Antonio Water System (SAWS) (Continued)

The following table summarizes the change in net OPEB (asset) at December 31, 2023.

Changes in the Net OPEB (Asset)	
Total OPEB Liability	
Service Cost	$ 1,170
Interest Cost	5,099
Difference Between Expected and Actual Experience	(14,196)
Changes of Assumptions	(7,173)
Benefit Payments	(4,200)
Net change in Total OPEB Liability	$ (19,300)
Total OPEB Liability - Beginning	82,481
Total OPEB Liability - Ending	$ 63,181
Plan Fiduciary Net Position	
Contributions - Employer	$ 9,300
Contributions - Employee	
Net Investment Income (Loss)	(18,870)
Benefit Payments	(4,200)
Administrative Expense	(170)
Net change in Plan Fiduciary Net Position	$ (13,940)
Plan Fiduciary Net Position - Beginning	121,520
Plan Fiduciary Net Position - Ending	$ 107,580
Net OPEB (Asset)	$ (44,399)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	170.27%

SAWS recognized ($12,591) in OPEB expense for the fiscal year-ended December 31, 2023 based on a measurement date of December 31, 2022.

Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – The following table summarizes Deferred Outflows of Resources and Deferred Inflows of Resources associated with the SAWS' OPEB plan at December 31, 2023 from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources
Difference in Expected and Actual Experience	$ -	$ (20,840)
Changes of Assumptions	836	(7,927)
Net Difference in Projected and Actual Earnings on OPEB Plan Investments	12,823	
Contributions Subsequent to the Measurement Date	5,160	
Total	$ 18,819	$ (28,767)

Note 11 Other Postemployment Benefits (Continued)

San Antonio Water System (SAWS) (Continued)

$5,160 is reported as deferred outflows of resources related to OPEB resulting from SAWS contributions subsequent to the measurement date, will be recognized as a reduction of the net OPEB (asset) in the year-ending December 31, 2024.

Other amounts reported as deferred outflows and inflows of resources will be recognized in OPEB expense as follows:

Year-Ended December 31,	Net Deferred Outflows (Inflows) of Resources
2024	$ (12,725)
2025	(6,570)
2026	(1,136)
2027	5,323
Total	$ (15,108)

Contact Information — Additional information regarding SAWS separately issued stand-alone financial report, contact the San Antonio Water System, at P.O. Box 2449, San Antonio, Texas, 78298-2449. SAWS ACFR is available for viewing at www.saws.org.

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Note 12 CPS Energy South Texas Project (STP)

Joint Operations

Units 1 and 2 – CPS Energy is one of three participants in STP, a two-unit nuclear power plant located in Matagorda County, Texas approximately ten miles from the Texas Gulf Coast. The units have a combined nominal output of 2,700 Megawatts (MW). CPS Energy's ownership share (40.0%) in STP Units 1 and 2 represents approximately 1,080 MW of total plant capacity. In addition, STP is owned by Constellation South Texas, LLC (Constellation) (44.0%) and the City of Austin, Texas (16.0%). In November 2023, Constellation acquired NRG South Texas LP's 44.0% ownership stake in STP. The ownership transfer was approved on October 30, 2023, by the NRC, which was the final regulatory approval needed before closing the acquisition. As a result, Constellation became one of the three owner-investors in STP.

The units, along with their support facilities and administrative offices, are located on a 12,220-acre site adjacent to the Lower Colorado River in Matagorda County. In-service dates for STP were August 1988 for Unit 1 and June 1989 for Unit 2.

Effective November 17, 1997, the Participation Agreement among the owners of STP was amended and restated. At that time, South Texas Nuclear Operating Company (STPNOC), a Texas nonprofit, nonmember corporation created by the owners, assumed responsibility as the licensed operator of STP. The participants share costs in proportion to ownership interests, including all liabilities and expenses of STPNOC. STPNOC is financed and controlled by the owners pursuant to an operating agreement among the owners and STPNOC. Currently, a four-member board of directors governs STPNOC, with each owner appointing one member to serve with STPNOC's chief executive officer. No changes in the Participation Agreement resulted from Constellation's acquisition of NRG South Texas LP's STP ownership transfer and STPNOC continues to operate the plant.

In September 2017, the Nuclear Regulatory Commission (NRC) approved STPNOC's license renewal applications for STP Units 1 and 2, which extends the operating licenses to 2047 and 2048, respectively.

Under the Nuclear Waste Policy Act (NWPA), the Department of Energy (DOE) has an obligation to provide for the permanent disposal of high-level radioactive waste, which includes used nuclear fuel at U.S. commercial nuclear power plants such as STP. To fund that obligation, all owners or operators of commercial nuclear power plants entered into a standard contract under which the owners paid a fee to the DOE based on the amount of electricity generated and sold from the power plant, along with additional assessments. In exchange for collecting this fee and the assessments, the DOE undertook the obligation to develop a high-level waste repository for safe, long-term storage of the fuel and, no later than January 31, 1998, to transport and dispose of the used fuel. The National Association of Regulatory Utility Commissioners (NARUC) challenged further collection of this fee; and on November 19, 2013, the Court ruled in favor of NARUC and ordered the DOE to submit to the U.S. Congress a proposal to reduce the fee to zero until certain conditions are met. While the reporting to the DOE of used nuclear fuel volumes will continue, effective May 16, 2014, the rate was reduced to zero.

Multiple cases have been filed in the U.S. Court of Federal Claims by the existing owners or operators of nuclear facilities against the DOE related to its failure to meet its obligations under the NWPA. The owners/operators were seeking damages related to ongoing used nuclear fuel storage costs incurred because the DOE did not meet its obligation. On August 31, 2000, in *Maine Yankee Atomic Power Company, et al. v. United States*, the U.S. Court of Appeals for the Federal Circuit affirmed that the DOE had breached its obligations to commercial nuclear power plant owners for failing to live up to its obligations to dispose of used nuclear fuel. STPNOC, on behalf of the owners of STP, and other utilities have reached settlement agreements with the DOE. In March 2023, the DOE extended its commitment to reimburse STP for allowable spent fuel management expenditures through December 31, 2025.

Note 12 CPS Energy South Texas Project (STP) (Continued)

Joint Operations (Continued)

Pursuant to STPNOC's analysis of NRC guidance, the first dry cask storage campaign was completed in calendar year 2019, with 12 dry casks stored at the Independent Spent Fuel Storage Installation. STP reported the Dry Cask Storage loading campaign was completed on July 15, 2022. The 2022 Dry Cask Storage campaign included the loading of four casks for Unit 1 and six casks for Unit 2. The next loading campaign is scheduled for 2025 and the plan is to load eight casks for Unit 1 and six for Unit 2.

Ongoing costs for the spent fuel management project are funded by the STP owners as expenditures are incurred. CPS Energy is entitled to request reimbursements at its discretion from its Decommissioning Trusts for CPS Energy's portion of allowable costs. Annually, STPNOC submits claims to the DOE for the reimbursement of allowable costs for spent fuel management. Allowable costs are returned to the owners by STP upon receipt of funds from the DOE. Qualifying spent fuel management costs not reimbursable by the DOE are funded by the Trusts. Any costs not reimbursable by the DOE or the Trusts are recorded as an STP operating and maintenance expense or capital costs.

Nuclear Insurance

STP maintains required insurance coverage pursuant to the Price-Anderson Act, providing limitations on liability and governmental indemnities with respect to nuclear incidents. Pursuant to the Price-Anderson Act, the maximum amount that each licensee may be assessed as secondary financial protection following a nuclear incident at any insured facility is $166,000 taking into account a 5.0% adjustment for administrative fees and subject to adjustment for inflation every five years, with the next adjustment expected to be effective no later than November 1, 2028, for the number of operating nuclear units and for each licensed reactor, payable at $25,000 per year per reactor for each nuclear incident. CPS Energy and each of the other participants of STP are subject to such assessments, which will be borne on the basis of their respective ownership interests. For purposes of these assessments, STP currently has two licensed reactors. The participants have purchased the maximum limits of nuclear liability insurance, as required by law, and have executed indemnification agreements with the NRC in accordance with the financial protection requirements of the Price-Anderson Act. A Nuclear Liability policy, with a maximum limit of $500,000 for each nuclear facility, provides primary protection from nuclear-related liability claims. A Master Worker Certificate policy, with a maximum limit of $500,000 for the nuclear industry, provides protection from radiation tort liability claims of workers at nuclear facilities.

NRC regulations require licensees of nuclear power plants to obtain on-site property damage nuclear accident stabilization and decontamination insurance in a minimum amount of approximately $1,100,000. NRC regulations also require that the proceeds from this insurance be used first to ensure that the licensed reactor is in a safe and stable condition so as to prevent any significant risk to the public health or safety, and then to complete any decontamination operations that may be ordered by the NRC. Any funds remaining would then be available for covering direct losses to property.

The owners of STP Units 1 and 2 currently maintain nuclear property insurance at or above the regulatory required amount. CPS Energy also maintains accidental outage insurance through STP's Nuclear Elective Insurance Limited (NEIL) membership that provides weekly indemnity payments for an insured property loss subject to an applied deductible period. The nuclear property and/or accidental insurance may be subject to a retrospective assessment being paid by members of NEIL and European Mutual Association for Nuclear Insurance (EMANI). A retrospective assessment could occur if losses, as a result of an accident at any nuclear plant insured by NEIL or EMANI, exceed the desired funds of NEIL and/or EMANI.

Note 12 CPS Energy South Texas Project (STP) (Continued)

Nuclear Decommissioning

In 1991, CPS Energy started accumulating funds for the decommissioning of its 28% ownership in STP Units 1 and 2 in an external trust in accordance with the NRC regulations. The 28% Decommissioning Trust's assets and related liabilities are included in CPS Energy's financial statements as a component unit. Excess or deficient funds related to the 28% Trust will be distributed to or received from CPS Energy's ratepayers after decommissioning is complete.

In conjunction with the acquisition of the additional 12.0% interest in STP Units 1 and 2 in May 2005, CPS Energy also assumed control of a relative portion of the Decommissioning Trust previously established by the prior owner, American Electric Power (AEP). The 12% Decommissioning Trust's assets and related liabilities are also included in CPS Energy's financial statements as a component unit. Subject to Public Utility Commission of Texas (PUCT) approval as may be requested in the future, excess or deficient funds related to the 12% Trust will be distributed to or received from AEP's ratepayers after decommissioning is complete.

CPS Energy, together with the other owners of STP Units 1 and 2, files a certificate of financial assurance with the NRC for the decommissioning of the nuclear power plant every two years. The certificate assures that CPS Energy and the other owners meet the minimum decommissioning funding requirements mandated by the NRC. The owners agreed in the financial assurance plan that their estimate of decommissioning costs would be reviewed and updated periodically.

In fiscal year 2009, CPS Energy determined that some pre-shutdown decommissioning and spent fuel management activities would be required prior to shutdown of STP Units 1 and 2. As a result, separate trust accounts were created to pay for pre-shutdown decommissioning activities. Additionally, funds in the Trusts applicable to spent fuel management were transferred to separate spent fuel management accounts so that they were not commingled with funds allocable to pre-shutdown or post shutdown decommissioning costs. Based on projected costs, the spent fuel management accounts are currently fully funded; therefore, no contributions were made to these accounts in fiscal year 2024. In fiscal year 2024, no contributions were made to fund pre-shutdown decommissioning costs for CPS Energy's 28.0% ownership in STP. No pre-shutdown decommissioning expenses were incurred for the 28.0% ownership in calendar year 2023. For the 12% Trust, pre-shutdown costs were funded by AEP's ratepayers. The 12% Trust incurred no pre-shutdown decommissioning expenses in calendar year 2023.

The most recent cost study, which was finalized in May 2023, estimated decommissioning costs for the 28.0% ownership and 12.0% ownership in STP Units 1 and 2 at $725,871 and $311,088, in 2023 dollars. Included in the cost study was a 10.0% contingency component as required to comply with the PUCT. Based on the level of funds accumulated in the 28% Trust and an analysis of this cost study, CPS Energy determined that no further decommissioning contributions would be required to be deposited into the Trust.

As of December 31, 2023, CPS Energy had accumulated $520,549 in the 28% Trust. Total funds are allocated to decommissioning costs, pre-shutdown decommissioning costs, spent fuel management and site restoration. Based on the most recent annual calculation of financial assurance required by the NRC as of December 31, 2022, the 28% Trust funds allocated to decommissioning costs totaled $302,498 which exceeded the calculated financial assurance amount of $126,926. Financial assurance is performed every two calendar years.

Note 12 CPS Energy South Texas Project (STP) (Continued)

Nuclear Decommissioning (Continued)

As of December 31, 2023, $191,340 had been accumulated in the 12% Trust. Total funds are allocated to decommissioning costs, pre-shutdown decommissioning costs, spent fuel management and site restoration. Based on the most recent annual calculation of financial assurance required by the NRC as of December 31, 2022, the 12% Trust funds allocated to decommissioning costs totaled $120,385, which exceeded the calculated financial assurance amount of $54,397. Financial assurance is performed every two calendar years.

CPS Energy accounts for decommissioning in accordance with GASB Statement No. 83 by recognizing its pro rata share of an ARO based on the best estimate of the current values of outlays expected to be incurred, determined by the most recent cost study. A new cost study is performed every five years. The most recent study was finalized in May 2023 and estimates costs in 2023 dollars. In years subsequent to the latest study, GASB Statement No. 83 requires the current value of CPS Energy's ARO be adjusted for the effects of inflation or deflation, at least annually. In addition to the ARO, CPS Energy has recorded a deferred outflow of resources that is being amortized over the remaining useful life of the plant.

Both Decommissioning Trusts also have separate calendar year financial statements, which are separately audited and can be obtained by contacting the Controller at CPS Energy.

STP Pension Plans and Other Post-Retirement Benefits

STPNOC maintains several pension and other post-retirement benefit plans covering most employees, including a noncontributory defined-benefit pension plan, defined-benefit post-retirement plan, supplementary nonqualified unfunded pension plan, supplemental retirement plan, deferred compensation program, and a contributory savings plan. The owners of STPNOC, including CPS Energy, although not sponsors to the STPNOC plans, share in all plan costs in the same proportion as their respective ownership percentages.

The noncontributory defined-benefit pension plan covers certain employees. Effective January 1, 2007, STPNOC approved a change to the pension plan to preclude the eligibility of employees hired after December 31, 2006, in the plan. Employees hired after this date receive enhanced matching contributions under the STP Nuclear Operating Company Savings Plan.

On June 4, 2019, STP's Board of Directors approved freezing the Retirement Plan for non-bargaining participants, effective December 31, 2021.

STPNOC also maintains a defined-benefit post-retirement plan that provides post-retirement health and welfare benefits. As of May 1, 2014, certain STPNOC employees voted to transition STPNOC's medical plan to a Taft-Hartley multi-employer health and welfare plan. During calendar year 2018, there were additional plan design changes related to the STPNOC post-retirement health and welfare benefits resulting in additional employees transitioning to the Taft-Hartley multi-employer plan, therefore, reducing STPNOC's OPEB liability as of December 31, 2019. STPNOC pays monthly premiums for the benefits, to be partially funded by participating employees.

Note 12 CPS Energy South Texas Project (STP) (Continued)

STP Pension Plans and Other Post-Retirement Benefits (Continued)

Employees whose eligible compensation exceeds the limitations established under the 1974 Employee Retirement Income Security Act, $330 for calendar year 2023, are covered by a supplementary nonqualified, unfunded pension plan, which is provided for by charges to operations sufficient to meet the projected benefit obligations. The accruals for the costs of that plan are based on substantially the same actuarial methods and economics as the noncontributory defined-benefit pension plan.

An unfunded supplemental retirement plan and other unfunded deferred compensation programs are maintained by STPNOC for certain key individuals.

The effect to CPS Energy of funding obligations related to the defined-benefit plans sponsored by STPNOC was reflected as a decrease of $7,287 for fiscal year 2024 and was reflected as an Adjustment for STP Pension Cost on the Statement of Activities.

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Note 13 Commitments and Contingencies

Primary Government (City)

Grants

The City has received significant financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, liabilities resulting from disallowed claims, if any, will not have a materially adverse effect on the City's financial position at September 30, 2024. Grant and local funding received from federal, state, and other governmental agencies but not yet earned as of September 30, 2024 was $7,978, of which $1,025 is reported in the COVID-19 Funds and $3,286 is reported in the Categorical Grant-in Aid Fund.

Capital Improvement Program

The City will be undertaking various capital improvements during fiscal year 2025. The estimated cost of these improvements is $860,243; of this amount $193,953 will be funded from the 2022 General Obligation Bond Program, and $291,940 from Airport Funding. The 2025 Capital Improvements Program consists of the following:

Function/Program	2025
General Government	
Information Technology	$ 26,400
Municipal Facilities	109,228
Other Facilities	2,877
Total General Government	$ 138,505
Public Health & Safety	
Drainage	$ 31,709
Fire Protection	6,896
Law Enforcement	16,066
Total Public Health & Safety	$ 54,671
Recreation & Culture	
Libraries	$ 12,490
Parks	96,337
Total Recreation & Culture	$ 108,827
Transportation	
Air Transportation	$ 291,940
Street	226,454
Total Transportation	$ 518,394
Neighborhood Improvements	$ 39,846
Total Capital Plan	$ 860,243

These projects are scheduled to be funded with a combination of grants, bonds, certificates, notes, and other designated City resources.

Note 13 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Litigation

The City is a party to various claims and lawsuits alleging personal and property damages, wrongful death, breach of contract, environmental matters, compliance claims, civil rights violations, and employment matters. The estimated liability, including an estimate of incurred but not reported claims, is recorded in the Self-Insurance Program's - Insurance Reserve Fund in the amount of $40,644. The City estimates the amounts of unsettled claims under its self-insurance program and believes that the self-insurance reserves recorded as appropriations in the Self-Insurance Program's - Insurance Reserve Fund are adequate to cover losses for which the City may be liable. Whether additional claims or revisions to estimates required for settlement on existing claims could have a material effect on the basic financial statements cannot be determined.

Rogelio Carlos III, et al. v. Carlos Chavez, et al. SAPD SWAT officers were assisting High-Intensity Drug Trafficking Areas (HIDTA) in searching for a fleeing suspect. Plaintiff was misidentified by the HIDTA officer as being the suspect. The HIDTA officer engaged and attempted to physically apprehend Plaintiff and was assisted by SAPD SWAT officers. Plaintiff suffered minor injuries as a result of the arrest, although he later complained of neck and shoulder/arm pain. Several months after the incident, Plaintiff underwent surgery. The plaintiff was left paralyzed by the surgical procedure. Plaintiff has filed suit against the City and various officers under 42 U.S.C. § 1983. Discovery is completed. Motions for summary judgment were filed on behalf of the City and all officers. In April 2020, the Court entered its order dismissing all claims against the City and two officers. The judge entered an order bifurcating trial of liability from trial of damages. The liability case was tried in April 2024, with a finding against two of the officers but dismissal of the third. The damages case was tried in October 2024, with a final judgement totaling $7,050. A determination of attorney's fees has not yet been made. It is anticipated that both verdicts will be appealed. The City has informed the officers and the plaintiffs that it cannot indemnify the officers in this matter. In January 2025, a final judgement was signed by the U.S. District Court Judge, awarding $2,490 in interest, raising the total verdict to $9,540. In February, Plaintiff filed a motion for attorneys' fees as well as a motion to reform the judgment to allow for an additional $5,000 for life care. Defendants filed motions for new trial and for remittitur. All motions are currently pending.

Patricia Slack, et al. v. City of San Antonio and Steve Casanova. SAPD officers responded to persons complaining they had been assaulted in front of a nearby residence. The officers went to the address provided by the victims and approached the front door, which was behind a security door made of metal bars. The officers knocked, and the door swung open to the living room, although the security door remained closed. At least three individuals were present in the living room. One individual stood and approached the door while reaching his hand into his waistband. Officer Casanova discharged his weapon. A bullet fired by Officer Casanova grazed one individual and fatally struck a second individual. A suit was brought on behalf of the estate of the deceased, the injured individual, and another individual on the scene. Plaintiffs have filed suit under 42 U.S.C. § 1983 alleging use of excessive, deadly force. Discovery is completed. Summary judgment motions were filed on behalf of the City and the officer. The Court granted the City's motion in part and denied it in part. It denied the officer's motion. The officer appealed the denial of its motion to the Fifth Circuit, which upheld the Court's ruling. It is anticipated that this matter will be set for trial in the Spring of 2025.

Maria Monsibais v. City of San Antonio. Plaintiff alleges she was involved in a hit and run with a City vehicle. She claims to have followed the vehicle and photographed it. The City had no record of any vehicle involved in an accident on the date in question. Recently, facts have developed which indicate a City driver may have been involved. Plaintiff alleges back and neck injuries with a future medical procedure recommendation. This matter is set for trial on July 21, 2025.

Note 13 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Litigation (Continued)

Associated Builders & Contractors of South Texas, Inc., et al. v City of San Antonio, et al. In 2018, the City was served with a petition to enact a paid sick leave ordinance or to place the initiative on the ballot for election. On August 16, 2018, the City enacted Ordinance No. 2018-08-16-0620 mandating that all private employers provide employees paid sick leave. This suit was filed by various business organizations alleging that the ordinance violated the Texas Minimum Wage Act. Plaintiffs sought a temporary injunction and declaratory judgment. A temporary injunction was granted. While this matter was on appeal, the Texas Supreme Court issued an opinion in an Austin case concerning a similar ordinance, finding the ordinance was preempted. Plaintiffs in this case are seeking attorneys' fees in an amount in excess of $250 which is still pending. This matter is not currently set for trial.

Anja Contreras, individually and as Representative and Beneficiary to the Estate of Asante Contreras, Deceased v. Mazda Motor Corporation, Mazda Motor of America, Inc., City of San Antonio, Joseph W. Woolard, and Stephen Palade. On May 3, 2020, Defendant Joseph Woolard was wanted on four felony warrants for firing a shotgun at a Bexar County Sheriff's Office deputy. When police officers attempted to contact him at a gas station, he fled for 40 minutes before going the wrong way on IH 35, striking a vehicle, and causing the death of Asante Contreras. Plaintiff filed suit in state court alleging violations of 42 U.S.C. § 1983, the Texas Tort Claims Act and general negligence. Plaintiff has also asserted claims against Mazda Motor Corp. alleging negligence for the design and safety flaws of the Mazda 3 decedent was driving. Discovery is ongoing. The City filed a plea to the jurisdiction, which was granted on November 2, 2024. Plaintiff filed a notice of appeal with the Fourth Court of Appeals, challenging the grant of the plea to the jurisdiction to the City. The briefing schedule has not yet been established.

Crystal Bass v. City of San Antonio. On May 4, 2018 Plaintiff was driving on Roosevelt Avenue when she claims a Parks and Recreation vehicle failed to yield right of way and collided with her vehicle. Plaintiff suffered significant bodily injuries to her neck and back. This case was settled for $45 on February 18, 2025.

Texas Disposal System v. City of San Antonio. Texas Disposal System (TDS) holds a contract with the City to operate the City's waste transfer station on Starcrest Road. TDS alleges the rates allowed under the contract, even with Consumer Price Index adjustments, does not properly compensate them and sought to change the terms of the contract, which the City denied. TDS brought suit against the City in late 2022 claiming the City breached the terms of the contract and seeks damages in excess of $250. This case is set for trial September 15, 2025.

Maria Tijerina, et. al. v City of San Antonio, et. al. SAPD received a call that a woman and her children were being held at gunpoint in their apartment by her boyfriend. SWAT was dispatched to the scene. The boyfriend exited the apartment and while standing on the landing, raised his weapon. SWAT officers discharged their weapons, killing the boyfriend. A single bullet went through the apartment door, ricocheted off an air conditioning vent and struck the woman, killing her. Suit has been filed on behalf of the woman and her children in Federal District Court. Discovery is completed and Motions for Summary Judgment are pending. This matter is not currently set for trial.

Yasmin Voglewede, et. al. v City of San Antonio. Plaintiffs are all individuals with disabilities who have sued alleging that the City's emergency response plan is inadequate. Specifically, they allege lack of emergency planning, preparation, training, and implementation of emergency measures for persons with disabilities, created life-threatening situations during the winter storm of February 13 - 17, 2021. The parties agreed to abate the matter while the City amends its emergency response plan. The parties are meeting quarterly to review revisions.

Note 13 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Litigation (Continued)

Alexis Tovar, et. al. v City of San Antonio, et. al. On June 23, 2023, officers responded to an apartment complex for a call that a woman cut a fire alarm wire. When confronted by the officers, the woman ran to her apartment. Three officers climbed over the railing on her patio and saw her inside the apartment. The woman made a movement toward the patio window and the officers opened fire, killing her. Plaintiffs filed suit in Federal District Court against the City and the officers, alleging use of excessive force. The City is not providing representation or indemnification for the officers. A motion to dismiss was filed on behalf of the officers. The Court granted the motion to dismiss but granted Plaintiffs an opportunity to amend their pleading. Plaintiffs have amended their pleading and motions to dismiss based on that pleading have been filed for the City and the officers. Discovery is currently stayed. This matter has not been set for trial.

Mission Road Developmental Center v Cal-Tex Interiors, et. al. Mission Road, a non-profit agency, filed suit against the City and eleven other developers/property owners alleging development in the area of their facility has diverted the natural flow of water, causing flooding and damage on their property. With respect to the City, they allege that the City's construction activities in the area constitute inverse condemnation of their property. Discovery is ongoing. This matter is set for trial on February 2, 2026.

Maria Vitela, et.al. v City of San Antonio, et. al. On September 18, 2022, SAPD officers were flagged down to find a suspect wanted on felony warrants. Family members provided a description of the individual. Alejandro Vitela was seen riding his bicycle in the area, against traffic, and matched the description. When stopped, he was not cooperative, said he had a gun and would shoot the officers and then made movements that appeared that he was pulling a weapon. Officers drew their weapon and fatally shot Mr. Vitela. Subsequently, it was determined that he did not have a weapon. A suit has been filed on behalf of Mr. Vitela's estate against the City and one officer. Discovery is on-going. No trial date has been set.

Lynda Espinoza, et al. v. City of San Antonio, et al. On June 3, 2022, officers received a call for a vehicle stolen at gun point. Officers located the vehicle and attempted to make a stop. One officer blocked the stolen vehicle with his patrol car and began exiting his car, when the stolen vehicle began to drive straight at him. A second officer on the scene discharged his weapon at the driver, killing him. It was later discovered that the driver was a 13-year-old male. The decedent's family filed suit against the City and the officer in federal court. Discovery is ongoing and no trial date has been set.

Juana Morales v City of San Antonio. On August 21, 2020, Plaintiff, Juana Morales, stopped at an intersection and then began to turn left. A SAPD officer driving on the cross street struck Plaintiff's car on the front driver's side. Plaintiff alleges she suffered significant personal injuries. The officer countersued for injuries she incurred. This case is set for trial on September 22, 2025.

Santander Consumer USA v City of San Antonio, et. al. Plaintiff, an auto loan company, filed suit against the City and its contractor managing the City's impound lot. Plaintiff claims that the City's ordinance regarding sending notice on towed vehicles is unconstitutional and deprives them of their due process rights to recover vehicles before they are sold at auction. Plaintiff claims there have been damages in an amount in excess of $250. Motions to dismiss were pending. Plaintiff filed a new petition and the court has consolidated the cases, reopening discovery which is on-going. This case is not set for trial.

Note 13 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Litigation (Continued)

Bravo Excavation and Construction, LLC v. Austin Bridge & Road, LP and City of San Antonio. This lawsuit concerns a storm water construction project. Austin Bridge & Road is the general contractor for the City's project; Bravo Excavation and Construction, LLC is a subcontractor hired by Austin Bridge & Road for trenching. After trenching issues occurred, Austin Bridge alleged that the soil was different than as described in the documents; the City believes Bravo lacked experience in trenching. Austin Bridge terminated Bravo for OSHA violations and site safety concerns. Bravo sued Austin Bridge and the City, alleging a $1,500 breach of contract. Austin Bridge countersued Bravo and crossclaimed the City for breach of contract. Bravo added a third-party defendant, United Rentals, claiming the water bypass for trenching malfunctioned. Discovery is ongoing. This case is reset to December 1, 2025.

Erik Cantu, et al. v. City of San Antonio, et al. On October 20, 2022, SAPD Officer James Brennand was dispatched to a McDonald's for a disturbance. On his arrival, the disturbance had abated, but while in the parking lot, he observed a vehicle that had fled from him the night before. Officer Brennand called for backup, but approached the vehicle before it arrived. He opened the door, startling the driver, Eric Cantu. Cantu immediately put the vehicle in reverse, causing the car door to strike the officer. Officer Brennand drew his weapon and shot at the vehicle as it drove away. Mr. Cantu was struck several times and was unable to continue driving within a block. Mr. Cantu was hospitalized for multiple gunshot wounds. Officer Brennand was terminated for failure to follow SAPD policies and procedures and was criminally indicted. The City will not be providing a defense for former officer Brennand. Answers have been filed on behalf of all parties. This case is not set for trial.

Dreyshla Limady Cadena Perez as wrongful death Beneficiary and heir of Jesus Ervey Pacheco Ceniceros, deceased v. Victoria Ocejo and City of San Antonio through the San Antonio Police Department. On July 26, 2024, decedent was driving a motorcycle when he was fatally struck by an SAPD patrol vehicle. Plaintiff contends that the officer entered the intersection on a red light, against a traffic signal without activating lights or sirens. This case was recently served. An answer has been filed. No trial date has been set.

Ben Gonzalez and Ida Gonzalez v. The City of San Antonio; William McManus Individually and as Chief of the San Antonio Police Department; Detective Brian Belcher #2475 Individually. Police responded to a domestic violence call involving Plaintiff's son and his ex-girlfriend. When police arrived, the decedent appeared to be holding a weapon on his ex. Officer Belcher discharged his weapon, killing decedent. Plaintiffs allege that their son was not violent and the shooting was excessive force, in violation of Section § 1983. Suit has been recently filed and answers filed on behalf of the City and the officers. No trial date has been set.

Juanita Najera, individually and on behalf of the Estate of Ramon Najera, Jr., Raymond A. Najera, Sylvia Martinez, Richard G. Najera v. The City of San Antonio, Andy Segovia. Plaintiff's decedent was attacked by dangerous dogs, resulting in his death. The owners plead guilty to criminal charges of attack by dog resulting in death. Plaintiff has filed suit in Federal Court against the City and the City Attorney alleging that the City failed to take possession of the dogs despite allegedly knowing of their dangerous nature. This suit has recently been filed. Motions to dismiss on behalf of the Defendants are pending. This matter is not set for trial.

Note 13 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Litigation (Continued)

Southwest Airlines v. City of San Antonio. Southwest Airlines filed suit against the City attempting to stop the execution of an Airline Lease and Use Agreement which set forth rental terms at the San Antonio International Airport and designated gate assignments for a new terminal scheduled for completion in 2028. Southwest contends that the City used arbitrary and capricious factors in deciding gating assignments, in violation of the Aviation Deregulation Act. Their request for temporary injunction was denied by the Federal Court. This case was set for hearing on the City's Motion to Dismiss and Plaintiff's motion for Preliminary Injunction on April 23, 2025, but the Plaintiff informed the Court that it wished to drop this hearing on April 7, 2025. On March 20, 2025, Southwest Airlines also filed a Part 16 complaint with the Federal Aviation Administration (FAA). The filing raises the same concerns as in the Federal lawsuit but asserts that the City's actions are in violation of certain grant assurances the City has given to the FAA and seeks to have federal funding ended unless the City takes corrective action with regard to Southwest. On April 8, 2025, Plaintiff filed a Partial Motion for Summary Judgment. On that same date, the Court issued an order dropping both the hearing on the injunction and the City's Motion to Dismiss, stating that it will look at reset dates for the Motion to Dismiss and the Motion for Summary Judgment. On April 10, 2025, the FAA granted the City's Motion for Extension of Time to File a Response, resetting the deadline to May 21, 2025.

Jeffrey Schaak v. City of San Antonio. On May 11, 2024, Plaintiff parked in a downtown, City owned and operated parking lot. As he was walking to the elevators, Plaintiff tripped and fell over an unpainted sidewalk between the vehicles. He alleges that the lighting was poor and he could not see the raised sidewalk. As a result of the fall, Plaintiff fractured multiple vertebrae in his cervical spine, sustained irreversible damage to his spinal cord, and is now a quadriplegic. Discovery is on-going. This matter is not yet set for trial.

Gary Perez and Matilde Torres v. City of San Antonio. In 2017, the citizens of San Antonio approved a bond package which included funds for rehabilitation and restoration of areas of Brackenridge Park. In 2023, the City approved plans for restoring crumbling historic walls in the Lambert Beach area. Plaintiffs assert they are members of a Native American church which recognizes this area as sacred area. They contend that the City's plans to remove trees in the restoration process and to deter nesting migratory cormorants will destroy the spiritual ecology of the area. They filed suit in Federal Court, seeking a preliminary injunction, which was denied. On appeal to the Fifth Circuit, the Court initially entered an opinion upholding the denial, but on motion for rehearing, the Court vacated the opinion pending certification to the Texas Supreme Court for determination of the standard of review for the Religious Services Protection Amendment of the Texas Constitution. Oral argument on that question was heard on December 4, 2024. After that question is answered by the Texas Supreme Court, the matter will return to the Fifth Circuit for further decision. This matter is not currently set for trial.

Amy Pentkowski et. al. v. City of San Antonio and Bexar County. This suit was brought in Federal District Court pursuant to Section 1983, alleging use of excessive force. On January 23, 2023 around 7:00 am, the SAPD received a call reporting a male outside in a residential area acting in an unusual manner, An officer arrived on the scene and observed Daniel Pentkowski acting oddly. He approached Mr. Pentkowski. After initially engaging with the officer, Mr. Pentkowski became aggressive towards the officer, who took Mr. Pentkowski to the ground and called for back up. Several officers arrived and Mr. Pentkowski was escorted to Bexar County Jail. Body cam footage from the scene does not show any injury. Officers talked with other individuals at the scene who identified as Mr. Pentkowski's sisters. They stated they rented the Air B&B for a family reunion and their brother had been drinking heavily and acting oddly. The family plaintiffs allege that they had no contact with the SAPD or Bexar County for several days and were then notified that Mr. Pentkowski died. Suit was filed in late January and no trial date has been set.

Note 13 Commitments and Contingencies (Continued)

Primary Government (City) (Continued)

Landfill Postclosure Care Costs

In October 1993, the City Council approved closure of the Nelson Gardens Landfill, which immediately stopped accepting solid waste. Subsequent to landfill closure, federal and state laws required the City to incur certain postclosure care costs over a period of 30 years. As of September 30, 1994, the City estimated these costs for postclosure of the Nelson Gardens Landfill at $3,825. The estimate was based on projected costs for installation of a leachate and groundwater collection system, installation of a methane recovery system, geotechnical and environmental engineering services, and monitoring and maintaining the facility for a 30-year period. The City will continue to monitor the site on an annual basis beyond the 30-year requirement due to it being an active methane collection and groundwater system. In accordance with GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Cost*, the estimated postclosure cost for the Nelson Gardens Landfill is recorded as a liability and expensed in the Solid Waste Management Fund. This cost is an estimate and is subject to changes resulting from inflation/deflation, advances in technology, or changes in applicable laws or regulations. Each fiscal year, the City performs an annual re-evaluation of the postclosure care costs associated with the Nelson Gardens Landfill. The annual re-evaluation conducted for the fiscal year-ended September 30, 2024, resulted in an estimated postclosure care liability for the Nelson Gardens Landfill of $159. The City contracted with a third party in 2010 to capture and sell methane gas in exchange for a percentage of the revenue earned and postclosure maintenance costs assumed by the third party. This resulted in the City reducing its postclosure liability by $81 from the prior fiscal year.

Texas Commission on Environmental Quality (TCEQ) Financial Assurance

The City is required, under the provision of the Texas Administrative Code, to provide financial assurance to the Texas Commission on Environmental Quality (TCEQ) related to the closure of municipal solid waste operations including, but not limited to, storage, collection, handling, transportation, processing, and disposal of municipal solid waste. In relation to new and modification permits for closed landfills from TCEQ, the City has an obligation to provide financial assurance of the post closure cost estimates for landfills. Additionally, financial assurance is required to demonstrate financial responsibility for underground storage petroleum facilities. Based on the number of underground petroleum storage tanks, the City is required to provide $1,000 of financial assurance related to the underground storage facilities. The City completes and submits its financial assurance to TCEQ annually.

Arbitrage

The City has issued certain tax-exempt obligations that are subject to IRS arbitrage regulations. Noncompliance with these regulations, which pertain to the utilization and investment of proceeds, can result in penalties, including the loss of the tax-exempt status of the applicable obligations retroactive to the date of original issuance. In addition, the IRS requires that interest income earned on proceeds in excess of the arbitrage rate on applicable obligations be rebated to the federal government. The City monitors its bond proceeds in relation to arbitrage regulations, and “arbitrage rebate” is estimated and recorded in the government-wide and proprietary financial statements when susceptible to accrual, and in the governmental fund type when matured. As of September 30, 2024, the City has arbitrage liability of $15,919 for its governmental funds, and $252 recorded for its proprietary funds.

Note 13 Commitments and Contingencies (Continued)

CPS Energy

Litigation

In the normal course of business, CPS Energy is involved in legal proceedings related to alleged personal and property damages, breach of contract, condemnation appeals, and discrimination cases. In addition, CPS Energy's power generation activities and other utility operations are subject to extensive state and federal environmental regulation. In the opinion of CPS Energy's management, the outcome of such proceedings will not have a material adverse effect on the financial position or results of operations of CPS Energy.

Other

Purchase and construction commitments are $8,399,583 at January 31, 2024. This amount includes construction commitments, provisions for coal purchases through December 2026, and natural gas purchases through May 2053; the actual amount to be paid will depend on CPS Energy's actual requirements during the contract period and the price of gas. Also included are provisions for gas toll energy through 2028, wind power through 2038, solar power through 2044, landfill power through 2029, and raw uranium associated with STP fabrication and conversion services needed for refueling through December 2026.

On January 20, 2009, the Board approved a policy statement affirming that CPS Energy's strategic direction centers on transforming from a company focused on providing low-cost power from traditional generation sources to a company providing competitively priced power from a variety of sources, including low and noncarbon emitting sources. As a community owned provider and as part of the Generation Planning strategy, CPS Energy has a balanced approach of leveraging the community-owned assets with the emergence of new technology. CPS Energy's strategy is focused around energy considerations of system reliability and climate resiliency, customer affordability, environmental sustainability, system flexibility and workforce impact. In August 2019, the CPS Energy Board signed a resolution to support the City's Climate Action and Adaptation Plan (CAAP) with a target of net-zero carbon emissions by 2050. The CAAP also has two interim goals, a 41.0% reduction by 2030 and a 71.0% reduction by 2040; CPS Energy is working towards these goals. On January 23, 2023, the CPS Energy Board voted for a generation planning portfolio that will include gas, wind, solar and energy storage options. The blended portfolio increases reliability, reduces system risk, and continues progress towards the City's CAAP goals.

The chosen portfolio balances reliability and affordability, continues transition to low carbon future, retains experienced workforce to support transition, retains fuel diversity to manage risks, supports expansion of renewables while balancing extreme weather risks, and aligns with community input.

In fiscal year 2008, CPS Energy entered into a Natural Gas Supply Agreement with SA Energy Acquisition Public Facility Corporation (SAEAPFC), a component unit of the City, to purchase, to the extent of its gas utility requirements, all-natural gas to be delivered under a Prepaid Natural Gas Sales Agreement. Under the Prepaid Natural Gas Sales Agreement between SAEAPFC and a third-party gas supplier, SAEAPFC has prepaid the cost of a specified supply of natural gas to be delivered over 20 years since inception, through the middle of fiscal year 2028.

CPS Energy sells excess power into the wholesale market with a balanced portfolio that includes a mix of short-term (less than a month) and mid-term (one month to a year) transactions with market participants. CPS Energy also has long-term (greater than one year) wholesale agreements with three public power entities and cities, providing full or partial requirements. These long-term agreements have varying terms expiring through December 2027. The capacities committed under these agreements represent approximately 3.0% of CPS Energy's current nameplate capacity.

Note 13 Commitments and Contingencies (Continued)

CPS Energy (Continued)

Other (Continued)

On June 20, 2011, CPS Energy announced its New Energy Economy initiative. The program is designed to focus on more clean energy sources rather than traditional energy sources and includes several major initiatives to which CPS Energy has the remaining commitments:

- CPS Energy offers customers the opportunity to better manage their home's energy use through the Wi-Fi Thermostat Rewards program. The program gives customers access to a wide choice of programmable thermostat options. Customers benefit from better control of their home's air conditioning use and the visibility to program settings from their mobile devices. Customers in Wi-Fi Thermostat Rewards can choose to have a CPS Energy contractor install a free programmable thermostat in their place of residence. Alternatively, they can purchase and self-install their own thermostat from a list of qualifying devices and receive a rebate from CPS Energy. In exchange for the rebate, customers allow CPS Energy to periodically control and interrupt service to manage peak energy periods. The program is funded through the Sustainable Tomorrow Energy Plan (STEP). As of January 31, 2024, there were 146,639 (not reported in thousands) CPS Energy customers enrolled in Wi-Fi Thermostat Rewards.

- CPS Energy completed the replacement of approximately 23,500 (not reported in thousands) high pressure sodium vapor streetlights with 250-Watt equivalent Light Emitting Diode (LED) streetlights for the City. The streetlights use 60.0% less energy than standard sodium lights and are designed to last 12 to 15 years, thereby reducing maintenance costs. Approximately $2,200 of the deployment costs were funded through STEP, with the remainder being funded by the City.

- The City has authorized CPS Energy to begin residential streetlight LED conversions. This project began in January 2023 and was completed June 2023. CPS Energy replaced 873 100W High-Pressure Sodium residential lights with LEDs. (Streetlights in this paragraph are not reported in thousands).

- The City authorized CPS Energy to replace downtown streetlights with Decorative Valmont poles and LED lights. This project began in February 2023 and is still in progress. Currently, 235 downtown streetlights have been replaced. (Streetlights in this paragraph are not reported in thousands).

- In November 2011, CPS Energy entered into a $77,025 prepaid agreement for purchased power equal to approximately 60.0% of the anticipated output from 30 MW of solar energy facilities in the San Antonio area. The unamortized balance of the prepayment was $41,408 at January 31, 2024. The agreement expires in 2037, and the purchase of the balance of the output is on a pay-as-you-go basis.

- In July 2012, CPS Energy executed a Master Agreement with OCI Solar Power (OCI) for approximately 400 MW from seven facilities. All seven facilities became operational by the end of 2017. In March 2017, CPS Energy and OCI executed an Amended and Restated Master Power Purchase and Economic Development Agreement. The original Master Agreement was replaced in order to simplify the agreement and reflect pertinent terms going forward. In addition, CPS Energy also executed two separate 25-year Purchase Power Agreements for Project Pearl and for Project Ivory for 50 MW each.

Note 13 Commitments and Contingencies (Continued)

CPS Energy (Continued)

Other (Continued)

The table below represents a total capacity of approximately 494 MW for all solar farm facilities included in the 25-year power purchase agreements mentioned above:

Facility	Capacity in MW [1]	Achieved Commercial Operations
Alamo 1	39.2	December 2013
St. Hedwig (Alamo 2)	4.4	March 2014
Walzem (Alamo 3)	5.5	January 2015
Eclipse (Alamo 4)	37.6	August 2014
Helios (Alamo 5)	95.0	December 2015
Sirius 1 (Alamo 6)	108.3	March 2017
Solara (Alamo 7)	104.5	September 2016
Sirius 2 (Pearl)	49.1	October 2017
Lamesa 2 (Ivory)	50.0	December 2018
Total 25-year Power Purchase Agreements	493.6	

[1] Capacity in MW from facilities may vary from year to year based on revised annual output estimates.

- Simply Solar is the trademarked name for CPS Energy's Roofless Solar and SolarHostSA Programs. Roofless Solar was launched by CPS Energy in 2015 in partnership with Clean Energy Collective (CEC). CEC built a 1 MW community solar farm in the CPS Energy service territory and sold 107.5-Watt panels in the array to customers who wanted to enjoy the benefits of solar power without having to install their own system. During fiscal year 2021, CPS Energy opted to purchase the solar farm from CEC and assumed maintenance and operational responsibility for the solar farm. On December 17, 2018, CPS Energy entered into a 25-year agreement with Big Sun SA 1 (Big Sun) to expand the Roofless Solar program by an additional 5 MW. Big Sun successfully installed community solar panels on carports at commercial businesses across San Antonio. The panels were sold to customers who will receive bill credits from CPS Energy for their share of the solar production. In 2015, the SolarHostSA program was launched by CPS Energy in partnership with PowerFin Partners to install up to 5 MW of rooftop systems on customer homes and businesses. The program provides participating customers a monthly credit for hosting the systems on their rooftops. On August 12, 2015, CPS Energy entered into an agreement to purchase the output from the rooftop systems for an initial term of 20 years.

In fiscal year 2018, CPS Energy entered into a 50-year Utilities Privatization Contract (Contract) with the Defense Logistics Agency to operate and maintain the natural gas and the electric utility systems at three Joint Base San Antonio (JBSA) installations: JBSA Randolph, JBSA Lackland and JBSA Chapman Training Annex (formerly Lackland Training Annex). The Department of Defense (DOD) will reimburse CPS Energy for the costs to operate, maintain and upgrade these systems throughout the contract term. Should the contract be terminated, the assets associated with the utility systems at the three JBSA installations owned by CPS Energy would be transferred back to DOD ownership. Additionally, CPS Energy would be reimbursed by the DOD for any unrealized investments made into the systems prior to the contract termination date.

Note 13 Commitments and Contingencies (Continued)

CPS Energy (Continued)

Other (Continued)

On March 12, 2021, following Winter Storm Uri, CPS Energy filed suit against ERCOT in the Bexar County District Court alleging breach of contract, claiming damages in the amount of $15,000 in short-payments, seeking a declaratory judgment to prevent ERCOT from wrongfully declaring a default by CPS Energy based on a force majeure event and due to ERCOT's prior material breach for short payments to CPS Energy. The requested judgment also sought to prevent ERCOT from requiring CPS Energy and its customers to pay for other market participants' default (i.e., Uplift charges) and to prevent ERCOT from charging CPS Energy for any amounts associated with the pricing errors identified in the Potomac report issued by the Independent Market Monitor. After the district court granted a temporary injunction in December 2021, the Fourth Court of Appeals (the "Fourth Court") terminated the injunction and dismissed CPS Energy's petition on procedural grounds, and without addressing the merits of the case, reasoning that the Public Utility Commission of Texas (PUCT) has exclusive original jurisdiction over CPS Energy's claims. On January 27, 2022, CPS Energy filed its petition for review with the Texas Supreme Court, which was granted, and oral arguments were held on January 9, 2023. On June 23, 2023, the Texas Supreme Court affirmed that Fourth Court's dismissal of CPS Energy's petition on procedural grounds and held that ERCOT is entitled to sovereign immunity. Despite the outcome of the litigation, CPS Energy successfully recovered most of its $15,000 short-payment claim primarily through securitization authorized by the Texas Legislature and implemented by market participants that defaulted on their financial obligations to ERCOT in the aftermath of Winter Storm Uri, including Rayburn and Brazos electric cooperatives.

In December 2021, the PUCT authorized ERCOT to implement securitization of $800,000 pursuant to Public Utility Regulatory Act Chapter 39, Subchapter M to reimburse short payments for operating days February 12 to 20, 2021, during Winter Storm Uri. The proceeds of these securitized transactions by ERCOT and these market participants resulted in repayment of their outstanding short-payments to ERCOT, which in turn have been used to reimburse short-pay claimants such as CPS Energy.

The $800,000 in securitized debt was reduced to $200,300 as a result of a settlement authorized on November 14, 2022, by the United States Bankruptcy Court in the Brazos Chapter 11 Plan of Reorganization. On December 15, 2022, a disbursement of $1,151,400 from the bankruptcy settlement was paid to ERCOT, of which $599,700 went to reduce the $800,000 securitization debt. Pursuant to provision in Subchapter M, over the next 25 to 30 years, ERCOT is requiring CPS Energy to make monthly payments of its share of the remaining $200,300, which are expected to total $5,472. Additionally, ERCOT claims that CPS Energy may be responsible for additional market uplifts related to other market participants that are in default with ERCOT. The amount of CPS Energy's share of these possible uplifts, which are currently being disputed, cannot be estimated at this time.

CPS Energy is currently engaged in litigation against three of its natural gas suppliers, in which CPS Energy is disputing (under disputed payment provision) approximately $350,000 in natural gas prices charged by those suppliers for natural gas in Winter Storm Uri as being unconscionable and volatile of public policy in Texas. The pending gas supplier cases have been consolidated into the Multi District Litigation Panel and have been assigned to a judge in Bexar County for pretrial proceedings. The outcome of this pending litigation remains uncertain as of the issuance of these financial statements.

Note 13 Commitments and Contingencies (Continued)

CPS Energy (Continued)

Other (Continued)

CPS Energy is currently engaged in litigation against three of its natural gas suppliers, in which CPS Energy is disputing (under disputed payment provision) approximately $350,000 in natural gas prices charged by those suppliers for natural gas in Winter Storm Uri as being unconscionable and volatile of public policy in Texas. The pending gas supplier cases have been consolidated into the Multi District Litigation Panel and have been assigned to a judge in Bexar County for pretrial proceedings. The outcome of this pending litigation remains uncertain as of the issuance of these financial statements.

CPS Energy has also been named as one of many defendants in various other lawsuits arising out of Winter Storm Uri. The outcomes of these pending lawsuits remain uncertain. Additionally, CPS Energy is involved in a number of other lawsuits unrelated to Winter Storm Uri. The outcomes of these pending lawsuits are uncertain.

San Antonio Water System (SAWS)

Litigation

SAWS is the subject of various claims and potential litigation, which arise in the ordinary course of its operations. Management, in consultation with legal counsel, makes an estimate of potential costs that are expected to be paid in the future as a result of known claims and potential litigation and records this estimate as a contingent liability.

Other

In March 2007, SAWS was orally notified by Region 6 of the United States Environmental Protection Agency (EPA) of alleged failures to comply with the Clean Water Act due to the occurrence of sanitary sewer overflows (SSOs). The EPA subsequently referred the matter to the United States Department of Justice (DOJ) for enforcement action. SAWS engaged in settlement negotiations with the EPA and the DOJ to resolve the allegations. In June 2013, the Board approved a Consent Decree between SAWS and the United States of America and the State of Texas to resolve this enforcement action. During the 10 to 12-year term of the Consent Decree, SAWS estimated the cost to perform the operating and maintenance requirements of the Consent Decree to be approximately $250,000. SAWS estimates that capital expenditures associated with the requirements of the Consent Decree to be approximately $1,300,000. As with any estimate, the actual amounts incurred could differ materially.

Through December 31, 2023, capital expenditures related to the Consent Decree totaled $1,155,258 which includes certain work which was previously planned prior to entry into the Consent Decree. Since entry into the Consent Decree, SAWS has performed its obligations under the terms of the Consent Decree and management believes SAWS is in material compliance with such terms, conditions, and requirements. Since 2010, SAWS has seen a significant reduction in annual SSOs, from 538 in 2010 to 146 in 2023. (Sanitary sewer overflows not reported in thousands).

Note 13 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

Mitchell Lake and adjacent wetlands cover approximately 600 acres which are legacy remnants of 19th-century wastewater reuse and disposal practices. With the passage of time, Mitchell Lake has become a unique and environmentally sensitive natural facility that is a wildlife refuge and an active destination attraction for birdwatchers from around the world. The site provides essential habitats where more than 330 species of migratory birds can rest and feed and was declared to be a "Refuge for Shore Birds and Waterfowl" by the City in 1973. Since 2004, the site has been operated by the National Audubon Society as a Nature Center.

As a result of its past use as a waste management center for San Antonio, the EPA regulated discharges from Mitchell Lake, which can occur after significant rainfall events. In 2016, SAWS received an Administrative Order from the EPA that alleged SAWS violated its then existing Texas Pollutant Discharge Elimination System (wastewater) permit by failing to meet effluent limitations for discharges from the lake as required by the permit.

Upon receiving the Administrative Order, SAWS began working with consulting experts and conducted preliminary feasibility evaluations of a proposed solution that would entail the use of constructed treatment wetlands to meet the water quality objectives while protecting and enhancing the existing natural resources and aquatic waterfowl habitats. The proposal has two major components: (a) modifications to the existing dam with the construction of a new spillway and (b) constructing treatment wetlands of approximately 83 acres (not in thousands) below Mitchell Lake. SAWS was also successful in changing the wastewater permit to a Municipal Separate Storm Sewer System (stormwater) permit.

The EPA had accepted SAWS' proposed solution and established a deadline for completion of March 31, 2026; however, in early 2024, the EPA provided notice that it was withdrawing the Administrative Order. The EPA also advised that with the withdrawal of the Administrative Order, oversight of the wetlands project would transition to the TCEQ pursuant to its authority under the stormwater permit. Withdrawal of the Administrative Order removes EPA's enforcement authority, ability to assess penalties, and SAWS's potential liability associated with the Administrative Order. SAWS has provided notice to TCEQ of the withdrawal of the Administrative Order and will work with the EPA and TCEQ to develop an appropriate schedule of activities for the project going forward. Projected costs for the wetlands project are estimated to be approximately $72,000.

As of December 31, 2023, SAWS has entered into various agreements to obtain rights to pump water from the Edwards Aquifer. The term of these agreements varies, with some expiring as early as 2024 and others continuing until 2028. The annual cost per acre-foot ranges from $100 to $140 (per acre-foot figures are not in thousands). Under these various agreements, SAWS paid $2,751 in 2023.

The future commitments under these agreements are as follows:

	2024	2025	2026	2027	2028
Edwards Aquifer - lease payments	$ 1,298	$ 1,255	$ 1,263	$ 655	$ 337
Edwards Aquifer - acre feet leased	10,226	10,226	10,226	5,459	2,987

SAWS also has commitments to purchase water supplies under various contracts. All water provided under these contracts is subject to availability.

Note 13 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

Under a contract with Guadalupe-Blanco River Authority (GBRA), SAWS will receive 4,000 acre-feet of water annually through the end of the contract in 2037. Additionally, SAWS must purchase water not sold by GBRA to other third parties. The additional amount of water available in 2024 is estimated to be 2,500 acre-feet and is projected to decline over the remaining term of the contract as the demand increases for other GBRA customers. The cost of the water escalates over time with projected prices ranging from $1,232 per acre-foot in 2024 to approximately $1,839 per acre-foot by 2037. (Figures in this paragraph are not in thousands).

Under a contract with the Massah Development Corporation, SAWS has a minimum take or pay commitment to purchase 100 acre-feet per month or 1,200 acre-feet per year of raw water from the Lower Glen Rose/Cow Creek formations of the Trinity Aquifer in northern Bexar County at projected prices ranging from $830 to $855 per acre-foot. This agreement expires in July 2025 and SAWS has a unilateral option to extend the contract for 10 years. (Figures in this paragraph are not in thousands).

In 2012, SAWS entered into an agreement with Water Exploration Company, Ltd., (WECO) to purchase groundwater produced by WECO from the Trinity Aquifer. In connection with this agreement, two prior water purchase agreements between District Special Project (DSP) and WECO were terminated. In 2018, Texas Water Supply Company assumed the assets of WECO, including this agreement between SAWS and WECO. The 2012 agreement has a term of 15 years, with two optional five-year extensions. SAWS is obligated to purchase up to 17,000 acre-feet per year in monthly increments not to exceed 1,417 acre-feet if the water is available to be produced. SAWS only pays for delivered water meeting all state and federal drinking water standards. Pumping under this contract may not reduce the Trinity Aquifer below 600 feet Mean Sea Level at test wells on the tracts. The projected price to be paid per acre-foot of raw water ranges from $1,326 in 2024 to $1,409 by 2027. (Figures in this paragraph are not in thousands).

In 2010, SAWS was granted a permit by the Gonzales County Underground Water Conservation District (District) to produce 11,688 acre-feet of water from the Carrizo Aquifer in Gonzales County. SAWS has entered into 23 separate agreements with landowners to produce water under that permit. (Agreement count and acre-feet not in thousands). These agreements remain in force indefinitely as long as SAWS continues to make payments in accordance with the terms of the agreements. SAWS makes payments to the landowners based on actual water produced. SAWS expects to produce the maximum water available under its permit in 2024 and projects payments to landowners will be $1,600. These payments escalate annually based on the average of the increase in the Consumer Price Index and Producers Price Index.

In 2011, SAWS entered into an agreement with the Schertz Seguin Local Government Corporation (SSLGC) to treat water produced by SAWS under its permit with the District at SSLGC's treatment plant in Gonzales County and transport that water through SSLGC's existing transportation pipeline to a SAWS facility in Schertz, Texas and purchase up to 5,000 acre-feet of wholesale water annually from SSLGC. As part of this agreement, SSLGC agreed to expand its treatment facilities to handle the volume of water supplied by SAWS. SSLGC issued contract revenue bonds in 2012 to finance the expansion. SAWS is unconditionally obligated to make monthly payments to SSLGC beginning in December 2014 equal to 1/12th the annual debt service payment owed by SSLGC on the contract revenue bonds regardless of the amount of water actually provided by SAWS to SSLGC for treatment and transportation. In addition to the payment made to SSLGC for the expansion of the treatment plant, SAWS makes payments to SSLGC for treating and transporting the SAWS produced water. (Figures in this paragraph are not in thousands).

Note 13 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

The initial term of the agreement with SSLGC expires in 2050 and is automatically renewed for successive terms of five years unless SAWS chooses to cancel the contract upon the expiration of any term. The projected price paid to SSLGC to treat and transport water provided by SAWS is projected to be $532 per acre-foot in 2024 and peaks at $683 per acre-foot in 2041 and ends at $655 per acre-foot in 2050. This projected price through 2041 includes the debt service associated with the expansion of SSLGC's treatment plant. Payments for any wholesale water purchased from SSLGC are based on SSLGC's operating water rates. The 2024 price also includes the cost of surplus water from SSLGC, which contractually continues to be made available in subsequent years. (Figures in this paragraph are not in thousands).

Under a contract with Bexar-Medina-Atascosa Counties W.C.I.D. No. 1 (BMA), SAWS has a take or pay commitment to purchase 19,974 acre-feet of untreated water annually from Medina Lake. Due to low lake levels and poor water quality, SAWS has not taken water from Medina Lake since 2015 and has paid around $3,000 per year pursuant to the contract which was originally entered into by the former Bexar Metropolitan Water District. The price of the water is based on the rate charged by GBRA for raw water. GBRA's rate for raw water as of December 31, 2023 was $175 per acre foot. The agreement has been amended several times with the current expiration of the agreement in 2049. During 2023, SAWS invoked the facilitated mediation process outlined within the agreement. These mediation efforts were not successful, and SAWS is now seeking a judicial declaration that the agreement is void on various grounds. (Acre feet in this paragraph are not in thousands).

Under a contract with Canyon Regional Water Authority (CRWA), SAWS is required to make certain contractually required minimum payments each year to fund capital and operating expenses of CRWA. Additionally, SAWS makes payments based on the number of acre feet of water SAWS commits to take each year. SAWS currently has access to 6,300 acre-feet annually from 2024 through 2028. Thereafter SAWS will have access to 6,800 acre-feet annually from 2029 to 2042, with an average cost ranging from $1,079 to $1,543 per acre-foot. (Figures in this paragraph are not in thousands).

Total payments under these water purchase agreements were $27,651 in 2023. A summary of all estimated future payments under all of these agreements is provided in the following table. The estimated fixed water payments consist of the take or pay commitments under the agreements. The estimated variable water payments will be made only if water is made available to SAWS. The estimates assume price escalations but do not assume the extension of any water purchase agreement. As with any estimate, the actual amounts paid could differ materially.

	2024	2025	2026	2027	2028	Thereafter
Purchased water payments - fixed	$ 25,798	$ 26,035	$ 25,847	$ 26,373	$ 26,813	$ 519,896
Acre feet purchased - fixed	42,507	41,907	41,307	41,307	41,307	827,390
Purchased water payments - variable	$ 17,617	$ 17,496	$ 17,313	$ 10,162	$ 3,268	$ 29,106
Acre feet purchased - variable	13,756	13,129	12,505	6,999	1,995	12,841

Note 13 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

On October 30, 2014, the City Council adopted an ordinance, approving the execution of a Water Transmission and Purchase Agreement (Agreement) between the City, acting by and through SAWS, and Vista Ridge LLC (Project Company), pursuant to which the Project Company has committed to make available to SAWS, and SAWS has agreed to pay for, up to 50,000 acre-feet of potable water (Project Water) per year for an initial period of 30 years plus a limited extension period (up to 20 years) under certain circumstances (hereinafter referred to as the operational phase). The execution of the Agreement represents a significant diversification of the City's water sources, as SAWS projects that Project Water, if delivered at the maximum contractual amount, will account for approximately 20.0% of SAWS' current annual usage.

Pursuant to the terms of the Agreement, SAWS will pay costs arising under the Agreement, as a maintenance and operating expense of SAWS from a flow of funds perspective, only for Project Water made available at the connection point (which payment will also include the costs of operating and maintaining the Vista Ridge Pipeline Project as described below). SAWS will have no obligation to pay for any debt issued by the Project Company, and any such debt will be non-recourse to SAWS.

On May 17, 2016, SAWS exercised its contractual right to fix the Capital and Raw Groundwater Unit Price under the Agreement based on the methodology provided for therein. This action served to lock in the price of the Project Water component of SAWS annual payment requirement at $1,606 per acre-foot for the entire 30-year term (and any extension of that term) of the Agreement. (Figures in this paragraph are not in thousands).

In addition to the Capital and Raw Groundwater Unit Price, SAWS will pay operations and maintenance costs deemed to be compensable by an independent budget panel as a direct pass through under the Agreement as well as electricity costs. Finally, SAWS is responsible for compensating the Project Company for any major repairs and replacement costs, which may arise and are deemed to be compensable by the budget panel.

Delivery of Project Water commenced April 15, 2020. The start of water delivery initiated the 30-year operational phase, during which period SAWS is obligated to pay for Project Water (up to 50,000 acre-feet annually) made available by the Project Company. A total of $108,968 was spent in 2023 to make contractually required payments for water made available, provide for the operations and maintenance of the pipeline, support the operation of the treatment plant which receives the water made available, and provide for the utility expenses associated with the pipeline and the treatment process.

Since the start of 2020, SAWS paid for approximately 9,125 acre-feet of water that it was not able to receive. Consistent with the terms of the Agreement, SAWS recorded a prepaid asset, which as of December 31, 2023 totaled $3,439. Given the priority of water deliveries and payments, it is currently estimated it will take a number of years to fully amortize the prepaid Project Water.

At the end of the operational phase, ownership of the well fields, pumping and related treatment facilities and the pipeline, collectively known as the Project, will be transferred to SAWS at no cost. SAWS has also entered into a separate agreement with Blue Water Vista Ridge, LLC, the lessee of the Project Water, to continue to acquire up to 50,000 acre-feet annually of untreated groundwater, for an additional 30-year period upon the termination of the Agreement and transfer of the Project to SAWS. The cost of such water at the end of the Agreement will be tied to prevailing Edwards Aquifer agreements.

Note 13 Commitments and Contingencies (Continued)

San Antonio Water System (SAWS) (Continued)

Other (Continued)

Because all Project assets will transfer to SAWS at the end of the Agreement, SAWS recorded the capital assets and a contract payable equal to the acquisition value of the Project Company infrastructure of $929,326 in 2020. During 2023, SAWS recorded depreciation of $23,956 associated with these assets, while reducing the contract payable through the debt service portion of payments to be made under the contract to $868,941 as of December 31, 2023.

The following table is a schedule of interest and principal payments for each of the next five years and then in five-year increments thereafter.

Year-Ended December 31,	Principal	Interest	Balance
2024	$ 17,708	$ 43,920	$ 61,628
2025	18,398	43,061	61,459
2026	19,169	42,290	61,459
2027	19,977	41,482	61,459
2028	20,881	40,746	61,627
2029-2033	118,455	189,009	307,464
2034-2038	147,445	160,019	307,464
2039-2043	186,792	120,671	307,463
2044-2048	244,245	63,387	307,632
2049-2050	75,871	3,436	79,307
Total	$ 868,941	$ 748,021	$ 1,616,962

SAWS has the right to terminate the Agreement at any time by purchasing the Project for the aggregate amount of the outstanding Project Company debt, contract breakage costs and return of and return on equity contributions. SAWS also has the obligation to purchase the Project assets in similar fashion in the event of a SAWS default under the Agreement. The termination payment as of December 31, 2023, was estimated to be $1,053,841. SAWS also maintains the option to assume rather than pay off the outstanding Project Company debt. Under either scenario, SAWS purchasing of the Project would result in the recording of additional liabilities totaling approximately $200,000.

Arbitrage

The Federal Tax Reform Act of 1986 requires issuers of tax-exempt debt to make payments to the United States Treasury for investment income received at yields that exceed the issuer's tax-exempt borrowing rates. The Treasury requires payment for each issue every five years. The estimated liability is updated annually for all tax-exempt issuances or changes in yields until such time payment of the calculated liability is due. A liability is recorded once payment appears to be probable. As of December 31, 2023, SAWS had an arbitrage liability of $2,161.

Note 14 Leases and Subscription Based Information Technology Arrangements (SBITAs)

Primary Government (City)

Leases

Per GASB Statement No. 87, *Leases*, a lease is defined as a contract that conveys control of the right-to-use another entity's nonfinancial asset for a specified period of time. The contractual right-to-use must be for a period of greater than one year in an exchange or exchange-like transaction.

Governmental Activities

Lessee

For leases in which the City is the lessee, the leases are recognized as a lease liability and a lease asset. The lease liability is measured at the present value of the payments expected to be made for the duration of the lease term, with the liability reduced as payments are made. An outflow of resources is recognized for interest paid on the liability. The lease asset is recognized at the initial measurement amount of the lease liability plus additional payments made to the lessor at or before the commencement of the lease and applicable direct costs. The asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

The City leases various assets such as copiers and office buildings. The various contractual agreements include both fixed payments and variable payments that are fixed in substance. Variable payments that are fixed in substance are based on indexes and rates such as market interest rates or the consumer price index. The following table is a summary of the leases for the year-ended September 30, 2024.

	October 1, 2023	Additions	Deletions	September 30, 2024
Lease Asset:				
Land	$ 11,958	$ -	$ -	$ 11,958
Buildings	66,810	20,457	(117)	87,150
Equipment	22,453	3,092	(1,324)	24,221
Total	$ 101,221	$ 23,549	$ (1,441)	$ 123,329
Accumulated Amortization:				
Land	$ (931)	$ (326)	$ -	$ (1,257)
Buildings	(12,459)	(11,016)	113	(23,362)
Equipment	(3,412)	(1,732)	1,324	(3,820)
Total	$ (16,802)	$ (13,074)	$ 1,437	$ (28,439)
Lease Asset, Net	$ 84,419	$ 10,475	$ (4)	$ 94,890

Note 14 Leases and SBITAs (Continued)

Primary Government (City) (Continued)

Governmental Activities (Continued)

Lessee (Continued)

As of September 30, 2024, the principal and interest requirements to maturity for lease liability are as follows:

Year-Ending September 30,	Principal	Interest	Total
2025	$ 10,122	$ 1,830	$ 11,952
2026	9,251	1,592	10,843
2027	8,172	1,379	9,551
2028	8,090	1,207	9,297
2029	6,817	955	7,772
2030-2034	12,581	3,573	16,154
2035-2039	9,282	2,470	11,752
2040-2044	6,203	1,622	7,825
2045-2049	4,935	1,044	5,979
2050-2054	602	820	1,422
2055-After	7,873	3,646	11,519
Total	$ 83,928	$ 20,138	$ 104,066

Lessor

For leases in which the City is the lessor, the leases are recognized as a lease receivable measured at the present value of payments expected to be received during the lease term. A deferred inflow of resources is recognized at the measured value of the receivable plus additional payments made at or before the commencement of the lease term for future periods. Additionally, interest revenue is recognized with the lease receivable and as an inflow of resources from the deferred inflow of resources.

The City leases and subleases City-Owned properties such as land, buildings, and infrastructure. Similar to the City's lessee agreements, as lessor, the City's contracts include fixed payments and variable payments that are fixed in substance. The variable payments that are fixed in substance are based on market interest rates, the consumer price index, and future performance. Variable payments that are fixed in substance are included in the measurement of the lease receivable. The major leasing activities of the City's governmental funds are presented in the discussion that follows.

The major contributors to the City's lease revenue include Community & Visitor Facilities Fund which accounts for revenues generated from Convention and Tourism activities relating from City's owned facilities such as the Convention Center and Alamodome. Also, the Center City Development Operations department leases tenant space of La Villita and the Riverwalk area under various leases, a majority of which are non-cancellable. Hemisfair Park Area Redevelopment Corporation (HPARC) has leases with various parties involving building, restaurant, and parking garage spaces in areas in or adjacent to Hemisfair through 2095. Certain provisions of the leases provide for fixed and variable rental payments, and all are generally designed to allow the City to meet its debt service requirements and recover certain operating and maintenance costs. In addition, the agreements under which the City receives revenue are from the operation of concessions and provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a guaranteed minimum. Total lease revenue received for the fiscal year-ended September 30, 2024 was $17,731 which consisted of $14,341 in fixed payments and $3,390 in variable payments, including interest, for Governmental Activities.

Note 14 Leases and SBITAs (Continued)

Primary Government (City) (Continued)

Governmental Activities (Continued)

Lessor (Continued)

As of September 30, 2024, the principal and interest to maturity for the lease receivables are as follows:

Year-Ending September 30,	Principal	Interest	Total
2025	$ 5,595	$ 1,195	$ 6,790
2026	4,644	1,071	5,715
2027	4,830	955	5,785
2028	4,623	849	5,472
2029	4,163	753	4,916
2030-2034	9,385	3,018	12,403
2035-2039	4,989	2,220	7,209
2040-2044	3,820	1,775	5,595
2045-2049	3,822	1,369	5,191
2050-2054	3,390	988	4,378
2055-2059	2,916	693	3,609
2060-2064	1,907	422	2,329
2065-After	3,530	1,185	4,715
Total	$ 57,614	$ 16,493	$ 74,107

Financed Purchases

The City has lease-purchase contracts that transfer ownership of the underlying asset to the City by the end of the contract. Per GASB Statement No. 87, these contracts are reported as financed purchases and accounted for separately from the City's leases. Total expenditures for financed purchases for fiscal year-ended September 30, 2024 were $575.

As of September 30, 2024, the City had future minimum payments for financed purchases with a remaining term in excess of one year for governmental activities as follows:

Year-Ending September 30,	Principal	Interest	Total
2025	$ 1,740	$ 207	$ 1,947
2026	1,737	135	1,872
2027	1,212	64	1,276
2028	480	7	487
Total	$ 5,169	$ 413	$ 5,582

Note 14 Leases and SBITAs (Continued)

Primary Government (City) (Continued)

Business-Type Activities

Lessee

The Business-Type Activities lease copiers, water dispensers and buildings. The terms and conditions for these leases vary and they include both fixed payments and variable payments that are fixed in substance. Variable payments that are fixed in substance are based on indexes and rates such as market interest rates or the consumer price index. The agreement terms, including renewal periods, are through September 2033. The following table is a summary of the leases for business-type activities for the year-ended September 30, 2024.

	October 1, 2023	Additions	Deletions	September 30, 2024
Lease Asset				
Buildings	$ -	$ 11,814	$ -	$ 11,814
Equipment	259		(6)	253
Total	$ 259	$ 11,814	$ (6)	$ 12,067
Accumulated Amortization				
Buildings	$ -	$ (779)		$ (779)
Equipment	(67)	(90)	6	(151)
Total	$ (67)	$ (869)	$ 6	$ (930)
Lease Asset, Net	$ 192	$ 10,945	$ -	$ 11,137

As of September 30, 2024, the principal and interest requirements to maturity for lease liability are as follows:

Year-Ending September 30,	Principal	Interest	Total
2025	$ 549	$ 451	$ 1,000
2026	716	427	1,143
2027	712	401	1,113
2028	728	372	1,100
2029	748	343	1,091
2030-2034	4,203	1,232	5,435
2035-2039	4,023	324	4,347
Total	$ 11,679	$ 3,550	$ 15,229

Lessor

The City leases property, buildings, and infrastructure. Similar to the City's lessee agreements, as lessor the City's contracts include fixed payments and variable payments that are fixed in substance. The variable payments that are fixed in substance are based on market interest rates, the Consumer Price Index, and future performance. Variable payments that are fixed in substance are included in the measurement of the lease receivable. The leasing activities of the City's enterprise funds is presented in the discussion that follows.

Note 14 Leases and SBITAs (Continued)

Primary Government (City) (Continued)

Business-Type Activities (Continued)

Lessor (Continued)

The Airport System leases terminal space (except for regulated leases), aircraft maintenance and overhaul facilities, cargo facilities, hangars, and other structures to air carriers and other tenants under various leases, a majority of which are noncancellable and terminate no later than December 2047. Certain provisions of the leases provide for fixed and variable rental payments, and all are generally designed to allow the Airport System to meet its debt service requirements and recover certain operating and maintenance costs. In addition, certain of the agreements under which the Airport System receives revenue is from the operation of concessions at San Antonio International Airport and provide for the payment of a fee based on the greater of an aggregated percentage of gross receipts or a guaranteed minimum.

The Solid Waste Management System leases land for the use of disposal services. The Nonmajor Enterprise Fund's leases are comprised of leases from Market Square and the Parking System. Market Square accounts for all the lease revenues from the tenants of the Farmers Market, El Mercado, Market Square Parking Lot and Centro De Artes localities. The Parking System leases consist of leasing parking spaces in the Downtown area of the City.

Total lease revenue received for the fiscal year-ended September 30, 2024 was $31,694 for business-type activities, which consisted of $22,511 in fixed payments and $7,315 in variable payments for the Airport System. Solid Waste Management revenues consisted of $124 in fixed payments. Nonmajor Enterprise Funds revenues consisted of $1,744 in fixed payments, including interest.

As of September 30, 2024, the principal and interest to maturity for the lease receivables are as follows:

Year-Ending September 30,	Principal	Interest	Total
2025	$ 9,666	$ 1,522	$ 11,188
2026	10,484	1,331	11,815
2027	9,010	1,140	10,150
2028	9,073	948	10,021
2029	7,164	782	7,946
2030-2034	17,786	2,523	20,309
2035-2039	8,497	1,342	9,839
2040-2044	6,045	651	6,696
2045-After	3,387	86	3,473
Total	$ 81,112	$ 10,325	$ 91,437

Note 14 Leases and SBITAs (Continued)

Primary Government (City) (Continued)

Business-Type Activities (Continued)

Regulated Leases

The City entered into Airport Use and Lease Agreements (AULA) on October 1, 2020, with Signatory Airlines for usage of San Antonio International Airport facilities for the purpose of conducting air transportation businesses. The AULA are noncancellable through September 30, 2024. Under the terms of the AULA, Signatory Airlines pay the Airport System monthly based on the annual rental rate/fee schedule. Rate calculations are based on total estimates of costs and expenses, estimates of passengers, total landed weight, and other factors. Final settlements are made each year after the City's audit is conducted. Non-signatory airlines operating at San Antonio International Airport are billed at rates established by the annual rate/fee schedules. During the holdover period, the airlines will be charged rates per the existing agreement, or new rates approved by City Council may be instituted.

Under the AULA with Signatory Airlines, they have exclusive and preferential use of certain spaces and facilities of airport terminals A and B and preferential use of certain apron areas. In addition, the AULA with American, Delta, Southwest, and United grants them with preferential use of certain areas of the West Cargo areas at the San Antonio International Airport .

Use of space are summarized as follows (amounts in the table below are not in thousands) as of September 30, 2024:

	American	Delta	Southwest	Spirit	United	Viva	Other
Terminal Areas - Leased Airline Space (sq. ft.)	20,193	14,788	31,664	2,302	2,371	24,467	2,696
Apron - Leased Airline Space (sq. ft.)	650	400	750	125	125	675	1,700
Number of Leased Gates	1	3	6		5		

Total lease revenue received for the fiscal year-ended September 30, 2024 was $77,598 for regulated leases.

Carriers	Variable Payments
American	$ 14,850
Delta	11,088
Southwest	24,040
Spirit	1,875
United	11,163
Viva	4,485
Other	10,097
Total	$ 77,598

Note 14 Leases and SBITAs (Continued)

Primary Government (City) (Continued)

Business-Type Activities (Continued)

Regulated Leases (Continued)

A new AULA became effective October 1, 2024 through September 30, 2034, with an automatic five-year renewal to September 30, 2039. Expected future minimum lease payments from the AULA are summarized in the table below. These future payments are based on budgeted expenses and projected airline activity.

Year-Ending September 30,	Aviation
2025	$ 19,376
2026	19,376
2027	19,376
2028	19,376
2029	19,376
2030-2034	96,880
2035-2039	96,880
Total	$ 290,640

Financed Purchases

The City has lease-purchase contracts that transfer ownership of the underlying asset to the City by the end of the contract. Per GASB Statement No. 87, these contracts are reported as financed purchases and accounted for separately from the City's leases. Total expenditures for financed purchases for fiscal year-ended September 30, 2024 were $968.

As of September 30, 2024, the City had future minimum payments for financed purchases with a remaining term in excess of one year for business-type activities as follows:

Year-Ending September 30,	Principal	Interest	Total
2025	$ 1,541	$ 304	$ 1,845
2026	1,599	246	1,845
2027	1,476	186	1,662
2028	1,474	131	1,605
2029	1,531	75	1,606
2030-2033	1,007	17	1,024
Total	$ 8,628	$ 959	$ 9,587

Note 14 Leases and SBITAs (Continued)

CPS Energy

Leases

CPS Energy accounts for leases in accordance with GASB Statement No. 87, *Leases*, which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, CPS Energy as a lessee is required to recognize a lease liability and an intangible lease asset, and as a lessor is required to recognize a lease receivable and a deferred inflow of resources.

CPS Energy leases space on poles and street light poles to third party communication providers. In an effort to adhere to state and federal laws, CPS Energy established the Pole Attachment Standards, which includes contract terms and rates formula. The standard terms include a five-year initial contract and successive automatic one-year renewals until contract is terminated by either party by providing six months written notice. The pole standards, standard contract, and rate formula are accessible to all applicants via CPS Energy's website. The total amount of lease revenue for the year-ended January 31, 2024 was $8,774. There were no other or variable lease payments received in fiscal year 2024. In addition, CPS Energy does not issue debt that relies on the receipt of regulated lease payments to pay the debt principal and interest payments.

Lessee

Both the lease asset and lease liability are included in the Statement of Net Position. The lease assets are recorded as lease assets, net and the lease liability are recorded as either current or noncurrent portion of long-term obligations.

CPS Energy leases buildings and equipment from third parties. Lease terms range from two to 15 years. Several leases have an option to extend the lease term after completion of the contracted term. CPS Energy's leased assets and associated accumulated amortization are included in capital assets as intangibles. There were no payments recorded in the current period that were not included in the measurement of the lease liability, no commitments prior to the commencement of the lease contracts, and no lease impairments as of January 31, 2024.

The following table summarizes lease balances as of January 31, 2024:

	February 1, 2023	Additions	Deletions	January 31, 2024
Lease assets				
Buildings	$ 2,884	$ 1,018	$ -	$ 3,902
Equipment	1,141	1,918	(1,142)	1,917
Total	$ 4,025	$ 2,936	$ (1,142)	$ 5,819
Amortization				
Buildings	$ (1,488)	$ (687)	$ -	$ (2,175)
Equipment	(927)	(244)	1,142	(29)
Total	$ (2,415)	$ (931)	$ 1,142	$ (2,204)
Leases, net	$ 1,610	$ 2,005	$ -	$ 3,615

Note 14 Leases and SBITAs (Continued)

CPS Energy (Continued)

Lessee (Continued)

The following table summarizes future principal and interest payments related to leases as of January 31, 2024:

Year Ended January 31,	Principal	Interest	Total
2025	$ 924	$ 120	$ 1,044
2026	925	84	1,009
2027	875	48	923
2028	633	20	653
Total	$ 3,357	$ 272	$ 3,629

Lessor

CPS Energy leases buildings to third parties with terms ranging from two to 19 years, which include options to extend the term. There were no receipts of variable or other lease payments as of fiscal year 2024. The total lease interest and revenue was $1,377 for the year-ended January 31, 2024. In addition, the total leased asset receivable was $6,148 and the corresponding deferred inflow of resources was $10,763 as of January 31, 2024.

San Antonio Water System (SAWS)

Communication Shelters Lease

In fiscal year 2014, CPS Energy entered into an agreement to lease 62 of its communication towers to an independent third party and an additional five in fiscal year 2017, which resulted in a total of 67 tower leases. Additionally, the provisions of the agreement allowed for the third party's ongoing use of communication shelters for a period of 40 years, with three five-year options by the third party to extend the agreement. The third party prepaid the entire contracted lease amount for the term of the agreement and the parties agreed that no further cash payments would be paid by either party for the 40-year lease term.

Leases

For the year ended December 31, 2022, the financial statements include the adoption of GASB Statement No. 87, *Leases.* This Statement covers leases where the entity is the lessee and the lessor. SAWS has agreements for each type. SAWS reviewed all the leases where SAWS is the lessee and determined these leases are not material to the financials. As a result, SAWS did not record any lease liabilities or deferred outflows. SAWS examined all agreements where SAWS is the lessor and recorded seven leases that are material to the financials and have been included in the Statement of Net Position.

Six of these leases are for rental of space on various water towers which allows cell phone providers to attach transmitter equipment and many include space on the ground for the installation of support equipment. The seventh lease is for acreage at one of the SAWS' water treatment plants for the installation of solar panel equipment for the production of electricity. Once a lease is complete, the lessee is responsible for removing all equipment. The remaining terms of the leases range from five to 21 years inclusive of any anticipated renewal options. These leases were recorded at the net present value of all future payments. None of the lessor agreements are a principal part of SAWS' ongoing operations nor are they subject to paragraph 58 of GASB Statement No. 87, which includes disclosures for leases of assets that are investments, certain regulated leases, sublease transactions, sale-leaseback transactions, and lease-leaseback transactions. During 2023, SAWS recognized $305 as lease revenue and $123 in interest revenue.

Note 14 Leases and SBITAs (Continued)

Subscription-Based Information Technology Arrangements (SBITAs)

Primary Government (City)

Per GASB Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), a SBITA is defined as a contract that conveys control of the right-to-use another entity's information technology software, alone or in combination with tangible capital assets, for a specified period of time. The contractual right to use must be for a period of greater than one year in an exchange or exchange-like transaction.

SBITAs are recognized as a subscription liability and subscription asset. The subscription liability is initially measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges. The subscription liability is recorded in the Statement of Net Position as either current or noncurrent portion of long-term obligations. The subscription asset is initially measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. The asset is amortized as an outflow of resources over the subscription term and is recorded in the Statement of Net Position as subscription assets, net.

Governmental Activities

The City has entered into SBITAs such as software for various desktop and server subscriptions, cloud backup services, document management, computer-aided dispatch, performance measurement, strategic planning, and benchmarking. The following table is a summary of the SBITA activities for the year-ended September 30, 2024:

	October 1, 2023	Additions	Deletions	September 30, 2024
Subscription Assets				
SBITAs	$ 29,348	$ 91,380	$ (6,488)	$ 114,240
Total	$ 29,348	$ 91,380	$ (6,488)	$ 114,240
Accumulated Amortization				
SBITAs	$ (10,620)	$ (19,203)	$ 6,484	$ (23,339)
Total	$ (10,620)	$ (19,203)	$ 6,484	$ (23,339)
SBITA Asset, Net	$ 18,728	$ 72,177	$ (4)	$ 90,901

As of September 30, 2024, the principal and interest requirements to maturity for SBITA liability are as follows:

Year-Ending September 30,	Principal	Interest	Total
2025	$ 16,611	$ 334	$ 16,945
2026	17,617	208	17,825
2027	9,315	105	9,420
2028	8,145	27	8,172
2029	6,641	10	6,651
2030-2034	31,158		31,158
Total	$ 89,487	$ 684	$ 90,171

Note 14 Leases and SBITAs (Continued)

Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

Primary Government (City) (Continued)

Business-Type Activities

The City has entered into SBITAs such as software for airport flight management, cloud backup services, and computer-aided design. The following table is a summary of the SBITA activities for the year-ended September 30, 2024:

	October 1, 2023	Additions	Deletions	September 30, 2024
Subscription Assets				
SBITAs	$ 5,535	$ 5,468	$ (30)	$ 10,973
Total	$ 5,535	$ 5,468	$ (30)	$ 10,973
Accumulated Amortization				
SBITAs	$ (1,552)	$ (2,166)	$ 30	$ (3,688)
Total	$ (1,552)	$ (2,166)	$ 30	$ (3,688)
SBITA Asset, Net	$ 3,983	$ 3,302	$ -	$ 7,285

As of September 30, 2024, the principal and interest requirements to maturity for SBITA liability are as follows:

September 30,	Principal	Interest	Total
2025	$ 891	$ 231	$ 1,122
2026	1,164	192	1,356
2027	972	152	1,124
2028	559	130	689
2029	528	107	635
2030 - 2034	2,580	177	2,757
Total	$ 6,694	$ 989	$ 7,683

Note 14 Leases and SBITAs (Continued)

Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

CPS Energy

Both the subscription asset and subscription liability are included in the Statement of Net Position. The subscription assets are recorded as subscription assets, net and the subscription liability are recorded as either current or noncurrent portion of long-term obligations.

The following table summarizes SBITA activities for the year ended January 31, 2024:

	February 1, 2023	Additions	Deletions	January 31, 2024
Subscription Assets				
SBITAs	$ 35,250	$ 17,748	$ (4,771)	$ 48,227
Total	$ 35,250	$ 17,748	$ (4,771)	$ 48,227
Amortization				
SBITAs	$ (13,163)	$ (9,995)	$ 4,305	$ (18,853)
Total	$ (13,163)	$ (9,995)	$ 4,305	$ (18,853)
SBITAs, net	$ 22,087	$ 7,753	$ (466)	$ 29,374

The following table summarizes future principal and interest payments related to SBITA payments as of January 31, 2024:

Year Ended January 31,	Principal	Interest	Total
2025	$ 5,361	$ 332	$ 5,693
2026	4,058	148	4,206
2027	1,366	27	1,393
2028	14		14
Total	$ 10,799	$ 507	$ 11,306

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Note 14 Leases and SBITAs (Continued)

Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

San Antonio Water System (SAWS)

Effective January 1, 2023, SAWS implemented GASB Statement No. 96, *Subscription Based Information Technology Agreements*. SAWS has various contracts with information technology vendors for cloud-based software. The terms of the SBITA contracts range from four to five years, including options to extend that are considered to be reasonably certain. Both the subscription asset and subscription liability are included in the Statement of Net Position. The subscription assets are recorded as subscription assets, net and the subscription liability are recorded as either current or noncurrent portion of long-term obligations.

The following table summarizes SBITA activities for the year ended December 31, 2023:

	January 1, 2023 (Restated)	Additions	Deletions	December 31, 2023
Subscription Assets				
SBITAs	$ 6,892	$ -	$ -	$ 6,892
Total	$ 6,892	$ -	$ -	$ 6,892
Amortization				
SBITAs	$ (493)	$ (1,198)	$ -	$ (1,691)
Total	$ (493)	$ (1,198)	$ -	$ (1,691)
SBITAs, net	$ 6,399	$ (1,198)	$ -	$ 5,201

The following table lists all future payments under the SBITAs as of December 31, 2023:

Year Ended December 31,	Principal	Interest	Total
2024	$ 1,249	$ 27	$ 1,276
2025	1,313	20	1,333
2026	1,364	12	1,376
2027	779	4	783
Total	$ 4,705	$ 63	$ 4,768

Note 15 Other Obligations

Primary Government (City)

Pollution Remediation Obligation

The City follows the provisions of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations.*

The general nature of existing pollution that has been identified on City property is consistent with City operations of acquiring properties for infrastructure and improvement development. Under most circumstances, the triggering event relevant to the City is the voluntary commencement of activities to clean up the pollution. Costs were estimated using the expected cash flow technique prescribed under GASB Statement No. 49 utilizing information provided by the City's respective departments which included previous knowledge of clean-up costs, existing contracts, etc. Depending on the length of time it takes the City to remediate the pollution, costs may be different from those estimated below as a result of market rate changes, price changes, improvements to technology, or changes in applicable laws or regulations.

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Liabilities	$ 6,575	$ 1,602	$ (6,125)	$ 2,052
Construction in Progress	$ 5,723	$ 100	$ (5,473)	$ 350
Business-Type Activities:				
Liabilities	$ 1,274	$ -	$ -	$ 1,274

The Governmental Activities' liabilities were a result of cost estimates to clean existing pollution found on land acquired by the City's Public Works Department for the construction of streets, drainage, facility improvements and parks. Any net change in the Governmental Activities pollution remediation liability that was not capitalized under Construction in Progress was expensed under the City's general government, public safety, and public works activities.

The City foresees receiving $54 in recoveries from third parties for the costs associated with cleaning up these pollution obligations.

The business-type liability was a result of cost estimates to clean existing pollution found on land acquired by the Airport System for the construction of airport structures. As the City acquired this property in the early 1940s, the liability did not meet the criteria to be capitalized, and as such was expensed in fiscal year 2009. The City had no additional pollution remediation costs in business-type activities in fiscal year 2024.

Asset Retirement Obligations

The City accounts for asset retirement obligations (AROs) by recognizing the obligations as a liability based on the best estimate of the current value of outlays expected to be incurred once the assets are retired. GASB Statement No. 83, *Certain Asset Retirement Obligations*, requires the AROs be adjusted for the effects of inflation or deflation at least annually. In addition to the AROs, the City has recorded associated deferred outflows of resources that are being amortized over the remaining useful life of the respective asset groups.

Note 15 Other Obligations (Continued)

Primary Government (City) (Continued)

Asset Retirement Obligations (Continued)

The governmental activities include 33 fuel storage tanks and two oil tanks with useful lives of 40 years (not reported in thousands). The storage tanks have regulatory requirements to be met for removal or permanent closure after retirement under the Texas Administrative Code. The associated retirement costs are being amortized utilizing straight-line method over the average estimated remaining useful life of the storage tanks. At September 30, 2024, the ARO liability related to the storage tanks was $2,088.

The business-type activities include seven fuel storage tanks with useful lives of 40 years, three above ground oil tanks with useful lives of 40 years and one X-ray machine with a useful life of ten years. Additionally, the City has the following assets with 30-year useful lives; two above ground aqueous film forming foam (AFFF) product storage tanks, piping systems and underground AFFF waste collection tanks, one underground AFFF storage tank and piping system, and one automobile fuel piping system and dispensers (not reported in thousands). The storage tanks have regulatory requirements to be met for removal or permanent closure after retirement under the Texas Administrative Code. The Airport X-ray machine also has special requirements for the decommissioning/sanitizing of the equipment when it is retired. The associated retirement costs are being amortized utilizing straight-line method over the average estimated remaining useful life of the assets. At September 30, 2024, the ARO liability related to these assets was $786.

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Liabilities	$ 2,088	$ 133	$ (133)	$ 2,088
Business-Type Activities:				
Liabilities	$ 738	$ 48	$ -	$ 786

CPS Energy

Pollution Remediation Obligation

GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, requires that a liability be recognized for expected outlays for remediating existing pollution when certain triggering events occur. The general nature of existing pollution that has been identified at CPS Energy sites is consistent with that experienced within the electric and gas utilities industry. Under most circumstances, the triggering event most relevant to CPS Energy is the voluntary commencement of activities to clean up pollution.

Under Federal Energy Regulatory Commission guidance, reserves have been established for dismantling and closure costs. In fiscal year 2008, in preparation for implementation of GASB Statement No. 49, a portion of those reserves were reclassified to remediation and dismantling reserve accounts reported on the Statement of Net Position within other liabilities. When a triggering event occurs, those reserves will be reclassified as a pollution remediation liability also reported within other liabilities.

The pollution remediation liability was $1,805 as of January 31, 2024. Costs were estimated using the expected cash flow technique prescribed under GASB Statement No. 49, utilizing information provided by CPS Energy's environmental staff and consultants.

Note 15 Other Obligations (Continued)

CPS Energy (Continued)

Asset Retirement Obligations

CPS Energy accounts for AROs by recognizing the obligations as a liability based on the best estimate of the current value of outlays expected to be incurred once the assets are retired. Asset retirement obligations recognized under GASB Statement No. 83 were estimated utilizing information provided by CPS Energy's environmental and engineering staff, external consultants, and costs based on an external cost study for decommissioning.

GASB Statement No. 83 requires the AROs be adjusted for the effects of inflation or deflation at least annually and to evaluate factors to determine if one or more factors is expected to significantly increase or decrease the estimated outlays. In addition to the AROs, CPS Energy has recorded associated deferred outflows of resources that are being amortized over the remaining useful life of the respective asset groups. The following asset groups have been included in the ARO reflected on the Statement of Net Position:

- **STP Units 1 and 2** – CPS Energy is one of three participants in STP, currently a two-unit nuclear power plant located in Matagorda County, Texas. The Code of Federal Regulations (CFR) provides the main decommissioning requirements mandated by the Nuclear Regulatory Commission that issues the operational license of the site. The ARO is based on an external cost study performed every five years. The most recent study was finalized in May 2023 and estimates costs in 2023 dollars. The associated costs are being amortized utilizing a straight-line method over the estimated remaining useful lives of the units. Total asset lives for the units are 60 years based on the operating license extensions. The deferred outflows of resources are based on the estimated remaining useful life of the assets. CPS Energy has established two decommissioning trusts that are reported as blended component units combined into the CPS Energy financial statements to cover the eventual decommissioning associated with STP Units 1 and 2. At January 31, 2024, the ARO related to STP Units 1 and 2 was $1,036,959.

- **Vaults** - CPS Energy has approximately 200 underground vaults with useful lives of 46 years (vault count not reported in thousands). The vaults have regulatory requirements to be met prior to removal and after retirement under the CFR and Texas Commission on Environmental Quality. Methods and assumptions to determine the associated liability were based on an internal calculation of cost per square foot of each vault which includes assessment, remediation, transportation, and disposal costs. The associated costs are being amortized utilizing a straight-line method over the average estimated remaining useful life of the vaults. At January 31, 2024, the ARO related to the vaults was $11,998.

- **Fuel Storage Tanks** – CPS Energy has 14 underground fuel storage tanks with useful lives of 30 years (fuel storage tank count not reported in thousands). The storage tanks have regulatory requirements to be met for removal or permanent closure after retirement under the Texas Administrative Code. The methods and assumptions used to determine the liability associated with the tanks were based on a cost analysis performed by an outside engineering consulting firm in July 2018. The associated retirement costs are being amortized utilizing straight-line method over the average estimated remaining useful life of the storage tanks. At January 31, 2024, the ARO related to the storage tanks $5,083.

Note 15 Other Obligations (Continued)

CPS Energy (Continued)

Other

CPS Energy has two Long-Term Service Agreements (LTSA) with General Electric (GE) for two of its combined-cycle power plants, Arthur Von Rosenberg (AVR) and Rio Nogales.

- **AVR** – In 2007, CPS Energy entered into a 20-year LTSA with GE to provide maintenance services and select replacement parts for the AVR power plant. In September 2015, the contract was amended primarily to add a provision for the advance purchase from GE of three new sets of Advanced Gas Path (AGP) parts to eventually be installed at the AVR plant.

  The balance of the AVR LTSA obligation at January 31, 2024, totaled $6,723 which was reported as a noncurrent liability on the Statement of Net Position.

- **Rio Nogales** – In March 2017, the existing Rio Nogales power plant LTSA contract was amended primarily to add a provision for the advance purchase from GE of four new sets of AGP parts to eventually be installed at the power plant. At January 31, 2024, all four sets of spare parts are installed and operational at the plant.

  The balance of the Rio Nogales LTSA obligation at January 31, 2024, totaled $10,480 which was reported as a noncurrent liability on the Statement of Net Position.

San Antonio Water System (SAWS)

Pollution Remediation Obligation

SAWS had no material pollution remediation liabilities at December 31, 2023.

Asset Retirement Obligation

SAWS adopted GASB Statement No. 83, *Certain Asset Retirement Obligations*, effective January 1, 2019. SAWS accounts for AROs by recognizing the total obligation as a liability based on the best estimate of the current value of expenditures expected to be incurred once the assets are retired. GASB Statement No. 83 requires the effects of inflation or deflation on the ARO liability be adjusted annually. In addition to the ARO liability, SAWS has recorded associated outflows of resources that are being amortized over the remaining useful life of the respective asset groups. The total liability for AROs was $50,729 at December 31, 2023. The following asset groups have been included in the ARO liability reflected in the Statement of Net Position.

Note 15 Other Obligations (Continued)

San Antonio Water System (SAWS) (Continued)

Asset Retirement Obligations (Continued)

Wastewater Treatment Plants (WTPs) – SAWS operates three WTPs in its service area, and also maintains Mitchell Lake, which was previously classified as a WTP. Due to the environmentally sensitive nature and ongoing wetlands project at the plant, the remaining life and the cost to decommission this site are not reasonably estimable and are not included in the ARO liability. The average remaining useful life of the other WTPs is 47 years. The Texas Commission on Environmental Quality requires that a WTP be decommissioned once no longer in service. The cost for decommissioning the other three plants was $48,779 at December 31, 2023. The cost was determined using data from various 2006 contracts relating to the decommissioning of the Salado Creek WTP. The cost includes a 10.0% design allowance. The contract data was inflated to 2023 dollars.

Underground Storage Tanks (USTs) – SAWS maintains 10 USTs across its service area for servicing fleet vehicles. Texas State Law, 30 Texas Administrative Code Chapter 334, requires that USTs be removed from the ground when they are no longer in use. The cost to remove these USTs from the ground is estimated to be $1,088 at December 31, 2023. The cost was determined using data from a 2020 SAWS contract to remove two USTs at the SAWS' Van Dyke Service Center. The cost includes a 10.0% design allowance. During 2023, no UST's were removed.

Desalination Injection Wells – SAWS currently has two injection wells in use with the desalination process. In connection with desalination injection well permits obtained by SAWS from the Texas Commission on Environmental Quality, SAWS has an obligation to plug the injection wells once the wells are no longer in service. These wells became operational in 2016 and have a remaining useful life of 43 years based on SAWS experience with other wells throughout the system. The cost to plug these wells was estimated to be $862 at December 31, 2023. Data from past contracts for well plugging from 2012 to 2018 was used to determine the costs to plug the various wells currently in service. The contract data was inflated to 2023 dollars. The cost includes a 10.0% design allowance.

The following table summarizes the ARO activity for 2023.

Beginning Balance January 1, 2023	Additions	Deletions	Ending Balance December 31, 2023
$ 40,305	$ 10,424	$ -	$ 50,729

Note 16 Risk Financing

Primary Government (City)

Property and Casualty Liability

As of October 1, 2013, the City is self-insured for liability claims. Effective January 1, 2015, all auto and general liability claims were brought in-house to be administered internally.

The City purchased a property policy through Alliant Property Insurance Programs (APIP) for building property and contents, with a policy loss limit of $1,000,000 per occurrence. The deductible for specific perils and coverages are:

- 3.0% per unit of insurance subject to $1,000 minimum per occurrence for freeze;
- 3.0% per unit of insurance subject to $500 minimum per occurrence for hail;
- 3.0% per unit of insurance subject to $1,000 minimum per occurrence for catastrophic losses, excluding flood and earthquake as defined by meeting the following trigger: property claims services declaration of numbered catastrophic event;
- $250 per occurrence for water damage;
- 3.0% per unit of insurance subject to $500 minimum per occurrence for wind damage;
- $1,000 per occurrence for flood zones A & V (inclusive of all 100 year exposures);
- $500 unscheduled infrastructure including but not limited to tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, channels, levees, dikes, berms, embankments, landfills (as more fully defined in the policy), docks, piers, wharves, streetlights, traffic signals, meters, roadways or highway fencing (including guardrails), and all similar property unless a specific value has been declared. Unscheduled infrastructure coverage is excluded for the peril of earthquake and excluded for Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters, providing said declaration provides funding for repairs;
- $250 earthquake shock: If the stated deductible is a flat dollar amount, the deductible will apply on a per occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply per occurrence on a per unit basis, as defined in the policy form, subject to the minimum deductible per occurrence; and
- $25 per police vehicle, except $50 for all police vehicles valued under $250; $100 for All Riot Control Vehicles (RCV) of $250 to $750; $250 for All Vehicles with RCV in excess of $750 per occurrence for off-premises vehicle physical damage. If off-premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off-premises on a per occurrence basis, unless otherwise stated. If off-premises coverage is not included, on-premises/in-yard coverage is subject to the all risk (basic) deductible.

Obligations for claims under these programs are accrued in the City's Self-Insurance Program's – Insurance Reserve Fund based on the City's estimates of the aggregate liability for claims made and claims incurred but not reported. The departments are assessed contributions to cover expenditures. No settlements exceeded insurance coverage in each of the past three years.

Starting in fiscal year 2023, the City has cyber liability insurance from Arch Specialty Insurance Company. The cyber liability insurance covers the financial costs associated with a breach and cyber extortion that exceed the deductible of $1,000, with a coverage limit of $5,000. The purchase of this insurance policy mitigates the risk to the City's Self-Insurance Program's – Insurance Reserve Fund in the event a large catastrophic claim occurs.

Note 16 Risk Financing (Continued)

Primary Government (City) (Continued)

Workers' Compensation

As of May 1, 2013, the City is self-insured for workers' compensation claims. The City utilizes a third-party administrator to adjust its claims. In fiscal year 2023, the City purchased workers' compensation stop loss insurance from CHUBB ACE American Insurance Company. The stop loss insurance covers civilian compensation claims that exceed $2,000 and uniformed claims that exceed $5,000. The purchase of the stop loss insurance mitigates the risk to the City's Self-Insurance Program's – Workers' Compensation Fund in the event a large catastrophic claim occurs. No settlements exceeded insurance coverage since it was first purchased in fiscal year 2020.

Obligations for claims are accrued in the City's Self-Insurance Program's – Workers' Compensation Fund based on the City's estimates of the aggregate liability for claims made and claims incurred but not reported. The departments are assessed contributions to cover expenditures.

Health Benefits Stop Loss Insurance

Since 2018, the City has purchased medical claims stop loss insurance. In calendar year 2024, the City purchased medical claims stop loss insurance from BCBS. The stop loss insurance covers civilian and uniformed active employees, non-Medicare eligible retirees, and eligible dependents for claims paid exceeding $1,200 per claimant. The purchase of the stop loss insurance mitigates the risk to the City's Self Insurance Program's – Employee Health Benefits Fund and the Fiduciary Retiree Health Care Fund in the event a large catastrophic claim occurs.

Employee Health Benefits

The City offers employees and their eligible dependents a comprehensive employee benefits program including medical, dental, vision, and basic and supplemental life insurance. Employees may also participate in healthcare or dependent care spending accounts. The City's health program is self-insured, and the City's vision plan is fully-insured. The City offers two dental plans that are both fully-insured. Obligations for benefits are accrued in the City's Self-insurance Program's – Employee Health Benefits Fund based upon the City's estimates of the aggregate liability for unpaid benefits.

Retiree Health Benefits

The City offers medical coverage for its retirees and their dependents. The City offers both self-insured and fully-insured plans to participating employees who are eligible to retire from the TMRS Pension Plan immediately following severance from the City. Self-funded obligations for benefits are accrued in the City's Retiree Health Care Fund (a fiduciary fund of the City) based upon the City's estimates of the aggregate liability for unpaid benefits. The City additionally determined and accrued OPEB liabilities based on an actuarial assessment of historical self-funded claims data performed and reviewed annually. Current year unpaid benefit liabilities for retirees are netted against the OPEB liability as additional contributions.

Note 16 Risk Financing (Continued)

Primary Government (City) (Continued)

Unemployment Compensation Program

The Unemployment Compensation Program provides a central account for payment of unemployment compensation claims. As of the fiscal year-end, claims were being administered externally and are paid to the Texas Workforce Commission on a reimbursement basis. All costs incurred are recorded on a claim paid basis in the City's Self-Insurance Program's – Employee Health Benefits Fund.

Extended Sick Leave Program

The Extended Sick Leave Program is used to pay benefits associated with short-term disability, long-term disability and continued long-term disability. Benefits are administered by the City. Actual costs are incurred when extended leave is taken. Short-term and long-term disability is funded by the employee's department. Continued long-term disability is funded out of the City's Self-Insurance Program's – Employee Health Benefits Fund and is reimbursed by the employee's department.

Employee Wellness Program

The Employee Wellness Program supports a culture of wellness and provides employees and their family members with the necessary tools to achieve and maintain a healthy lifestyle, while positively impacting medical claim trends. The City offers a variety of programs including personalized onsite and telephonic health coaching, smoking cessation, health education sessions, and an activity-based program that outfits employees with a free pedometer. Through this activity-based program, employees are able to track their activity over the course of 12 months, during which they can earn up to $0.5 in financial contributions. In fiscal year 2024, the City contributed $732 towards employees' Flexible Spending or Health Savings accounts. In June 2022, the City opened the City Tower Fitness Center which is available to all full-time, part-time, and temporary City employees. This facility was carefully designed to provide an inclusive, inviting, and comprehensive space intended to appeal to all employees regardless of their current fitness level. The Employee Wellness Program is reported in the City's Self-Insurance Program's – Employee Health Benefits Fund.

Claims Liability

The liability for the City's Self-Insurance Program's – Employee Health Benefits Insurance Program is based on the estimated aggregate amount outstanding at the Statement of Net Position date for unpaid benefits. Liabilities for the City's Self-Insurance Programs' – Insurance Reserve and Workers' Compensation Programs are reported when it is probable that a loss has occurred as of the Statement of Net Position date, and the amount of the loss can be reasonably estimated. These liabilities include allocable loss adjustment expenses, specific incremental claim adjustment expenses such as the cost of outside legal counsel, and a provision for claims that have been incurred but not reported (IBNR). Unallocated claim adjustment expenses have not been included in the calculation of the outstanding claims liability, as management of the City feels it would not be practical or cost beneficial. In addition, based on the difficulty in determining a basis for estimating potential recoveries and the immateriality of prior amounts, no provision for subrogation or salvage has been included in the calculation of the claims' liability. The claims liability reported in the accompanying financial statements for both the Insurance Reserve and Workers' Compensation Programs is based on a 4.0% discount rate due to the multi-year life cycle to close out these claims and the average historical, as well as forecasted, yield on the City's investments.

Note 16 Risk Financing (Continued)

Primary Government (City) (Continued)

Claims Liability (Continued)

The following is a summary of changes in claims liability for the City's Insurance Reserve, Employee Health Benefits, and Workers' Compensation Programs Funds for the fiscal years as indicated:

Programs/Funds	October 1,	Change in Estimate	Claims Incurred	Claims Payments	September 30,
Insurance Reserve:					
Fiscal Year 2023	$ 31,064	$ 7,165	$ 760	$ (463)	$ 38,526
Fiscal Year 2024	38,526	13,438	668	(11,988)	40,644
Employee Health Benefits[1]:					
Fiscal Year 2023	$ 8,692	$ 45,779	$ 104,073	$ (150,077)	$ 8,467
Fiscal Year 2024	8,467	54,980	111,423	(164,021)	10,849
Workers' Compensation:					
Fiscal Year 2023	$ 28,390	$ 7,577	$ 3,164	$ (2,971)	$ 36,160
Fiscal Year 2024	36,160	6,426	2,528	(6,825)	38,289

[1] Fiscal Year 2024 fund financial claims expense reflects an additional $278 paid for Unemployment Claims that are not included in the calculation of claims liability.

CPS Energy

Insurance and Reserves — CPS Energy is exposed to various risks of loss including, but not limited to, those related to torts, theft or destruction of assets, errors and omissions, and natural disasters. CPS Energy maintains property and liability insurance programs that combine self-insurance with commercial insurance policies to cover major risks. The property insurance program provides $2,000,000 of replacement-value coverage for property and boiler machinery loss, including comprehensive automobile coverage, and fire damage coverage for construction equipment and valuable papers. The deductible for the property insurance policy is $1,000 for non-power plant/non-substation locations, $2,500 for substations, and $5,000 for power plant locations.

The liability insurance program includes:

- $100,000 of excess general liability coverage over a retention amount of $3,000;
- $25,000 of fiduciary liability coverage;
- $100,000 of employment practices liability coverage; and
- Other property and liability insurance coverage, which includes directors and officers, cyber insurance, commercial crime, employee travel and event insurance.

Note 16 Risk Financing (Continued)

CPS Energy (Continued)

CPS Energy also manages its own workers' compensation program. To support this program, $35,000 of excess workers' compensation coverage over a retention amount of $3,000 is maintained. No settlements exceeded insurance coverage and there were no decreases in coverage in the last two fiscal years.

Actuarial studies are performed periodically to assess the adequacy of CPS Energy insurance reserve retentions. Actuarial valuations include nonincremental claims expenses. An actuarial study was completed in fiscal year 2023.

The remaining balance under the Property Reserves (Environmental) column in the table below at January 31, 2024, relates to estimated obligations for the cleanup, closure and post-closure care requirements of the CPS Energy's landfills. CPS Energy has seven landfill/impoundment sites, four of which are at full capacity. The estimates for landfills, surface impoundment and ash ponds liability are based upon capacity to date and are subject to change due to inflation or deflation, as well as new developments in technology, applicable laws, or regulations.

Under CPS Energy's reserve program, all insurance related claims are recorded against the reserve.

Schedule of Changes in Claims Liability

Fund	Liability February 1,	Claims Adjustments	Claims Payments	Liability January 31,
Property Reserves (Environmental):				
Fiscal Year 2023	$ 19,548	$ (238)	$ -	$ 19,310
Fiscal Year 2024	19,310	12,691		32,001
Property Reserves (Insurance):				
Fiscal Year 2023	$ 5,122	$ 737	$ -	$ 5,859
Fiscal Year 2024	5,859	4,700		10,559
Employee and Public Liability Claims:				
Fiscal Year 2023	$ 20,187	$ 2,586	$ (3,064)	$ 19,709
Fiscal Year 2024	19,709	6,477	(6,334)	19,852

Counterparty Risk — CPS Energy is exposed to counterparty risk associated with various transactions primarily related to debt, investments, fuel hedging, suppliers, and wholesale power. Counterparty risk is the risk that a counterparty will fail to meet its obligations in accordance with the terms and conditions of its contract with CPS Energy. CPS Energy has policies and practices in place to ensure the solvency of counterparties is assessed accurately, monitored regularly, and managed actively through its Enterprise Risk Management and Solution Division.

Fuel Hedging —CPS Energy reports its derivative instruments in accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, which addresses recognition, measurement, and disclosures related to derivative instruments. CPS Energy does not use derivative instruments for speculative purposes. The only derivative instruments entered are for the purposes of risk mitigation; therefore, these instruments are considered potential hedging derivative instruments under GASB Statement No. 53.

Note 16 Risk Financing (Continued)

CPS Energy (Continued)

On October 31, 2022, the CPS Energy Board reaffirmed the Energy Price Risk Management Policy, which sets forth the guidelines for the purchase and sale of certain financial instruments and certain physical products, collectively defined as hedge instruments. The essential goal of the Energy Price Risk Management Policy is to provide a framework for the operation of a fuel and energy price hedging program to better manage CPS Energy's risk exposure in order to stabilize pricing and costs for the benefit of CPS Energy and its customers.

In accordance with the requirements of GASB Statement No. 53, all fuel hedges are reported on the Statement of Net Position at fair value. The fair value of option contracts is determined using a Black-Scholes pricing model based on the New York Mercantile Exchange (NYMEX) closing futures prices as of the last day of the reporting period. For fixed-price contracts, the fair value is calculated by deriving the difference between the closing futures prices on the last day of the reporting period and the futures or basis swap purchase prices at the time the positions were established.

As of January 31, 2024, the total fair value of outstanding hedge instruments was a net asset of $7,818. Fuel hedging instruments with a fair value of $4,181 and $6,486 are classified on the Statement of Net Position as a component of current assets and current accounts payable and accrued liabilities, respectively. Long-term fuel hedging instruments with a fair value of $15,307 and $4,733 are classified as a component of other noncurrent assets and other noncurrent liabilities, respectively.

All hedging derivative instruments were evaluated for effectiveness as of January 31, 2024. Consistent with hedge accounting treatment required for derivative instruments that are determined to be effective in offsetting changes in the cash flows of the hedged item, changes in fair value are reported as deferred outflows or deferred inflows of resources on the Statement of Net Position until the contract expiration that occurs in conjunction with the hedged expected fuel purchase transaction. When fuel hedging contracts expire, at the time the purchase transactions occur, the deferred balance is recorded as an adjustment to fuel expense. The deferred outflows of resources related to fuel hedges totaled $30,243 at January 31, 2024. No deferred Inflow of resources related to fuel hedges were reported as of January 31, 2024.

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Note 16 Risk Financing (Continued)

CPS Energy (Continued)

Following is information related to CPS Energy's outstanding fuel hedging derivative instruments, using the referenced index of Henry Hub. For Type of Transaction on the below table, Houston Ship Channel is presented as HSC, and Western Area Hub Association is presented as WAHA:

Fuel Derivative Instrument Transactions as of January 31, 2024					
Type of Transaction		Duration	Volumes in MMBtu	Fair Value	Changes in Fair Value
Long	Natural Gas Swap	Feb 2024 - Sep 2024	1,898,835	$ (2,600)	$ 1,232
Short	Natural Gas Swap	Feb 2024 - Feb 2024	1,402,500	1,873	(2,449)
Long	Natural Gas Call Option	Feb 2024 - Jan 2027	76,898,917	12,377	(2,694)
Short	Natural Gas Call Option	Apr 2024 - Apr 2026	981,254	(247)	39
Long	HSC Basis Swap	Feb 2024 - Sep 2024	380,000	(48)	999
Long	HSC Gas Daily Swap	Feb 2024 - Feb 2024	3,404,600		
Long	WAHA Basis Swap	Feb 2024 - Jan 2027	72,241,876	(3,190)	18,533
Short	WAHA Basis Swap	Apr 2024 - Apr 2026	2,106,767	(347)	(347)
Long	WAHA Gas Daily Swap	Feb 2024 - Feb 2024	3,001,500		
				$ 7,818	$ 15,313

In the event purchased options are allowed to expire, the related premiums paid to acquire those options will be lost. When a short position is established and options are sold, premiums are received, and an obligation to honor the terms of the option contract, if exercised, is created. The decision to exercise the options or let them expire rests with the purchasing party.

Futures contracts represent a firm obligation to buy or sell the underlying asset. If held to expiration, the contract holder must take delivery of, or deliver, the underlying asset at the established contract price. Basis swap contracts represent a financial obligation to buy or sell the underlying delivery point basis. If held to expiration, the financial difference determined by mark-to-market valuation must be settled on a cash basis. Only if expressly requested in advance, may an exchange for physical assets take place.

Credit Risk — CPS Energy executes over-the-counter hedge transactions directly with approved counterparties. These counterparties are generally highly rated entities that are leaders in their respective industries. CPS Energy monitors the creditworthiness of these entities on a daily basis and manages the resulting financial exposure via a third-party, vertically integrated risk system. Contractual terms with each existing counterparty vary, but each is structured so that, should the counterparty's credit rating fall below investment grade, no unsecured credit would be granted, and the counterparty would be required to post collateral for any calculated credit exposure. In the event of default or nonperformance by counterparties, brokers, or NYMEX, the operations of CPS Energy could be materially affected. However, CPS Energy does not expect these entities to fail to meet their obligations given the level of their credit ratings and the monitoring procedures in place with which to manage this risk. As of January 31, 2024, the exposure to all hedge-related counterparties was such that no material counterparty credit risk existed.

Note 16 Risk Financing (Continued)

CPS Energy (Continued)

Termination Risk — For CPS Energy's fuel hedges that are executed over the counter directly with approved counterparties, the possibility exists that one or more of these derivative instruments may end earlier than expected, thereby depriving CPS Energy of the protection from the underlying risk that was being hedged or potentially requiring CPS Energy to make a significant termination payment. This termination payment between CPS Energy and its counterparty is determined based on current market prices. In the event a transaction is terminated early, CPS Energy would likely be able to replace the transaction at current market prices with similar, although not exact, terms with one of its other approved counterparties.

Basis Risk — CPS Energy is exposed to basis risk on its fuel hedges because the expected commodity purchases being hedged will be priced based on a pricing point (HSC or WAHA) different than which the contracts are expected to settle (Henry Hub). For January 2024, the HSC price was $2.49 per MMBtu, the WAHA price was $1.86 per MMBtu and the Henry Hub price was $2.62 per MMBtu. (Figures in this paragraph are not in thousands).

Congestion Revenue Rights — In the normal course of business, CPS Energy acquires Preassigned Congestion Revenue Rights (PCRRs) and Congestion Revenue Rights (CRRs) as a hedge against congestion costs. The CRRs are purchased at semi-annual and monthly auctions at market value. Non-Opt-In Entities are granted the right to purchase PCRRs annually at a percentage of the cost of CRRs. While PCRRs exhibit the three characteristics of derivative instruments as defined in GASB Statement No. 53, they are generally used by CPS Energy as factors in the cost of transmission. Therefore, these PCRRs meet the normal purchases and sales scope exception and are reported on the Statement of Net Position at cost and classified as prepaid expenses.

From time to time, CPS Energy purchases PCRRs with the intent of selling them at the same auction at market price. In this case, the PCRRs are considered investments, and the proceeds are reported as either investment gains or losses. There were no gains or losses on the sale of PCRRs and CRRs for fiscal year 2024.

Fair Value Measurement — CPS Energy records assets and liabilities in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, which determines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurement. More information regarding GASB Statement No. 72 is disclosed in Note 4 Cash and Cash Equivalents, Security Lending and Investments. Below is the liability portion disclosure of GASB Statement No. 72:

	January 31, 2024			
	Level 1	Level 2	Level 3	Total
Liabilities				
Financial Instruments				
Current fuel hedges	$ 6,666	$ -	$ -	$ 6,666
Noncurrent fuel hedges	4,593	247		4,840
Total financial instruments	$ 11,259	$ 247	$ -	$ 11,506

San Antonio Water System (SAWS)

Risk Management — SAWS provides health care benefits to eligible employees and retirees through a self-insured plan that includes medical, prescription drug, and dental benefits. The payment of claims associated with these benefits is handled by third party administrators. Plan participants contribute a portion of the cost of providing these benefits through payroll deductions or monthly premiums, annual deductibles, and other co-payments. SAWS was self-insured for the first $750 of medical claims per person during 2023.

Note 16 Risk Financing (Continued)

San Antonio Water System (SAWS) (Continued)

SAWS is exposed to various risks of financial loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. SAWS is self-administered and self-insured for the first $2,000 of each workers' compensation and general liability claim, and is fully self-insured for automobile liability. Claims that exceed the self-insured retention limit for workers' compensation and general liability are covered through SAWS' Comprehensive Commercial Insurance Program (CCIP). Additionally, under the CCIP, SAWS maintains deductible programs for public officials and employment practices liability, fiduciary liability, pollution legal liability, drone liability, cyber liability, and crime with varying deductibles. Property coverage is on a replacement cost basis with a deductible of $250 per occurrence. Settled claims during the last three years have not exceeded the insurance coverage in any year.

The claims liability for health care benefits and other risks, including incurred but not reported claims, is based on the estimated ultimate cost of settling the claims. Changes in the liability amount for the last two fiscal years were as follows:

San Antonio Water System
Schedule of Changes in Claims Liability

Year-Ended	Balance at Beginning of Fiscal Year	Estimates	Claims and Payments	Balance at End of Fiscal Year	Estimated Due Within One Year
December 31, 2022	$ 8,821	$ 19,374	$ (19,682)	$ 8,513	$ 8,513
December 31, 2023	8,513	21,709	(21,284)	8,938	8,938

Pay-Fixed, Receive-Variable Interest Rate Swap — In 2003, SAWS entered into an interest rate swap agreement in connection with its City of San Antonio, Texas, Water System Subordinate Lien Revenue and Refunding Bonds, Series 2003-A and 2003-B (Series 2003 Bonds) issued in a variable interest rate mode. The Series 2003 Bonds were issued to provide funds for SAWS' capital improvements program and to refund certain outstanding commercial paper notes.

The swap was used to hedge interest rates on the Series 2003 Bonds to a synthetic fixed rate that produced a lower interest rate cost than a traditional long-term fixed rate bond issued at that time. In August 2008, SAWS used commercial paper notes to redeem $110,615 of the $111,615 outstanding principal of the Series 2003 Bonds due to unfavorable market conditions relating to the ratings downgrade of the 2003 Bond insurer, MBIA Insurance Corporation. In 2009, SAWS redeemed the remaining $1,000 of the Series 2003 Bonds through the issuance of additional commercial paper. The interest rate swap agreement was not terminated upon the redemption of the Series 2003 Bonds and instead serves as an off-market hedge for that portion of the commercial paper notes outstanding which pertain to the redemption of the Series 2003 Bonds. SAWS currently intends to maintain a portion of its outstanding commercial paper in amounts matching the notional amounts of the swap. SAWS did not recognize any economic gain or loss as a result of this refunding since the debt service requirements of the commercial paper notes are expected to closely match the debt service requirements of the refunded debt. At December 31, 2023, $59,745 of commercial paper notes was hedged by the interest rate swap agreement.

Note 16 Risk Financing (Continued)

San Antonio Water System (SAWS) (Continued)

Terms — The swap agreement contains scheduled reductions to the outstanding notional amounts that are expected to follow the original scheduled reductions in the Series 2003 Bonds. The Series 2003 Bonds were issued on March 27, 2003, with a principal amount of $122,500. The swap agreement matures on May 1, 2033. At the time the swap was entered into, the counterparty was Bear Stearns Financial Products, Inc. (Bear Stearns FPI), with the index for the variable rate leg of the swap being the Securities Industry and Financial Markets Association Municipal Swap Index.

In 2008, JPMorgan Chase & Co. announced its acquisition of The Bear Stearns Companies, Inc., the parent of Bear Stearns FPI. JPMorgan Chase & Co. has guaranteed the trading obligations of Bear Stearns Companies Inc. and its subsidiaries. Effective June 16, 2009, the swap agreement was amended between SAWS, JPMorgan Chase & Co., and MBIA to provide for JPMorgan Chase Bank N.A. to become the swap counterparty and allow for the remainder of outstanding Series 2003 Bonds to be redeemed, while maintaining the swap agreement as an obligation to all parties. The amendment provides for the conditional release of MBIA's swap insurance policy upon the occurrence of certain future events. The combination of commercial paper notes and a floating-to-fixed swap creates a synthetic fixed-rate of 4.2%. The synthetic fixed-rate protects against the potential of rising interest rates.

Fair Value — The swap had a negative fair value of approximately $3,987 at December 31, 2023. This value is based on Level 2 inputs in the fair value hierarchy using the zero-coupon valuation method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These net payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

The swap agreement meets the criteria of an effective hedge under GASB Statement No. 53 and therefore qualifies for hedge accounting treatment. Since the fair value is negative, the fair value is recorded as a noncurrent liability. Changes in the swap's fair value are recorded as a deferred outflow of resources and included on the Statement of Net Position. At the time the Series 2003 Bonds were redeemed in 2008, the fair value of the swap was negative $6,179. The deferred outflow at the time of redemption was included in the carrying value of the Series 2003 Bonds and resulted in a loss on redemption of $6,179. This loss is included in the deferred charge on bond refunding on the Statement of Net Position and is being amortized over the remaining life of the Series 2003 Bonds. The unamortized deferred charge on bond refunding related to the swap was $1,591 at December 31, 2023.

Credit Risk — As of December 31, 2023, SAWS was not exposed to credit risk on its outstanding swap because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, SAWS would be exposed to credit risk in the amount of the swap's fair value. The swap counterparty, JPMorgan Chase Bank, N.A., was rated 'Aa2' by Moody's Investors Service, 'A+' by Standard & Poor's Global Ratings, and 'AA' by Fitch Ratings as of December 31, 2023. The amended swap agreement contains a credit support annex which will become effective upon the release of MBIA from the swap insurance policy. Collateralization would be required by either party should the fair market value of the swap reach applicable thresholds as stated in the amended swap agreement.

Basis Risk — SAWS is exposed to basis risk to the extent that the interest payments on its hedged commercial paper notes do not match the variable-rate payments received on the associated swap. SAWS attempts to mitigate this risk by matching the outstanding hedged commercial paper notes associated with the redemption of the variable-rate debt to the notional amount and amortization schedule of the swap and selecting an index for the variable-rate leg of the swap that is reasonably expected to closely match the interest rate on the hedged commercial paper notes.

Note 16 Risk Financing (Continued)

San Antonio Water System (SAWS) (Continued)

Termination Risk — SAWS may terminate the swap at any time for any reason. JPMorgan Chase may terminate the swap if SAWS fails to perform under the terms of the agreement. The ongoing payment obligations under the swap are insured as provided for in the swap amendment, and JPMorgan Chase cannot terminate as long as the insurer does not fail to perform. Also, if at the time of the termination the swap has a negative fair value, SAWS would be liable to the counterparty for a payment equal to the swap's fair value.

Market-access Risk — SAWS is subject to market-access risk as the variable-rate debt hedged by the swap consists of commercial paper notes. At December 31, 2023, $59,745 of outstanding commercial paper with current maturities of approximately 65 days was hedged by the interest rate swap. As previously noted, SAWS intends to reissue the commercial paper notes in amounts matching the notional amounts of the swap.

Swap Payments and Associated Debt — As of December 31, 2023, debt service requirements of the hedged commercial paper notes and net swap payments, assuming current interest rates remain the same, are detailed in the following table. As rates vary, variable-rate interest payments and net swap payments will vary. Principal payments assume that commercial paper will be repaid in accordance with the amortization schedule of the swap.

Pay-Fixed, Receive-Variable Interest Rate Swap
Estimated Debt Service Requirements of Variable-Rate
Debt Outstanding and Net Swap Payments

Year	Principal	Interest Paid on Debt	Interest Rate Swap, Net	Total
2024	$ 4,850	$ 2,176	$ 175	$ 7,201
2025	5,070	1,983	159	7,212
2026	5,305	1,782	144	7,231
2027	5,540	1,572	127	7,239
2028	5,795	1,352	109	7,256
2029-2033	33,185	3,095	249	36,529
Total	$ 59,745	$ 11,960	$ 963	$ 72,668

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Note 17 Interfund Transfers

The following is a summary of interfund transfers for the City for the fiscal year-ended September 30, 2024:

Interfund Transfers		
	Transfers In From Other Funds	Transfers Out To Other Funds
General Fund:		
Debt Service Fund	$ -	$ 1,818
COVID-19 Funds		91,935
Categorical Grant In-Aid		7,077
Nonmajor Governmental Funds	15,891	58,213
Airport System	305	
Solid Waste Management	1,491	55
Nonmajor Enterprise Funds	3,158	3,865
Internal Service Funds		21,189
Total General Fund	$ 20,845	$ 184,152
Debt Service Fund:		
General Fund	1,818	
Nonmajor Governmental Funds	13,811	
Solid Waste Management	1,051	
Internal Service Funds	1,480	
Total Debt Service Fund	$ 18,160	$ -
COVID-19 Funds:		
General Fund	91,935	
Total COVID-19 Funds	$ 91,935	$ -
Categorical Grant In-Aid:		
General Fund	7,077	
Nonmajor Governmental Funds	17	8,675
Total Categorical Grant In-Aid	$ 7,094	$ 8,675
2022 General Obligation Bonds:		
Nonmajor Governmental Funds		142,793
Total 2022 General Obligation Bonds	$ -	$ 142,793
Nonmajor Governmental Funds:		
General Fund	58,213	15,891
Debt Service Fund		13,811
Categorical Grant In-Aid	8,675	17
2022 General Obligation Bonds	142,793	
Nonmajor Governmental Funds	512,528	513,635
Airport System		300
Solid Waste Management	1,945	36
Nonmajor Enterprise Funds	461	100
Internal Service Funds	2,815	861
Total Nonmajor Governmental Funds	$ 727,430	$ 544,651
Airport System:		
General Fund		305
Nonmajor Governmental Funds	300	
Internal Service Funds		765
Total Airport System	$ 300	$ 1,070
Solid Waste Management:		
General Fund	55	1,491
Debt Service Fund		1,051
Nonmajor Governmental Funds	36	1,945
Internal Service Funds		712
Total Solid Waste Management	$ 91	$ 5,199
Nonmajor Enterprise Funds:		
General Fund	3,865	3,158
Nonmajor Governmental Funds	100	461
Nonmajor Enterprise Funds	162	162
Internal Service Funds	132	
Total Nonmajor Enterprise Funds	$ 4,259	$ 3,781
Internal Service Funds:		
General Fund	21,189	
Debt Service Fund		1,480
Nonmajor Governmental Funds	861	2,815
Airport System	765	
Solid Waste Management	712	
Nonmajor Enterprise Funds		132
Internal Service Funds	1,560	1,560
Total Internal Service Funds	$ 25,087	$ 5,987
Total	$ 895,201	$ 896,308

Note 17 Interfund Transfers (Continued)

Transfers are made to use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds. These transfers are in the form of operating subsidies, grant matches, and funding for capital projects. In addition, transfers are routinely made from other funds to fund debt service payments and for other restricted purposes. Some examples include the 1/8 cent sales and use tax collected by the City and provided to San Antonio Early Childhood Education Municipal Development Corporation (ECEMDC) for operations; 15.0% of the Hotel Occupancy Tax (HOT) collections are used to fund Historic Preservation which operates in the General Fund; and Bond proceeds are used to fund capital projects. All transfers are in accordance with budgetary authorizations.

Different fiscal year-ends exist between the City and ECEMDC (September 30th and June 30th, respectively); therefore, interfund transfers do not eliminate by $1,107 from transfers received from Early Education Development and SA: Ready To Work. In accordance with GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, the City's transfer to ECEMDC represents its obligation to provide the 1/8 cents sales tax collected 60 days after September 30, 2024; however, ECEMDC's transfers from other funds illustrates the City's 1/8 cents sales tax collected 60 days after June 30, 2024. These transfers are in accordance with legislative and contractual requirements.

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Note 18 Fund Balance Classifications

The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented in the following table. Please see the definitions of the various fund balance classifications in Note 1 Summary of Significant Accounting Policies.

	General Fund	Debt Service Fund	COVID-19 Funds	Categorical Grant In-Aid	2022 General Obligation Bonds	Nonmajor Governmental Funds	Total Governmental Funds
Fund Balances:							
Nonspendable:							
In nonspendable form:							
Materials and Supplies	$ 10,190	$ -	$ 28	$ 842	$ -	$ 1,171	$ 12,231
Prepaid, Deposits and Other	1,581		5,506	22		5,109	12,218
Legally or contractually intact:							
Permanent Fund Corpus						6,911	6,911
Total Nonspendable	$ 11,771	$ -	$ 5,534	$ 864	$ -	$ 13,191	$ 31,360
Restricted:							
Convention and Tourism						3,616	3,616
Debt Service		43,932				31,981	75,913
Drainage - Capital Projects					35,542	79,310	114,852
Economic Development & Opportunity						63,762	63,762
Education						139,645	139,645
Environmental						263	263
Fire Protection						62	62
Health Services						33,761	33,761
Law Enforcement						7,628	7,628
Library						1,758	1,758
Municipal Facilities - Capital Projects					52,856	114,276	167,132
Other Capital Projects					99,652	54,677	154,329
Other Purposes						80	80
Parks - Capital Projects					79,398	21,977	101,375
Parks & Recreation						34,495	34,495
Social Services						191	191
Streets - Capital Projects					108,443	216,250	324,693
Urban Redevelopment and Housing						3,402	3,402
Welfare						453	453
Total Restricted	$ -	$ 43,932	$ -	$ -	$ 375,891	$ 807,587	$ 1,227,410
Committed:							
Convention and Tourism						154,963	154,963
Economic Development & Opportunity	18,067		9,580			1,761	29,408
Environmental	16,072						16,072
Fire Protection	1,337		26,920				28,257
General Government	48,204		8,248				56,452
Health Services	5,238		10,934				16,172
Law Enforcement	12,550					824	13,374
Other - Capital Projects						1,960	1,960
Other Purposes						13,412	13,412
Parks & Recreation	4,350		272			27,083	31,705
Public Works	69,087		30,569				99,656
Streets - Capital Projects	7,294					327	7,621
Urban Redevelopment and Housing	14,802		252			11,993	27,047
Welfare	5,505		24,406				29,911
Total Committed	$ 202,506	$ -	$ 111,181	$ -	$ -	$ 212,323	$ 526,010
Assigned:							
Convention and Tourism						9,273	9,273
Economic Development & Opportunity						902	902
Education						293	293
Health Services						7	7
Other Purposes	4					396	400
Parks & Recreation						4,020	4,020
Total Assigned	$ 4	$ -	$ -	$ -	$ -	$ 14,891	$ 14,895
Unassigned	369,119		(23,342)	(34,365)		(21,901)	289,511
Total Fund Balance	$ 583,400	$ 43,932	$ 93,373	$ (33,501)	$ 375,891	$ 1,026,091	$ 2,089,186

Note 18 Fund Balance Classifications (Continued)

The City utilizes encumbrance accounting to ensure specified remaining unspent balances are adequately carried forward into the next fiscal year. Encumbrances are created for purchase orders, grant match requirements, and capital project funding. The City further carries forward available unspent uncommitted funds identified through the Closing Ordinance into the next fiscal year as authorized by City Council. The encumbrance and carryforward amounts are reported in the committed and restricted fund balance as follows:

General Fund	COVID-19 Funds	Categorical Grant In-Aid	Nonmajor Governmental Funds	Total Governmental Funds
$ 179,072	$ 97,081	$ 21,003	$ 527,668	$ 824,824

The City followed the established General Fund Financial Policies approved by City Council in fiscal year 2024:

- Maintain a minimum General Fund ending balance of 15.0% of revenues;
    - The City maintains 10.0% of the adopted General Fund revenues as a Budgeted Financial Reserve. This Budgeted Reserve is reviewed and adopted by City Council annually in the City's Budget Ordinance and additions to the balance are considered annually as part of the City's overall budget adoption process. The balance within this Budgeted Financial Reserve as of September 30, 2024, was $154,045 and is presented in the General Fund's unassigned fund balance classification.
    - The second component is a reserve for a two-year balanced plan for the General Fund which reserves funding to be utilized in the subsequent fiscal year to maintain a balanced budget plan. At the end of fiscal year 2024, $184,329, or 11.8% of budgeted revenues, was reserved for a two-year balanced budget plan and is presented in the General Fund's unassigned fund balance classification. The establishment and maintenance of appropriate reserves within the General Fund is critical to prudent financial management. These reserves provide budgetary flexibility for unexpected events, financial emergencies, or the unusual fluctuation in revenue-expenditure patterns that impact the ability of the City in the short-term to meet its obligations.
- Maintain Public Safety below 66.0% of the General Fund budget;
- Manage structural balance in the General Fund;
- Maintain a two-year budget plan for the General Fund;
- Maintain a $1,000 contingency in the General Fund and $3,000 in the Capital Budget;
- Address Internal Fund deficits within 3 to 5 years;
- Annually review the impact of the State imposed 3.5% Property Tax Cap on service delivery and provide a recommendation on whether to adjust the Property Tax Rate;
- Annually review property tax relief with a focus on homeowners;
- Annually review and periodically adjust fees and charges to provide for cost recovery, inflation, consumer relief, and/or alignment with policy goals; and
- City Payment from Off-System Sales – Revenue from off-system sales is capped at $10,000 annually with any City payment from off-system sales above $10,000 reserved in a CPS Energy Capital Reserve Fund with any shortfall in the City's payment base budget at year end deducted from the fund to determine the amount eligible to be transferred to CPS Energy for resiliency and reliability initiatives;
- City Payment Base Budget – City payment in excess of 10.0% over the City's adopted City payment base budget (adopted budget plus 10.0%) allocated to the following authorized purposes based upon percentages to be determined by the City: CPS Energy resiliency and reliability projects; and the City's Resiliency Energy Efficiency and Sustainability Fund (REES).

Note 18 Fund Balance Classifications (Continued)

The City followed the established Hotel Occupancy Tax (HOT) Funds Financial Policies approved by City Council in fiscal year 2024:

- Reserve $15,000 in the HOT Operating Contingency Fund to smooth out fluctuations in HOT revenues and address unanticipated operational related expenses;
- Reserve $46,600 in the HOT Lease Payment Contingency Fund to be utilized by the City to manage changing economic conditions in conjunction with other financial strategies and can be used to make lease payments; and
- Reserve residual funds in the Redemption & Capital Reserve Fund, the City may utilize the fund to exercise its voluntary call options and defease a portion of the outstanding debt or fund one-time improvements such as improvements to the convention center facility or sales and marketing programs.

The City followed the established Airport Capital Improvements Fund (CIF) Financial Policies approved by City Council in fiscal year 2024:

- Rolling Debt Service Coverage - reserve $44,000 which is the equivalent to 25.0% of the anticipated Airport Terminal Development debt service;
- Operating Contingency Fund - reserve six months of Airport Operation and Maintenance Expenses which equaled $48,876 for fiscal year 2024; and
- Capital Renewal & Replacement Contingency Fund - reserve $10,000 to provide for unforeseen breakdowns, accidents or emergencies that require immediate repair or replacement of equipment without disrupting operations or causing undue financial strain.

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Note 19 Deficits in Fund Balances / Net Position

Capital Projects Funds

As of September 30, 2024, a deficit fund balance is reported in the General Obligation Projects Fund in the amount of $9,134, the Certificates of Obligation Projects Fund in the amount of $507, and the Improvement Projects Fund in the amount of $10,255, due to timing of funding. These project deficits will be funded from the proceeds of future bond issuances. To maintain the ability to reimburse these costs from tax-exempt bond proceeds, the City annually approves a reimbursement resolution covering projects within the Adopted Capital Budget to comply with Internal Revenue Service requirements.

Grant Funds

As of September 30, 2024, deficit fund balances are reported in the Categorical Grant-in Aid Fund and HOME Program Fund in the amounts of $33,501 and $325, respectively. These deficits are primarily due to costs not being reimbursed by the grantor within 60 days after year-end. Of the deficits reported in the Categorical Grant-in Aid Fund, $14,266 is pending reimbursement from FEMA related to the 2021 Winter Freeze event and the Shelter and Services Program grant. The City continues to work with FEMA to recoup expenditures.

Enterprise Funds

As of September 30, 2024, deficit net positions are reported in the Solid Waste Management Fund and Development Services Fund in the amounts of $47,872 and $12,995, respectively. The City does not currently prefund its net OPEB liability or the net pension liability; as a result, these funds will continue to exhibit a deficit net position. The City will continue to pay for these obligations as they become due.

Special Revenue Funds

As of September 30, 2024, a deficit was reported for Parks Environmental and Sanitation Fund of $103. The deficit is due to an adjustment related to bad debt expenses related to the City's Parks Environmental Fee. In fiscal year 2025 the deficit will be covered with the reallocation of expenses to the General Fund.

Internal Service Funds

As of September 30, 2024, a deficit net position is reported for the Information Services Fund in the amount of $37,538 and for Capital Management Service Fund (CMS) in the amount of $24,288. The deficit is due to the funds not including long-term liabilities in their rate assessments. The City does not prefund its net OPEB liability or the net pension liability; as a result, these funds will continue to exhibit a deficit net position. The City will continue to pay for these obligations as they become due.

As of September 30, 2024, a deficit net position is reported for Self-Insurance Programs - Insurance Reserve Fund, in the amount of $4,839. The Insurance Reserve deficit is primarily due to an increasing trend in reserves for liability associated with bodily injury claims, the associated actuarial accrual, and significant increases in premiums for property insurance.

Note 19 Deficits in Fund Balances / Net Position (Continued)

Discretely Presented Component Unit Funds

Brooks

As of September 30, 2024, a deficit net position is reported for Brooks in the amount of $9,004. The deficit is primarily related to a restatement in fiscal year 2021 of $30,770 to correct accounting for two leases originally recorded as sale-type leases that did not meet the criteria; the conveyance of $3,508 of infrastructure assets transferred to the City in fiscal year 2023; and increased expenditures of $1,111 for additional campus development in fiscal year 2024. Brooks' management expects to recover the deficit net position through continued development of its campus resulting in increased property sale and/or lease revenue opportunities as well as significant long-term prepaid leases that will be recognized as revenue over their respective terms. In addition, Brooks is reviewing the restructuring of its debt to reduce interest expenses.

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Note 20 Other Disclosures

Primary Government (City)

Donor Restricted Endowment

The City has five Permanent Funds: Carver Cultural Center Endowment, City Cemeteries, William C. Morris Endowment, Boza Becica Endowment, and Southern Edwards Plateau Endowment. The City is only allowed to spend interest proceeds generated from the principal amount for each of these funds. The City's endowments' spending policy for authorizing and spending investment income is a total return policy. Income will include not only interest and dividends, but also include increases and/or decreases in the fair value of the endowed assets, if applicable. Fair value fluctuations are included as an integral part of investment returns. The net position from these endowment funds are reported in the government-wide financial statements.

The Carver Cultural Center Endowment Fund generated $21 in investment earnings. These earnings can be used for the Carver Community Cultural Center's operating program or reinvestment expenses (as detailed in the grant agreement). This fund is managed in accordance with the Uniform Prudent Management of Institutional Funds Act, which is codified as Section 163.001 in the Texas Property Code. The principal portion of the fund came from a $334 one-time grant from the National Endowment for the Arts.

The City Cemeteries Fund generated $301 in investment earnings to be expended for specified purposes. Chapter 713 of the Texas Health and Safety Code governs what expenditures the City may incur when spending the interest income. Per Chapter 713, the revenue can be spent for the maintenance and care of the graves, lots, and burial places, and to beautify the entire cemetery. The principal amount of this fund is increased each year by sales of lots from the San Jose Cemetery. The principal is required to be retained in perpetuity. The principal balance was $4,646 in fiscal year 2024.

The William C. Morris Endowment Fund generated $19 in investment earnings. These earnings are used on an annual basis to enhance educational programming and services for children provided at the City libraries. The earnings of the funds will be expended in accordance with the spending policy of the Library's Board of Directors or Trustees. The principal portion of the fund was provided by the $313 endowment.

The Boza Becica Endowment Fund generated $31 in investment earnings. These earnings will be used for the acquisition of books and materials for the San Antonio Public Library in accordance with the terms and conditions of the Last Will and Testament of Boza Becica. The principal balance of $514 is required to be retained in perpetuity.

The Southern Edwards Plateau Endowment Fund generated $78 in investment earnings. This fund is managed in accordance with the Endangered Species Act of 1973, which is codified as Section 83.005 in the Texas Parks and Wildlife Code Chapter 83. These earnings will be used to fund management and monitoring of the preserves in support of the Southern Edwards Plateau Habitat Conservation Plan. The principal amount of this fund is increased each year by outside donations and transfers from the Development Services Fund. The principal is required to be retained in perpetuity. The principal balance was $1,104 in fiscal year 2024.

Note 20 Other Disclosures (Continued)

Primary Government (City) (Continued)

Service Concession Arrangements

The City has a fixed term Service Concession Arrangement (SCA) agreement with Mission Park to operate and manage the City cemeteries. Mission Park pays the City 40.0% of burial plot sales and 10.0% of revenue from services, merchandise, and products for the life of the contract (ending December 2035 with an option to renew). All capital improvements become property of the City, and the City retains ownership of the property after the contract expires. All permanent improvements of material nature have to be approved by the City. The City approves the rates and services Mission Park will provide. Mission Park collects all fees and pays the City its portion. The assets include 84 acres acquired at a value of $1,820. The City received an upfront payment of $130 in fiscal year 2011. In fiscal year 2024, the City received $380 in variable payment revenue from Mission Park. No receivables or deferred inflow of resources are recorded under GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements,* as of September 30, 2024.

The City has a SCA agreement with MGA-SA (ending May 2027 with option to renew). In the agreement, MGA-SA manages the City's golf courses and in return retains all funding to cover operations and improvements. All permanent structures existing on the golf courses and those added during the term of the agreement are property of the City. The City determines and/or approves of the services provided to the public. The assets include eight golf courses valued at $61,376. MGA-SA collects all fees and pays the City loan payments due on outstanding debt issued by the City for the purpose of golf course improvements. In fiscal year 2024, the City received $1,697 in loan payments from MGA-SA. The City has $9,528 in receivables and deferred inflow of resources recorded to recover outstanding debt owed to the City as of September 30, 2024.

The City has a SCA agreement with Go Rio San Antonio, LLC (Go Rio) in which Go Rio operates and manages the river cruises using City owned barges. Go Rio pays the City 51.0% of river barge ticket sales and 15.0% of revenue from merchandise, food and beverage, advertising, and other ancillary services for the life of the contract (ending September 2030). The agreement also includes $795 for a barge use fee for use of the City owned barges throughout the term of the contract. The assets include 44 barges and accompanying equipment acquired at a value of $9,094. All capital improvements to the barges become property of the City, and the City retains ownership of the property after the contract expires. All permanent improvements of material nature have to be approved by the City. The City approves the rates and services Go Rio will provide. Go Rio collects all fees and pays the City its portion. In fiscal year 2024, the City received $9,450 in variable payment revenue and $795 in fixed payment revenue from Go Rio. The City has $28,298 in receivables and $26,628 in deferred inflow of resources recorded as of September 30, 2024.

The City has a SCA agreement with Landry's for operation of the Tower of the Americas. A revised contract was approved by City Council in December 2024, with an effective date of January 1, 2025 through September 30, 2031. The City will receive the greater of a minimum annual guaranteed payment of $984 or revenue based on 10.0% of restaurant services, 35.0% of revenue from admission fees, 30.0% of revenue from parking, 15.0% from retail at the ground level gift shop and observation deck, 5.0% from theater tickets and vending, and 50.0% from telescope and other revenues not otherwise listed. The assets include the Tower of the Americas building, telescopes, movie theater equipment and renovations with a combined value of $2,474. All capital improvements have to be approved and become property of the City. The City retains ownership of the property after the contract expires. The City approves the rates and services Landry's will provide. Landry's collects all fees and pays the City its portion. In fiscal year 2024, the City received $1,707 in variable payment revenue from Landry's. No receivables or deferred inflow of resources are recorded under GASB Statement No. 94 as of September 30, 2024.

Note 20 Other Disclosures (Continued)

Primary Government (City) (Continued)

Service Concession Arrangements (Continued)

The City has a SCA agreement with Alanis Wrecker Service for operation of the Growden Vehicle Storage Facility, ending December 31, 2024, and thereafter on a month-to-month basis at the City's option, pending finalization of the new tow management contract. The City will receive a minimum annual guaranteed payment of $175 or a percentage amount calculated based on their total adjusted gross sales, whichever is greater. All capital improvements become property of the City, and the City retains ownership of the property after the contract expires. All permanent improvements of material nature have to be approved by the City. The assets include the vehicle storage facility, administration building, supply shed, drop shed, golf cart shed, and property shed with a combined value of $1,906. In fiscal year 2024, the City received $8,345 in variable payment revenue from Alanis. No receivables or deferred inflow of resources are recorded under GASB Statement No. 94 as of September 30, 2024 because the agreement extension is less than a year.

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Note 21 Restatements

Changes in Reporting Entity

Prosper West San Antonio

Prosper West San Antonio, a blended component unit of the City, will not have audited financial statements available for inclusion in the City's Annual Comprehensive Financial Report for fiscal year 2024. Therefore, the City restated its financials accordingly to reflect this change to the financial reporting entity, this change is noted in the table below.

Categorical Grant In-Aid

In fiscal year 2024 the Categorical Grant In-Aid (CGIA) Fund is reported as a major governmental fund whereas it was reported as a nonmajor governmental fund in the prior year. The effect of the change within the financial reporting entity is summarized in the table below.

	Funds			Government Wide
	Major Governmental Funds	Nonmajor Governmental Funds	Total Governmental Funds	Governmental Activities
Net Position/Fund Balance, previously reported, October 1, 2023	$ 902,430	$ 1,039,229	$ 1,941,659	$ 2,743,037
Prosper West (removal of component unit)		(424)	(424)	(776)
Categorical Grant In-Aid (nonmajor to major) (Deficit)	(14,684)	14,684		
Net Position/Fund Balance, Restated, October 1, 2023	$ 887,746	$ 1,053,489	$ 1,941,235	$ 2,742,261

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Note 21 Restatements (Continued)

Discretely Presented Component Units

Brooks Development Authority

Brooks Development Authority, a discretely presented nonmajor component unit of the City, has not had their financials reported within the City's Annual Comprehensive Financial Report since fiscal year 2021 due to delays in receipt of the audited financials. Brooks provided fiscal year 2024 audited financials, which necessitates the City to adjust its beginning balance in its fiscal year 2024 Statement of Net Position.

San Antonio Water System (SAWS)

GASB Statement No. 96, *Subscription Based Information Technology Agreements*, requires the effects of the accounting change be applied retroactively by restating the financial statements. SAWS adopted GASB Statement No. 96 in 2023 and accordingly, has restated amounts of the affected balances within the financial statements for the fiscal year ending December 31, 2022 as follows:

	As Originally Reported	As Restated	Effects of Change
Statement of Net Position			
Unrestricted Current Assets			
Other Assets	$ 21,245	$ 20,596	$ (649)
Noncurrent Assets			
Utility Plant in Service	8,968,377	8,975,269	6,892
Less: Accumulated Depreciation	2,687,033	2,687,526	493
Total Assets and Deferred Outflows of Resources	$ 9,188,897	$ 9,194,647	$ 5,750
Current Liabilities To Be Paid From Unrestricted Assets			
Accounts Payable and Other Current Liabilities	1,392	2,535	1,143
Noncurrent Liabilities			
Subscriptions Payable		4,705	4,705
Total Liabilities & Deferred Inflows of Resources	4,709,294	4,715,142	5,848
Net Position			
Net investment in capital assets	3,521,405	3,521,956	551
Unrestricted	549,562	548,913	(649)
Total Net Position	$ 4,479,603	$ 4,479,505	$ (98)

Below is the impact of Brooks and SAWS' restatements:

	Discretely Presented Component Units	Nonmajor Discretely Presented Components Units	Aggregate Discretely Presented Component Units
Net Position,previously reported, October 1, 2023	$ 8,510,818	$ 198,599	$ 8,709,417
Brooks (inclusion of component unit)		(6,841)	(6,841)
SAWS (change in accounting principle)	(98)		(98)
Net Position, Adjusted, October 1, 2023	$ 8,510,720	$ 191,758	$ 8,702,576

Note 22 Subsequent Events

Primary Government (City)

Airline Use and Lease Agreement

The City entered into the Airport Use and Lease Agreements (AULA) for usage of San Antonio International Airport facilities for the purpose of conducting air transportation business with qualifying airlines. The AULA governs the airport/airline business relationship to include rates and charges and specifies the terms and conditions for use of airfield and terminal facilities for signatory airlines. The Agreement has an initial term of ten years, commencing on October 1, 2024, with the option to extend for one five-year additional period.

Charter Amendments

On November 5, 2024, San Antonio qualified voters had the opportunity to vote on six Propositions to amend the City Charter. All six propositions passed. The propositions included extending City Councilmember terms from four two-year terms to two four-year terms, increasing compensation for the Mayor and City Councilmembers, and authorizing the City Council to set the full terms of employment for the City Manager, to include compensation and tenure, removing the previous limitations. Other propositions included modifying Ethics related provisions, updating outdated archaic language and provisions which have been superseded, and allowing City employees to participate in local political activity.

City Financial Policies

With the adoption of the fiscal year 2025 Budget, the City amended and revised its financial policies. The City revised the financial policy related to its City Payment from CPS Energy to include specific thresholds based on City Payment derived from off-system sales (sales of power into the Electric Reliability Council of Texas market) and the amount of actual variance from the adopted budget for the base City Payment (portion excluding off-system sales above $10,000). Amounts exceeding these thresholds are City General Fund revenues eligible to be utilized for resiliency and reliability capital projects at either CPS Energy or the City. This policy was applied in fiscal year 2024 and resulted in $25,875 being transferred to CPS Energy for resiliency and reliability projects. The City also removed the financial policy requiring a $1,000 contingency in the General Fund budget given its lack of practical usage.

Collective Bargaining Agreement

City Council approved the new collective bargaining agreement (CBA) with the International Association of Firefighters (IAFF) Local 624 was effective October 1, 2024, and will expire September 30, 2027. The CBA which was ratified by the IAFF and approved by City Council included a 20% pay increase over three years. This wage increase keeps the firefighters among the best paid in Texas, which was the primary goal of the negotiations. The contract also provides more accountability in the City's sick leave process, offers more robust parental leave benefits, and paves the way for discussions regarding more efficient and modern applicant processing and enhanced promotion processes.

Management of Municipal Towing and Impound Operations for the City

On February 20, 2025, a contract was awarded to United Road Towing Inc. for the comprehensive management of the City's towing and impound operation services. This includes police direct tows, vehicle storage, evidence processing, and auction services for the San Antonio Police Department. The agreement is set for an initial term of ten years, with provisions for two additional five-year renewal options throughout the duration of the contract.

Note 22 Subsequent Events (Continued)

Primary Government (City) (Continued)

Public Safety Answer Point Center

On October 17, 2024, the City authorized the redemption of the City of San Antonio, Texas Municipal Facilities Corporation (MFC) Lease Revenue Bonds, Series 2011 in connection with the sale of the Public Safety Answer Point (PSAP) Center. The MFC provides the City the option to purchase the PSAP center at a price not less than the principal amount of and the accrued but unpaid interest on the bonds outstanding at the time of purchase. The City exercised the purchase option and the MFC agreed to the purchase resulting in the redemption of the outstanding bonds. The purchase price included outstanding principal of $20,115 and accrued interest of $310.

San Antonio to Washington, D.C. Nonstop Flight

On December 17, 2024, the United States Department of Transportation formally approved American Airlines' application to become the sole carrier providing nonstop service between Washington D.C.'s Reagan National Airport to San Antonio International Airport (SAT). This direct flight has long been a priority for the City, which is recognized as the fastest-growing city in the United States and hosts one of the largest concentrations of military bases in the nation and is proudly known as Military City USA®. The inaugural nonstop flight commenced operations on March 3, 2025.

Tax Increment Reinvestment Zone – Houston Street and Westside

A Tax Increment Reinvestment Zone (TIRZ) sets a base taxable value for the properties within the zone. As values rise with new development, revenue above the base is collected to be used towards reimbursing developers for approved infrastructure upgrades and other public improvements within the zone, rather than going into the General and Debt Service Funds. In December 2024, the City amended aspects of the Westside TIRZ and the Houston Street TIRZ by relocating 17 parcels of land located within the Westside TIRZ into the Houston Street TIRZ. The 17 parcels are earmarked for development as part of a new baseball stadium development project in the Houston Street TIRZ. The amendment also increased the City's participation rate for the Westside TIRZ from 90.0% to 100.0%, while extending the term 28 years, bringing in an estimated $266,600 in incremental property tax revenue. Additionally, the ordinance extended the Houston Street TIRZ's term 28 years, bringing in an estimated $530,600 in incremental property tax revenue over the extended term. The term extension will support the proposed financing that will fund a portion of the ballpark stadium project.

Tax Increment Reinvestment Zone – Rosillo Creek

On February 20, 2025, the City approved the creation of the Rosillo Creek TIRZ. This is the first developer initiated TIRZ approved by the City since the Planning and Community Development Committee led the charge to reform the Tax Increment Financing (TIF) Policy in 2022. The revised TIF policy was designed to align with the objectives outlined in the Strategic Housing Implementation Plan (SHIP), placing a significant emphasis on affordability. As a result, this project will donate nearly 50 acres of land to the San Antonio Housing Trust to ensure affordability in perpetuity. This project is also unique because it will feature 330 acres of land for green space, 170 acres of land dedicated to future commercial development, and over 400 acres set aside for a business park. Acres are not reported in thousands.

Note 22 Subsequent Events (Continued)

Primary Government (City) (Continued)

Tower of the Americas

The City's Tower of the Americas is poised to undergo essential renovations and repairs following the establishment of a new five-year lease agreement with Landry's Restaurants, Inc. This agreement allows Landry's to operate the restaurant located at the top of the Tower, commencing on January 1, 2025. To facilitate the necessary infrastructural, mechanical, and electrical enhancements, the City has allocated $15,400, sourced from its 2022 bond and prior budgetary allocations. Additionally, Landry's is contributing $4,000 for upgrades to various areas, including the ground-level store and observation level. The completion of the project is anticipated by December 2025.

CPS Energy

Long-Term Debt

On June 25, 2024, CPS Energy issued $452,220 of New Series 2024A Revenue Refunding Bonds. Bond proceeds, including the $47,182 premium associated with the bonds, were used to refund short-term variable rate obligations consisting of Commercial Paper Obligations and Flex Notes (2024A Refunded Obligations) into long-term obligations, and to pay costs and expenses relating to the issuance of the 2024A Bonds. The true interest cost for this issuance, which has maturities from 2035 through 2044, is 4.3%.

On June 4, 2024, CPS Energy issued $453,355 of New Series 2024B Revenue Refunding Bonds. Bond proceeds, including the $39,810 premium associated with the bonds, were used to finance costs associated with acquiring, purchasing, constructing, repairing, extending, equipping, and renovating capital improvements; to finance the purchase and cancellation by means of the Tender offer to produce debt service savings, of $101,440 aggregate principal amount of the Target Bonds to produce debt service savings; refund currently outstanding Senior Lien Obligations and Junior Lien Obligations for debt service savings (the 2024B Refunded Obligations); and to pay costs and expenses relating to the issuance of the 2024B Bonds. The true interest cost for this issuance, which has maturities from 2025 through 2044, is 4.4%.

Also on June 4, 2024, CPS Energy issued $193,265 of New Series 2024C Revenue Refunding Bonds. Bond proceeds, including the $18,038 premium associated with the bonds, were used to refund short-term variance rate obligations consisting of Commercial Paper Obligations (the 2024C Refunded Obligations and collectively with the 2024A Refunded Obligations and the 2024B Refunded Obligations), and to pay costs and expenses relating to the issuance of the 2024C Bonds. The true interest cost for this issuance, which has maturities from 2035 to 2044, is 4.5%.

South Texas Nuclear Project

In May 2024, CPS Energy entered into an agreement to acquire an additional 2.0% ownership of the South Texas Nuclear Project (STP) from Constellation, which increased CPS Energy's ownership of STP to 42.0%. The transaction is expected to close in calendar year 2025 and will add 52 MW of carbon-free generation (MW not reported in thousands).

Note 22 Subsequent Events (Continued)

CPS Energy (Continued)

Other

On March 27, 2024, CPS Energy and Talen Energy Corporation ("Talen") announced an agreement for CPS Energy to purchase Talen's approximately 1,710 MW natural gas fired generation portfolio for approximately $785,000, subject to customary net working capital adjustments at closing. Under the terms of the agreement, CPS Energy will acquire all assets associated with Talen's 897 MW Barney M. Davis and 635 MW Nueces Bay natural gas fired generation facilities located in Corpus Christi, Texas, as well as its 178 MW Laredo facility located in Laredo, Texas. In May 2024, CPS Energy finalized the acquisition through the issuance of short-term debt which was later converted to long-term obligations.

San Antonio Water System (SAWS)

Long-Term Debt

On March 21, 2024, the City authorized SAWS to issue one or more series of bonds not to exceed $813,000 to provide new bond proceeds to fund capital improvements, refund outstanding tax-exempt commercial paper notes, provide bond proceeds to currently refund outstanding debt for debt service savings, and to provide funds to pay the cost of issuance.

On April 1, 2024, SAWS issued $116,480 in commercial paper to fund an escrow account for the redemption of the City of San Antonio, Texas Water System Variable Rate Junior Lien Revenue Bonds, Series 2019A (No Reserve Fund) (the "Series 2019A Bonds"). Additionally, SAWS deposited $50,000 from available on cash on hand in the escrow account to effectuate the redemption of $166,480 in Series 2019A Bonds on May 1, 2024.

On September 11, 2024, SAWS issued $165,310 City of San Antonio, Texas Water System Subordinate Lien Revenue Refunding Bonds, Series 2024A (the "2024A Bonds). The proceeds from the sale of the bonds will be used to (i) refund a portion of SAWS' outstanding commercial paper balance and to (ii) pay for costs of issuance. The 2024A Bonds are variable rate bonds issued in a Daily Mode, with interest rates reset daily.

On October 29, 2024, SAWS issued $265,075 City of San Antonio, Texas Water System Junior Lien Revenue and Refunding Bonds, Series 2024B (No Reserve Fund). The proceeds from the sale of the bonds will be for the purposes of (i) building, improving, extending, enlarging, equipping, and repairing SAWS' capital infrastructure and to (ii) pay for costs of issuance. The true interest rate is 3.7%, with yields ranging from 2.3% to 3.6%, with a coupon rate of 5.0%.

On February 18, 2025, SAWS will issue $181,225 City of San Antonio, Texas Water System Junior Lien Revenue, Series 2025A (No Reserve Fund). The proceeds from the sale of the bonds will be used to (i) refund a portion of SAWS' outstanding bonds and to (ii) pay for costs of issuance. The true interest rate is 3.6%, with yields ranging from 2.9% to 3.5%, with a coupon rate of 5.0%.

On February 25, 2025, SAWS will issue $89,160 City of San Antonio, Texas Water System Revenue Refunding Bonds, Series 2025B. The proceeds from the sale of the bonds will be used to (i) refund a portion of SAWS' outstanding bonds and to (ii) pay for costs of issuance. The true interest rate is 3.6%, with yields ranging from 2.9% to 3.6%, with a coupon rate of 5.0%.

CITY OF SAN ANTONIO
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REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule - (Unaudited)
General Fund
Year-Ended September 30, 2024
(In Thousands)

	2024			
	BUDGETED AMOUNTS		BUDGETARY BASIS	VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
Resources (Inflows):				
Taxes	$ 916,145	$ 893,936	$ 893,436	$ (500)
Licenses and Permits	10,172	10,360	10,047	(313)
Intergovernmental	11,208	107,390	108,753	1,363
Revenues from Utilities	454,163	500,796	500,488	(308)
Charges for Services	70,624	71,951	69,403	(2,548)
Fines and Forfeits	9,193	9,678	9,655	(23)
Miscellaneous	16,792	18,157	20,747	2,590
Investment Earnings	11,601	22,922	27,103	4,181
Transfers from Other Funds	21,087	20,481	20,845	364
Amounts Available for Appropriation	$ 1,520,985	$ 1,655,671	$ 1,660,477	$ 4,806
Charges to Appropriations (Outflows):				
General Government	110,144	142,779	141,142	1,637
Public Safety	931,984	948,101	948,526	(425)
Public Works	82,410	102,892	102,805	87
Health Services	72,355	73,441	73,417	24
Culture and Recreation	152,145	155,904	155,681	223
Urban Redevelopment and Housing	41,271	46,573	46,446	127
Welfare	58,531	60,496	60,243	253
Economic Development and Opportunity	18,314	21,162	17,746	3,416
Environmental	8,892	11,788	8,659	3,129
Transfers to Other Funds	106,574	276,234	275,481	753
Total Charges to Appropriations:	$ 1,582,620	$ 1,839,370	$ 1,830,146	$ 9,224
Surplus (Deficiency) of Resources Over (Under) Charges to Appropriations	(61,635)	(183,699)	(169,669)	14,030
Fund Balance Allocation	61,635	183,699	169,669	(14,030)
Excess (Deficiency) of Revenues Over Expenditures	$ -	$ -	$ -	$ -

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

Sources/Inflows of Resources:	
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	$ 1,660,477
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes	(20,845)
Amortized lease revenue, reported in accordance with GASB 87, are revenues for financial reporting purposes but are not inflows of budgetary resources	364
Net value of investments revenue, reported in accordance with GASB 31, are revenues for financial reporting purposes but are not inflows of budgetary resources	8,381
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 1,648,377
Uses/Outflows of Resources:	
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	$ 1,830,146
Differences - budget to GAAP:	
Encumbrances and Earmarks for supplies and equipment ordered but not received is reported in the year the orders are placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes	(179,072)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes	(184,152)
Lease Right-to-use Asset expenditures, reported in accordance with GASB 87, are expenditures for financial reporting purposes but are not outflows of budgetary resources	1,343
Subscription Right-to-use Asset expenditures, reported in accordance with GASB 96, are expenditures for financial reporting purposes but are not outflows of budgetary resources	63,529
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	$ 1,531,794

General Fund Budgetary Information

The City Charter establishes requirements for the adoption of budgets and budgetary control. Under provisions of the Charter, expenditures of each City department and activity within individual funds cannot legally exceed the final budget approved by the City Council. Amendments to line items within a departmental budget may be initiated by Department Directors.

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Pension and Other Postemployment Benefit Schedules

CITY OF SAN ANTONIO
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Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended									
	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability										
Service Cost	$ 76,026	$ 67,906	$ 60,570	$ 59,600	$ 58,786	$ 55,964	$ 53,965	$ 51,329	$ 47,521	$ 40,902
Interest Cost	164,733	154,986	146,526	140,724	134,394	128,149	122,010	115,882	114,257	109,316
Differences Between Expected and Actual Experience	22,767	26,867	17,753	(16,719)	(16,405)	(3,125)	(1,637)	1,226	(8,192)	(9,979)
Changes of Assumptions	(19,183)				10,121				4,540	
Benefit Payments, including Refunds of Employee Contributions	(114,397)	(104,420)	(101,939)	(94,347)	(92,696)	(87,070)	(81,702)	(76,256)	(74,742)	(71,197)
Net Change in Total Pension Liability	$ 129,946	$ 145,339	$ 122,910	$ 89,258	$ 94,200	$ 93,918	$ 92,636	$ 92,181	$ 83,384	$ 69,042
Total Pension Liability - Beginning	2,459,682	2,314,343	2,191,433	2,102,175	2,007,975	1,914,057	1,821,421	1,729,240	1,645,856	1,576,814
Total Pension Liability - Ending (a)	$ 2,589,628	$ 2,459,682	$ 2,314,343	$ 2,191,433	$ 2,102,175	$ 2,007,975	$ 1,914,057	$ 1,821,421	$ 1,729,240	$ 1,645,856
Plan Fiduciary Net Position										
Contributions - Employer	$ 66,253	$ 56,128	$ 49,827	$ 47,351	$ 46,687	$ 44,278	$ 41,828	$ 36,327	$ 35,915	$ 33,125
Contributions - Employee	30,391	27,162	24,213	23,795	24,060	22,783	21,922	20,830	20,027	18,438
Net Investment Income (Loss)	203,000	(139,796)	224,308	123,098	220,290	(44,654)	183,805	85,229	1,888	70,349
Benefit Payments, including Refunds of Employee Contributions	(114,397)	(104,420)	(101,939)	(94,347)	(92,696)	(87,070)	(81,702)	(76,256)	(74,742)	(71,197)
Administrative Expense	(1,293)	(1,211)	(1,039)	(797)	(1,246)	(864)	(953)	(963)	(1,150)	(735)
Other	(9)	1,445	7	(31)	(37)	(45)	(48)	(52)	(57)	(60)
Net Change in Plan Fiduciary Net Position	$ 183,945	$ (160,692)	$ 195,377	$ 99,069	$ 197,058	$ (65,572)	$ 164,852	$ 65,115	$ (18,119)	$ 49,920
Plan Fiduciary Net Position - Beginning	1,756,864	1,917,556	1,722,179	1,623,110	1,426,052	1,491,624	1,326,772	1,261,657	1,279,776	1,229,856
Plan Fiduciary Net Position - Ending (b)	$ 1,940,809	$ 1,756,864	$ 1,917,556	$ 1,722,179	$ 1,623,110	$ 1,426,052	$ 1,491,624	$ 1,326,772	$ 1,261,657	$ 1,279,776
City's Net Pension Liability - Ending (a) - (b)	$ 648,819	$ 702,818	$ 396,787	$ 469,254	$ 479,065	$ 581,923	$ 422,433	$ 494,649	$ 467,583	$ 366,080
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	74.95%	71.43%	82.86%	78.59%	77.21%	71.02%	77.93%	72.84%	72.96%	77.76%
Covered Payroll	$ 506,499	$ 452,404	$ 403,257	$ 396,539	$ 399,366	$ 379,417	$ 365,112	$ 346,584	$ 333,714	$ 307,138
City's Net Pension Liability as a Percentage of Covered Payroll	128.10%	155.35%	98.40%	118.34%	119.96%	153.37%	115.70%	142.72%	140.11%	119.19%

Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended September 30, 2015 through September 30, 2024.

Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: In 2019, TMRS adopted the 2019 Municipal Retirees of Texas Mortality Tables for post-retirement and the PUB (10) mortality tables, with the Public Safety table used for Males and the General Employee table used for females. Rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). In 2015, TMRS adopted a reduction in the investment return assumption from 7.00% to 6.75%, and a reduction in the inflation assumption from 3.00% to 2.50%, which is reflected in December 31, 2015.

Required Supplementary Schedule – (Unaudited)
Fire and Police Pension Fund
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended									
	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015[1]	9/30/2014
Total Pension Liability										
Service Cost	$ 85,145	$ 80,097	$ 78,637	$ 78,579	$ 75,880	$ 73,354	$ 71,161	$ 74,771	$ 96,631	$ 75,600
Interest Cost	322,506	302,041	293,337	283,106	271,542	259,758	246,848	233,943	277,002	207,003
Differences Between Expected and Actual Experience	117,765	133,147	(16,681)	(26,279)	(7,535)	50,057	(27,776)	(47,670)	(20,698)	
Changes of Assumptions				16,194					148,315	
Benefit Payments, including Refunds of Employee Contributions	(231,124)	(244,979)	(228,416)	(192,671)	(173,494)	(172,692)	(156,137)	(152,296)	(179,787)	(122,306)
Net Change in Total Pension Liability	$ 294,292	$ 270,306	$ 126,877	$ 158,929	$ 166,393	$ 210,477	$ 134,096	$ 108,748	$ 321,463	$ 160,297
Total Pension Liability - Beginning	4,478,782	4,208,476	4,081,599	3,922,670	3,756,277	3,545,800	3,411,704	3,302,956	2,981,493	2,821,196
Total Pension Liability - Ending (a)	$ 4,773,074	$ 4,478,782	$ 4,208,476	$ 4,081,599	$ 3,922,670	$ 3,756,277	$ 3,545,800	$ 3,411,704	$ 3,302,956	$ 2,981,493
Plan Fiduciary Net Position										
Contributions - Employer	$ 89,741	$ 88,371	$ 86,324	$ 85,693	$ 81,016	$ 78,312	$ 75,916	$ 75,958	$ 94,816	$ 76,146
Contributions - Employee	44,870	44,303	43,213	42,846	40,508	39,182	37,958	37,978	47,408	38,073
Net Investment Income (Loss)	437,251	(448,808)	521,575	390,028	449,067	(122,694)	407,278	242,007	(1,919)	223,054
Benefit Payments, including Refunds of Employee Contributions	(231,125)	(244,979)	(228,415)	(192,671)	(173,494)	(172,692)	(156,137)	(152,296)	(179,787)	(122,306)
Administrative Expense	(3,617)	(3,333)	(2,963)	(3,389)	(3,565)	(3,480)	(3,034)	(2,795)	(3,677)	(2,790)
Net Change in Plan Fiduciary Net Position	$ 337,120	$ (564,446)	$ 419,734	$ 322,507	$ 393,532	$ (181,372)	$ 361,981	$ 200,852	$ (43,159)	$ 212,177
Plan Fiduciary Net Position - Beginning	3,586,484	4,150,930	3,731,196	3,408,689	3,015,157	3,196,529	2,834,548	2,633,696	2,676,855	2,464,678
Plan Fiduciary Net Position - Ending (b)	$ 3,923,604	$ 3,586,484	$ 4,150,930	$ 3,731,196	$ 3,408,689	$ 3,015,157	$ 3,196,529	$ 2,834,548	$ 2,633,696	$ 2,676,855
City's Net Pension Liability - Ending (a) - (b)	$ 849,470	$ 892,298	$ 57,546	$ 350,403	$ 513,981	$ 741,120	$ 349,271	$ 577,156	$ 669,260	$ 304,638
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	82.20%	80.08%	98.63%	91.42%	86.90%	80.27%	90.15%	83.08%	79.74%	89.78%
Covered Payroll	$ 364,207	$ 359,607	$ 350,758	$ 347,776	$ 328,796	$ 318,038	$ 308,101	$ 308,263	$ 384,807	$ 309,031
City's Net Pension Liability as a Percentage of Covered Payroll	233.24%	248.13%	16.41%	100.76%	156.32%	233.03%	113.36%	187.23%	173.92%	98.58%

Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended September 30, 2014 through December 31, 2023.

[1] The Fire and Police Pension Fund changed their fiscal year-end to December 31 effective fiscal year 2015, and therefore the City was required to change its measurement date from September 30 to December 31. These amounts reflect 15 months of pension information.

Required Supplementary Schedule – (Unaudited)
Fire and Police Pension Fund
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Change of Assumptions: A comprehensive Actuarial Experience Review, covering the period October 1, 2014 through December 31, 2018, was completed in 2019. As a result of that study, the following assumption changes were proposed by the actuary and subsequently were approved by the Board. These changes are reflected for the first time in the disclosure measured as of December 31, 2020:

- The pre-retirement mortality assumption was changed from the sex-distinct RP-2014 Employee Mortality Table, with rates loaded 7.00% for females, to the PUBS-2010 Safety Employee Amount-Weighted Table for males and females.
- The post-retirement mortality assumption for healthy annuitants was changed from the sex-distinct RP-2014 Healthy Annuitant Mortality Table, with rates loaded 7.00% for females, to the PUBS-2010 Safety Health Retiree Amount-Weighted Table for males and females.
- The mortality assumption for disabled retirees was changed from the sex-distinct RP-2014 Healthy Annuitant Mortality Table, set forward six years, with rates loaded 7.00% for females, to the PUBS-2010 Safety Disabled Retiree Amount-Weighted Table for males and females.
- The mortality assumption for beneficiaries was changed from the sex-distinct RP-2014 Healthy Annuitant Mortality Table, with rates loaded 7.00% for females, to the PUBS-2010 Safety Contingent Survivor Amount-Weighted Table for males and females.
- The generational projection scale was changed from 50.00% of the sex-distinct Scale MP-2014 projected from 2014 to Scale SSA2019-2D projected from 2010.
- The existing service-based retirement rates for both Fire and Police were modified to more accurately reflect observed retirement patterns.
- The assumption for BackDROP utilization was decreased from 95.00% to 90.00% for Firefighters.
- The load for marriage after retirement was reduced from 0.35% to 0.20% for retirees and from 0.80% to 0.40% for disabled annuitants.
- Disability rates were lowered from 30.00% to 10.00% of OASDI rates for Police Officers.
- The age-based withdrawal rates for both Fire and Police were modified to reflect service-based rates for each group, with rates zeroing out after 20 years for service.
- The service-based salary scale table was maintained for both Public Safety groups. The modified rates start at 14.00% with an ultimate rate of 3.00% after nine years of service.
- The percent married assumption was increased from 90.00% to 95.00% for males and lowered from 90.00% to 60.00% for females.
- The payroll growth assumption was lowered from 3.50% to 3.00%.

Required Supplementary Schedule – (Unaudited)
CPS Energy
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended									
	1/31/2023	1/31/2022	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015	1/31/2014
Total Pension Liability										
Service Cost	$ 40,271	$ 41,129	$ 35,403	$ 36,861	$ 37,175	$ 32,569	$ 31,547	$ 30,183	$ 32,591	$ 33,417
Interest Cost	155,015	150,633	148,068	143,079	137,954	132,861	128,991	122,800	117,802	116,155
Effect of plan changes	(12)									
Differences Between Expected and Actual Experience	394	2,174	(846)	(2,685)	(19,385)	6,025	(18,647)	19,691	(35,634)	(24,410)
Changes of Assumptions	51,083	(9,825)	28,832	(4,940)	(10,129)	77,574			38,296	
Benefit Payments	(123,427)	(114,484)	(106,825)	(101,037)	(96,969)	(93,550)	(91,230)	(91,293)	(84,319)	(74,352)
Net Change in Total Pension Liability	$ 123,324	$ 69,627	$ 104,632	$ 71,278	$ 48,646	$ 155,479	$ 50,661	$ 81,381	$ 68,736	$ 50,810
Total Pension Liability - Beginning	2,234,500	2,164,873	2,060,241	1,988,963	1,940,317	1,784,838	1,734,177	1,652,796	1,584,060	1,533,250
Total Pension Liability - Ending (a)	$ 2,357,824	$ 2,234,500	$ 2,164,873	$ 2,060,241	$ 1,988,963	$ 1,940,317	$ 1,784,838	$ 1,734,177	$ 1,652,796	$ 1,584,060
Plan Fiduciary Net Position										
Contributions - Employer	$ 58,986	$ 62,100	$ 56,025	$ 73,435	$ 58,700	$ 46,200	$ 44,500	$ 46,000	$ 55,800	$ 44,400
Contributions - Employee	14,970	14,054	13,890	14,758	13,363	13,039	12,144	11,563	12,140	12,569
Net Investment Income (Loss)	(64,655)	244,563	187,600	169,004	(48,316)	246,772	207,196	(52,945)	85,520	145,883
Benefit Payments	(123,427)	(114,484)	(106,825)	(101,037)	(96,969)	(93,550)	(91,230)	(91,293)	(84,319)	(74,352)
Administrative Expense	(474)	(487)	(510)	(476)	(391)	(389)				
Net Change in Plan Fiduciary Net Position	$ (114,600)	$ 205,746	$ 150,180	$ 155,684	$ (73,613)	$ 212,072	$ 172,610	$ (86,675)	$ 69,141	$ 128,500
Plan Fiduciary Net Position - Beginning	2,122,445	1,916,699	1,766,519	1,610,835	1,684,448	1,472,376	1,299,766	1,386,441	1,317,300	1,188,800
Plan Fiduciary Net Position - Ending (b)	$ 2,007,845	$ 2,122,445	$ 1,916,699	$ 1,766,519	$ 1,610,835	$ 1,684,448	$ 1,472,376	$ 1,299,766	$ 1,386,441	$ 1,317,300
Net Pension Liability - Ending (a) - (b)	$ 349,979	$ 112,055	$ 248,174	$ 293,722	$ 378,128	$ 255,869	$ 312,462	$ 434,411	$ 266,355	$ 266,760
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.16%	94.99%	88.54%	85.74%	80.99%	86.81%	82.49%	74.95%	83.88%	83.16%
Covered Payroll	$ 304,482	$ 293,669	$ 286,959	$ 282,302	$ 271,449	$ 254,241	$ 242,477	$ 235,360	$ 256,236	$ 261,085
Net Pension Liability as a Percentage of Covered Payroll	114.94%	38.16%	86.48%	104.05%	139.30%	100.64%	128.86%	184.57%	103.95%	102.17%

Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended January 31, 2015 through January 31, 2024.

Required Supplementary Schedule – (Unaudited)
CPS Energy
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: Changes of benefit terms reflect the effect of changes in the Employee's Contribution Accumulation rate during fiscal year 2017 from 5.75% to 5.50%, fiscal year 2020 from 5.50% to 5.25%, and fiscal year 2024 from 5.25% to 5.00%.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate during fiscal year 2019 and 2022 and changes to the mortality improvement scale during each period; and a change in the earnings progression during fiscal year 2024; fiscal year 2022 amounts reflect the effects of the 2020 experience study updates, including updating to the Pri-2012 Mortality Table; fiscal year 2019 amounts reflect the effect of the 2017 experience study updates.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended								
	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Total Pension Liability									
Service Cost	$ 6,318	$ 6,068	$ 6,233	$ 5,733	$ 5,551	$ 5,332	$ 4,979	$ 4,810	$ 4,379
Interest Cost	17,061	16,200	15,448	14,670	13,952	13,268	12,623	12,480	11,960
Differences Between Expected and Actual Experience	2,221	1,214	(189)	499	240	54	29	(1,311)	(1,717)
Changes of Assumptions				211				433	
Benefit Payments	(11,442)	(10,261)	(10,294)	(9,392)	(8,960)	(8,332)	(8,186)	(7,337)	(7,461)
Net Change in Total Pension Liability	$ 14,158	$ 13,221	$ 11,198	$ 11,721	$ 10,783	$ 10,322	$ 9,445	$ 9,075	$ 7,161
Total Pension Liability - Beginning	255,314	242,093	230,895	219,174	208,391	198,069	188,624	179,549	172,388
Total Pension Liability - Ending (a)	$ 269,472	$ 255,314	$ 242,093	$ 230,895	$ 219,174	$ 208,391	$ 198,069	$ 188,624	$ 179,549
Plan Fiduciary Net Position									
Contributions - Employer	$ 4,510	$ 4,450	$ 4,440	$ 4,095	$ 4,059	$ 3,852	$ 3,609	$ 3,953	$ 3,721
Contributions - Employee	3,717	3,569	3,660	3,412	3,291	3,149	2,935	2,892	2,722
Net Investment Income (Loss)	(18,429)	29,401	16,073	28,632	(5,773)	23,639	10,909	239	8,818
Benefit Payments, including Refunds of Employee Contributions	(11,442)	(10,261)	(10,294)	(9,392)	(8,960)	(8,332)	(8,186)	(7,337)	(7,461)
Administrative Expense	(159)	(136)	(104)	(162)	(111)	(123)	(123)	(146)	(92)
Other	190	1	(4)	(5)	(6)	(6)	(7)	(7)	(8)
Net Change in Plan Fiduciary Net Position	$ (21,613)	$ 27,024	$ 13,771	$ 26,580	$ (7,500)	$ 22,179	$ 9,137	$ (406)	$ 7,700
Plan Fiduciary Net Position - Beginning	252,643	225,619	211,848	185,268	192,768	170,589	161,452	161,858	154,158
Plan Fiduciary Net Position - Ending (b)	$ 231,030	$ 252,643	$ 225,619	$ 211,848	$ 185,268	$ 192,768	$ 170,589	$ 161,452	$ 161,858
Net Pension Liability - Ending (a) - (b)	$ 38,442	$ 2,671	$ 16,474	$ 19,047	$ 33,906	$ 15,623	$ 27,480	$ 27,172	$ 17,691
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	85.73%	98.95%	93.20%	91.75%	84.53%	92.50%	86.13%	85.59%	90.15%
Covered Payroll	$ 123,985	$ 118,981	$ 121,984	$ 113,750	$ 109,703	$ 104,960	$ 97,818	$ 96,389	$ 90,721
Net Pension Liability as a Percentage of Covered Payroll	31.01%	2.24%	13.51%	16.74%	30.91%	14.88%	28.09%	28.19%	19.50%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability for fiscal years-ended December 31, 2015 through December 31, 2023.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: In 2015, the long term rate of return was reduced from 7.00% to 6.75%. In 2015, the inflation rate was changed to 2.50% from 3.00%. In 2015, mortality rates were updated to reflect updated historical data. Mortality, post-retirement, rates change as projected in the 2019 Municipal Retirees of Texas Mortality Tables.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended								
	1/1/2023	1/1/2022	1/1/2021	1/1/2020	1/1/2019	1/1/2018	1/1/2017	1/1/2016	1/1/2015
Total Pension Liability									
Service Cost	$ 4,933	$ 5,036	$ 5,187	$ 5,464	$ 5,629	$ 5,859	$ 5,724	$ 5,004	$ 5,204
Interest Cost	17,869	17,026	16,403	16,282	15,101	14,354	13,680	12,596	11,709
Change of Benefit Terms								4,339	
Differences Between Expected and Actual Experience	(1,814)	2,224	(66)	1,700	1,926	(1,394)	712	555	(622)
Changes of Assumptions		413	(1,063)	(1,534)	4,653	1,152	5,532	(405)	2,771
Benefit Payments	(11,654)	(10,669)	(10,090)	(9,358)	(8,615)	(7,974)	(7,283)	(6,318)	(5,796)
Net Change in Total Pension Liability	$ 9,334	$ 14,030	$ 10,371	$ 12,554	$ 18,694	$ 11,997	$ 18,365	$ 15,771	$ 13,266
Total Pension Liability - Beginning	286,217	272,187	261,816	249,262	230,568	218,571	200,206	184,435	171,169
Total Pension Liability - Ending (a)	$ 295,551	$ 286,217	$ 272,187	$ 261,816	$ 249,262	$ 230,568	$ 218,571	$ 200,206	$ 184,435
Plan Fiduciary Net Position									
Contributions - Employer	$ 7,000	$ 6,136	$ 9,131	$ 9,131	$ 7,923	$ 7,982	$ 7,367	$ 7,890	$ 10,339
Contributions - Employee	2,165	2,219	2,095	2,528	2,434	2,484	2,533	2,357	
Net Investment Income (Loss)	(43,417)	34,840	31,582	38,722	(7,767)	30,741	6,971	1,215	15,695
Benefit Payments	(11,654)	(10,669)	(10,090)	(9,358)	(8,615)	(7,974)	(7,283)	(6,318)	(5,796)
Administrative Expense	(264)	(293)	(294)	(309)	(360)	(380)	(195)	(17)	
Net Change in Plan Fiduciary Net Position	$ (46,170)	$ 32,233	$ 32,424	$ 40,714	$ (6,385)	$ 32,853	$ 9,393	$ 5,127	$ 20,238
Plan Fiduciary Net Position - Beginning	307,118	274,885	242,461	201,747	208,132	175,279	165,886	160,759	140,521
Plan Fiduciary Net Position - Ending (b)	$ 260,948	$ 307,118	$ 274,885	$ 242,461	$ 201,747	$ 208,132	$ 175,279	$ 165,886	$ 160,759
Net Pension Liability (Asset) - Ending (a) - (b)	$ 34,603	$ (20,901)	$ (2,698)	$ 19,355	$ 47,515	$ 22,436	$ 43,292	$ 34,320	$ 23,676
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.29%	107.30%	100.99%	92.61%	80.94%	90.27%	80.19%	82.86%	87.16%
Covered Payroll	$ 68,883	$ 75,822	$ 74,643	$ 76,320	$ 78,348	$ 79,417	$ 83,493	$ 85,299	$ 83,812
Net Pension Liability (Asset) as a Percentage of Covered Payroll	50.23%	(27.57%)	(3.61%)	25.36%	60.65%	28.25%	51.85%	40.23%	28.25%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability (asset) for fiscal years-ended December 31, 2015 through December 31, 2023.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Total pension liability at December 31, 2023 is based on a rollforward of the January 1, 2023 actuarial valuation.

Benefit Changes: In 2015, the normal form of distribution changed and a mandatory employee contribution of 3.00% of payroll was instituted. Effective June 1, 2014, the defined benefit plan was frozen to new entrants.

Changes of assumptions: In 2020, retirement age assumptions were changed to reflect more recent experience. In 2019, the mortality assumption was updated to the public retirement plans mortality tables published by the Society of Actuaries (SOA). In 2017 through 2023, the mortality assumption was updated for the latest improvement scale. For 2020, the long-term rate of return was adjusted to 6.25%. In 2016, the long-term rate of return was reduced to 6.50%. In 2015, mortality rates were updated to reflect historical data. In 2014, the long-term rate of return was reduced to 6.75%.

Required Supplementary Schedule – (Unaudited)
SAWS District Special Project Retirement Income Plan (DSPRP)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended								
	1/1/2023	1/1/2022	1/1/2021	1/1/2020	1/1/2019	1/1/2018	1/1/2017	1/1/2016	1/1/2015
Total Pension Liability									
Service Cost	$ 201	$ 209	$ 241	$ 245	$ 257	$ 108	$ 71	$ 124	$ 123
Interest Cost	426	420	409	371	388	424	418	446	424
Differences Between Expected and Actual Experience	(285)	(62)	375	(466)	(622)	101	(381)	18	153
Changes of Assumptions	36			219	6	15	224		
Benefit Payments	(371)	(378)	(408)	(330)	(485)	(776)	(324)	(261)	(230)
Net Change in Total Pension Liability	$ 7	$ 189	$ 617	$ 39	$ (456)	$ (128)	$ 8	$ 327	$ 470
Total Pension Liability - Beginning	6,955	6,766	6,149	6,110	6,566	6,694	6,686	6,359	5,889
Total Pension Liability - Ending (a)	$ 6,962	$ 6,955	$ 6,766	$ 6,149	$ 6,110	$ 6,566	$ 6,694	$ 6,686	$ 6,359
Plan Fiduciary Net Position									
Contributions - Employer	$ 138	$ 175	$ 400	$ 400	$ 400	$ 315	$ 280	$ 308	$ 414
Net Investment Income (Loss)	(1,034)	1,049	998	1,049	(75)	764	306	18	394
Benefit Payments, including Refunds of Employee Contributions	(371)	(378)	(408)	(330)	(485)	(776)	(324)	(261)	(230)
Administrative Expense	(5)	(7)	(6)	(6)	(7)	(7)	(8)	(6)	(11)
Net Change in Plan Fiduciary Net Position	$ (1,272)	$ 839	$ 984	$ 1,113	$ (167)	$ 296	$ 254	$ 59	$ 567
Plan Fiduciary Net Position - Beginning	8,475	7,636	6,652	5,539	5,706	5,410	5,156	5,097	4,530
Plan Fiduciary Net Position - Ending (b)	$ 7,203	$ 8,475	$ 7,636	$ 6,652	$ 5,539	$ 5,706	$ 5,410	$ 5,156	$ 5,097
Net Pension Liability (Asset) - Ending (a) - (b)	$ (241)	$ (1,520)	$ (870)	$ (503)	$ 571	$ 860	$ 1,284	$ 1,530	$ 1,262
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	103.46%	121.85%	112.86%	108.18%	90.65%	86.90%	80.82%	77.12%	80.15%
Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net Pension Liability (Asset) as a Percentage of Covered Payroll	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net pension liability (asset) for fiscal years-ended December 31, 2015 through December 31, 2023.

Required Supplementary Schedule – (Unaudited)
SAWS District Special Project Retirement Income Plan (DSPRP)
Schedule of Changes in Net Pension (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

The plan was frozen in 2008. Therefore, current and future wages have no impact on net pension liability (asset).

Total pension liability at December 31, 2023, is based on a rollforward of the January 1, 2023 actuarial valuation.

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: In 2023, the investment rate of return was changed 5.75%. In 2023, the improvement mortality scale was changed to MP-2021. In 2022, the mortality improvement scale was updated to MP-2020. In 2020, the investment rate of return was changed to 6.25%. In 2019, the mortality improvement scale was updated to MP-2018. In 2018, the mortality improvement scale was based on MP-2017. In 2017, the mortality table was changed from 1994 GAR projected to 2002 to the RP-2014 table using the MP-2016 improvement scale. In 2017, the investment rate of return was modified from 7.00% to 6.50%.

Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended September 30,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 34,176	$ 34,176	$ -	$ 317,518	10.76%
2016	35,942	35,942		340,660	10.55%
2017	40,374	40,374		361,009	11.18%
2018	43,631	43,631		375,931	11.61%
2019	45,943	45,943		393,916	11.66%
2020	47,311	47,311		398,863	11.86%
2021	48,180	48,180		393,758	12.24%
2022	56,305	56,305		454,555	12.39%
2023	63,995	63,995		495,336	12.92%
2024	72,984	72,984		532,319	13.71%

Required Supplementary Schedule – (Unaudited)
City of San Antonio (TMRS)
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contribution rates are calculated as of December 31 and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	22 years (longest amortization ladder)
Asset Valuation Method	Ten-year smoothed fair value; 12.00% soft corridor

Actuarial assumptions:

Inflation Rate	2.50%
Salary Increases	3.60% to 11.85% including inflation.
Investment Rate of Return	6.75% including inflation, net of pension plan investment expense.
Retirement Age	Experience-based table rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. Male rates are multiplied by 103.00% and female rates are multiplied by 105.00%. The rates are projected on a fully generational basis by the most recent Scale MP-2021 (with immediate convergence). Pre-retirement: PUB (10) mortality tables, with the 110.00% of the Public Safety table used for males and the 100.00% of the General Employee table used for females. The rates are projected on a fully generational basis by the most recent Scale MP-2021. (with immediate convergence).

Other Information:

Notes	Granted 70.00% ad hoc COLA. Effective 6/1/2021 plan was opened to current and future San Antonio Council Aides Corporation employees.

Required Supplementary Schedule – (Unaudited)
Fire and Police Pension Fund
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended September 30,	Statutorily Determined Contribution	Contributions in Relation to the Statutorily Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll[1]	Contributions as a Percentage of Covered Payroll
2015	$ 75,641	$ 75,641	$ -	$ 306,827	24.64%
2016	74,414	74,414		301,993	24.64%
2017	75,039	75,039		320,955	24.64%
2018	77,488	77,488		313,951	24.64%
2019	79,973	79,973		324,430	24.64%
2020	84,775	84,775		343,799	24.64%
2021	85,545	85,545		347,112	24.64%
2022	90,949	90,949		369,110	24.64%
2023	88,561	88,561		359,326	24.64%
2024	92,853	92,853		376,554	24.64%

[1] Payroll is estimated based on the actual member contributions received and a 12.32% contribution rate.

Required Supplementary Schedule – (Unaudited)
Fire and Police Pension Fund
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Statutorily determined contribution is calculated using a January 1 valuation date as of the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, using 3.00% annual increases.
Remaining Amortization Period	20.11 years remaining as of January 1, 2023.
Asset Valuation Method	Five-year smoothed fair value based on expected return of 7.25%.

Actuarial assumptions:

Inflation Rate	3.00%
Salary Increases	3.00% (plus merit scale of 0.00% - 11.00%)
Investment Rate of Return	7.25% including inflation, net of pension plan investment expense
Cost-of-living Adjustments	3.00% for retirements before October 1, 1999; 2.25% for retirements on or after October 1, 1999
Retirement Rates	Fire: Rates based on years of service ranging from 20 to 43 years, with 100.00% retirement at the earlier of age 65 or 43 years of service Police: Rates based on years of service ranging from 20 to 40 years, with 100.00% retirement at the earlier of age 65 or 40 years of service

Mortality:

Pre-retirement	Sex-distinct PUBS-2010 Safety Employee Amount-Weighted Table
Healthy Annuitant	Sex-distinct PUBS-2010 Safety Healthy Retiree Amount-Weighted Table
Disabled Annuitant	Sex-distinct PUBS-2010 Safety Disabled Retiree Amount-Weighted Table
Beneficiaries	Sex-distinct PUBS-2010 Safety Contingent Survivor Amount-Weighted Table
Future Improvement	Generational Projection using Scale SSA2019-2D improvement scale

Required Supplementary Schedule – (Unaudited)
CPS Energy
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended January 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	$ 48,696	$ 55,800	$ (7,104)	$ 261,085	21.37%
2016	46,001	46,000	1	256,236	17.95%
2017	44,532	44,500	32	235,360	18.91%
2018	46,234	46,200	34	242,477	19.05%
2019	58,657	58,700	(43)	254,241	23.09%
2020	53,435	73,435	(20,000)	271,449	27.05%
2021	56,025	56,025		282,302	19.85%
2022	62,050	62,100	(50)	286,959	21.64%
2023	58,986	58,986		293,669	20.09%
2024	56,717	56,717		304,482	18.63%

Amounts presented are determined as of the measurement date of the net pension liability (asset) for fiscal years-ended January 31, 2015 through January 31, 2024.

Required Supplementary Schedule – (Unaudited)
CPS Energy
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contribution rates are calculated as of January 1, two years and one month prior to the end of the fiscal year in which contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent; layered periods
Remaining Amortization Period	25 years
Asset Valuation Method	Fair value gains/losses recognized over five years.

Actuarial assumptions:

Inflation Rate	2.30% for fiscal year 2024. 2.20% for fiscal year 2023 and 2022; and 3.00% for previous years presented, compounded annually.
Salary Increases	Average, including inflation: 5.65% for fiscal year 2024, 5.54% for fiscal years 2023 and 2022, 5.36% for fiscal year 2021 and 2020, 4.72% for fiscal year 2019, 4.66% for fiscal year 2018, 4.78% for fiscal year 2017, 5.01% for fiscal year 2016, and 5.03% for fiscal year 2015.
Investment Rate of Return	7.00% per year, compounded annually, for fiscal year 2024 through 2022, 7.25% for fiscal years 2021 through 2019, 7.50% for fiscal year 2018 and 2017, 7.75% for prior years.
Cost-of-living Increases	1.25% for fiscal year 2024 through 2022, 1.50% for previous years presented per year.
Mortality	Mortality rates were based on the Pri-2012 Mortality Table projected forward (fully generational) with MP-2021 for 2024, MP-2020 for 2023, Pri-2012 Mortality Table projected forward (fully generational) with MP-2019 for 2022, RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Improvement Scale MP-2014 and projected (fully generational) with MP-2018 for FY2021; RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Improvement Scale MP-2014 and projected (fully generational) with MP-2017 for fiscal year 2020; RP-2016 Combined Healthy, with No Collar Adjustment, Male and Female Tables with MP-2016 Mortality Improvement Scale for fiscal year 2019; RP-2000 Combined Healthy Annuitant Mortality Table for Males or Females, projected using Scale BB for fiscal year 2017 and fiscal year 2016; RP-2000 Combined Healthy Annuitant Mortality Table for Males or Females, projected using Scale AA for prior years. Separate tables are used for disabled participants and contingent annuitants.
Other Information	In fiscal year 2020, an additional $20,000 was contributed to the pension plan in excess of the actuarially determined contribution. There were no changes in benefit terms, in the size or composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	$ 3,721	$ 3,721	$ -	$ 90,721	4.10%
2015	3,672	3,953	(281)	96,389	4.10%
2016	3,609	3,609		97,818	3.69%
2017	3,852	3,852		104,960	3.67%
2018	4,059	4,059		109,703	3.70%
2019	4,095	4,095		113,750	3.60%
2020	4,440	4,440		121,984	3.64%
2021	4,450	4,450		118,981	3.74%
2022	4,510	4,510		123,902	3.64%
2023	5,267	5,267		145,905	3.61%

Amounts presented are determined as of the measurement date of the net pension liability (asset) for fiscal years-ended December 31, 2014 through December 31, 2023.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System (SAWS) - TMRS
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contributions are calculated as of December 31 and become effective 12 months later on January 1.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll, closed.
Remaining Amortization Period	For 2023, the remaining amortization period is 23 years. In 2015 the amortization period was adjusted to 30 years from 23 in 2014.
Asset Valuation Method	Ten-year smoothed fair value; 12.00% soft corridor

Actuarial assumptions:

Inflation Rate	In 2015, the inflation rate was changed to 2.50% from 3.00% in 2014.
Salary Increases	3.50% to 11.50% for 2020 to 2023, 3.50% to 10.50% for fiscal year 2015 to 2019, and 3.50% to 12.00% for fiscal year 2014, including inflation.
Investment Rate of Return	In 2015 the investment rate of return was lowered from 7.00% to 6.75%.
Retirement Age	Experience-based table of rates that are specific to SAWS plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 – 2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement PUB (10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	$ 10,339	$ 10,339	$ -	$ 83,812	12.34%
2015	7,890	7,890		85,299	9.25%
2016	7,367	7,367		83,493	8.82%
2017	7,982	7,982		79,417	10.05%
2018	7,923	7,923		78,348	10.11%
2019	9,131	9,131		76,320	11.96%
2020	7,723	9,131	(1,408)	74,643	12.23%
2021	6,136	6,136		75,822	8.09%
2022	4,428	7,000	(2,572)	68,883	10.16%
2023	4,412	6,136	(1,724)	69,346	8.85%

Amounts presented are determined as of the measurement date of the net pension liability (asset) for fiscal years-ended December 31, 2014 through December 31, 2023.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Retirement Plan (SAWSRP)
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contributions are determined as of January 1 of the year in which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Remaining Amortization Period	Unfunded Liability at December 31, 2023 of $40,551 is being amortized over a 15 fixed year period. The annual impact of experience gains/losses, plan amendments and changes in plan assumptions are amortized over ten years.
Amortization Method	Equal annual installments.
Asset Valuation Method	Four-year smoothed fair value.

Actuarial assumptions:

Inflation Rate	2.25% for fiscal year 2023 to 2019, 2.00% for fiscal year 2017, previously it was 2.25%.
Salary Increases	In 2021, changed to a new table based on management philosophies and more recent experience of plan participants. Previously, scale based on 2011-2013 SAWS experience.
Investment Rate of Return	6.25% for fiscal years 2023 to 2020; In 2017, the rate was changed from 6.75% to 6.50%, net of pension expense, including inflation. In 2014, the rate was changed from 7.00% to 6.75%.
Retirement Age	Active: In 2020, changed to a table of rates starting at age 45 and ending at age 70. In 2015, expected retirement ages were adjusted to reflect actual experience from 2011-2013. Previously, the retirement age was based on experience from 2011-2012. Inactive: In 2020, changed from 100.00% at age 62 to a table of rates starting at age 60 and ending at age 65.
Mortality	In 2023, the mortality assumptions were based on PubG-2010 General base rate mortality table projected to future years with historical and assumed Mortality Improvement (MI) rates that were issued by the Society of Actuaries (SOA). PubG-2010 is the baseline mortality rate table underlying the SOA Pub-2010 experience study published in January 2019. The January 1, 2023 valuation was based on MP-2021, the most recent MI scale published in October 2021. In 2022, the improvement scale was changed to MP-2021. In 2021, the improvement scale was changed to MP-2020. In 2020, the improvement scale was changed to MP-2019. In 2019, the mortality assumption was updated to the public retirement plans mortality tables published by the SOA. In 2018 and 2017, the mortality assumption was updated for the latest improvement scale. In 2016, the mortality table was changed to use adjusted RP-2014 mortality with scale MP-2016 based on data published by the SOA in 2015. Previously, the IRS Prescribed Generational Mortality table was used.

Required Supplementary Schedule – (Unaudited)
SAWS District Special Project Retirement Income Plan (DSPRP)
Schedule of Contributions – Pensions
Last Ten Fiscal Years

Year-Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2014	$ 307	$ 414	$ (107)	N/A	N/A
2015	274	308	(34)	N/A	N/A
2016	279	280	(1)	N/A	N/A
2017	315	315		N/A	N/A
2018	247	400	(153)	N/A	N/A
2019	388	400	(12)	N/A	N/A
2020	290	400	(110)	N/A	N/A
2021	138	175	(37)	N/A	N/A
2022		138	(138)	N/A	N/A
2023	84	134	(50)	N/A	N/A

Amounts presented are determined as of the measurement date of the net pension liability (asset) for fiscal years-ended December 31, 2014 through December 31, 2023.

Required Supplementary Schedule – (Unaudited)
SAWS District Special Project Retirement Income Plan (DSPRP)
Schedule of Contributions – Pensions
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contributions are determined as of January 1 of the year in which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Unit Credit
Amortization Method	Rolling level-amortization over a declining period.
Remaining Amortization Period	In 2023, the amortization period was changed to ten years. 2022: five years; 2021: six years; 2020: seven years; 2019: eight years; 2018: nine years; 2017: ten years; 2016: 11 years; 2015: 12 years; 2014: 13 years
Asset Valuation Method	Fair value with smoothing

Actuarial assumptions:

Inflation Rate	3.00% for fiscal year 2023; 2.25% for fiscal years 2022 to 2020; 2.50% for fiscal year 2019; 2.75% for fiscal year 2015; Previously, 2.00% was used.
Salary Increases	Earned benefits frozen in 2008.
Investment Rate of Return	5.75% for fiscal year 2023; 6.25% for fiscal years 2022 to 2020; 6.50% for fiscal year 2017; Previously 7.00%, net of pension plan investment expense, including inflation was used.
Retirement Age	Normal retirement age – the earlier of (a) age 65, or (b) the "rule of 90" where the participant's age and years of service added together equal 90 or greater.
Mortality	In 2023, the mortality projection scale was updated to MP-2021. In 2022, the improvement scale was updated to MP-2020. In 2019, the mortality projection scale was updated to MP-2018. In 2018, the mortality projection scale was based on MP-2017. In 2017, the table was changed to the RP-2014 table using mortality improvement scale MP-2016. Previously, 1994 GAR projected to 2002 was used.

Required Supplementary Schedule – (Unaudited)
City of San Antonio
Retiree Health Care Fund
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended						
	9/30/2024	9/30/2023	9/30/2022 [1]	9/30/2021	9/30/2020	9/30/2019	9/30/2018
Total OPEB Liability							
Service Cost	$ 7,847	$ 8,203	$ 12,177	$ 17,533	$ 12,294	$ 16,893	$ 11,665
Interest Cost	9,692	10,696	7,157	10,402	10,653	13,464	11,999
Differences Between Expected and Actual Experience	(7,276)	(35,635)	(792)	(217,862)	(36,898)	(12,617)	
Changes of Assumptions	(9,534)		(56,399)	47,648	83,865	78,030	(32,771)
Benefit Payments	(9,343)	(7,593)	(7,607)	(5,938)	(5,874)	(7,111)	(7,439)
Net Change in Total OPEB Liability	$ (8,614)	$ (24,329)	$ (45,464)	$ (148,217)	$ 64,040	$ 88,659	$ (16,546)
Total OPEB Liability - Beginning	240,754	265,083	310,547	458,764	394,724	306,065	322,611
Total OPEB Liability - Ending (a)	$ 232,140	$ 240,754	$ 265,083	$ 310,547	$ 458,764	$ 394,724	$ 306,065
Plan Fiduciary Net Position							
Contributions - Employer	$ 7,085	$ 6,320	$ 6,666	$ 5,938	$ 5,874	$ 7,111	$ 7,439
Contributions - Employee	1,536	1,534	1,599				
Net Investment Income (loss)	436	241	(61)				
Benefit Payments, including Refunds of Employee Contributions	(9,343)	(7,593)	(7,607)	(5,938)	(5,874)	(7,111)	(7,439)
Administrative Expense	(43)	(22)	(24)				
Other			5,333				
Net Change in Plan Fiduciary Net Position	$ (329)	$ 480	$ 5,906	$ -	$ -	$ -	$ -
Plan Fiduciary Net Position - Beginning	6,386	5,906					
Plan Fiduciary Net Position - Ending (b)	$ 6,057	$ 6,386	$ 5,906	$ -	$ -	$ -	$ -
City's Net/Total OPEB Liability - Ending (a) - (b)	$ 226,083	$ 234,368	$ 259,177	$ 310,547	$ 458,764	$ 394,724	$ 306,065
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	2.61%	2.65%	2.23%	0.00%	0.00%	0.00%	0.00%
Covered-Employee Payroll	$ 532,335	$ 495,336	$ 454,555	$ 393,758	$ 398,863	$ 393,916	$ 375,931
City's Net Pension Liability as a Percentage of Covered Employee Payroll	42.47%	47.31%	57.02%	78.87%	115.02%	100.21%	81.42%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net or total OPEB liability for fiscal years-ended September 30, 2018 through September 30, 2024.

[1] Fiscal Year 2022 is the first year the City reported a Plan Fiduciary Net Position balance and a Net OPEB Liability.

Required Supplementary Schedule – (Unaudited)
City of San Antonio
Retiree Health Care Fund
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of actuarial assumptions: In fiscal year 2024, the City's participation rate was decreased from 60.00% to 50.00%. In fiscal year 2022, the discount rate was updated from 2.26% to 4.00%; 2021 it was updated from 2.21% to 2.26%; 2020 it was updated from 2.66% to 2.21%; 2019 it was updated from 4.24% to 2.66%; and 4.24% was assumed for prior years. The retirement rates were updated to reflect the 2023 Texas Municipal Retirement System Actuarial Valuation tables. The mortality projection scale was updated from MP-2020 to MP-2021 to reflect the Society of Actuaries' recent mortality study. The trend rates were reset to 6.75% for pre-Medicare and 5.75% for Medicare. The marriage rate is based on current contracts, which is approximately 35.00%, compared to the 25.00% used in the prior valuation.

Required Supplementary Schedule – (Unaudited)
Retiree Health & Wellness San Antonio Fire and Police Fund
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended						
	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total OPEB Liability							
Service Cost	$ 25,994	$ 29,107	$ 28,869	$ 29,001	$ 26,077	$ 25,345	$ 24,289
Interest Cost	78,173	78,680	78,094	78,948	72,602	71,055	68,947
Differences Between Expected and Actual Experience	8,671	26,011	2,387	14,616	28,124	2,169	(5,165)
Changes of Assumptions	9,066	(88,239)	(59,131)	(99,032)	28,936	(43,489)	(25,344)
Benefit Payments	(54,490)	(45,070)	(39,850)	(31,348)	(33,146)	(35,821)	(33,560)
Net Change in Total OPEB Liability	$ 67,414	$ 489	$ 10,369	$ (7,815)	$ 122,593	$ 19,259	$ 29,167
Total OPEB Liability - Beginning	1,117,541	1,117,052	1,106,683	1,114,498	991,905	972,646	943,479
Total OPEB Liability - Ending (a)	$ 1,184,955	$ 1,117,541	$ 1,117,052	$ 1,106,683	$ 1,114,498	$ 991,905	$ 972,646
Plan Fiduciary Net Position							
Contributions - Employer	$ 47,832	$ 45,073	$ 42,030	$ 39,480	$ 35,234	$ 30,892	$ 27,242
Contributions - Employee	23,920	22,533	21,012	19,727	17,605	15,442	13,616
Net Investment Income (loss)	23,910	(43,970)	59,256	55,638	19,867	(21,629)	25,294
Benefit Payments, including Refunds of Employee Contributions	(54,490)	(45,070)	(39,849)	(31,348)	(33,146)	(35,821)	(33,560)
Administrative Expense	(5,180)	(4,095)	(3,794)	(3,464)	(3,056)	(3,070)	(2,660)
Other Contributions - Retirees	2,262	1,920	1,545	1,513	1,571	1,817	1,829
Net Change in Plan Fiduciary Net Position	$ 38,254	$ (23,609)	$ 80,200	$ 81,546	$ 38,075	$ (12,369)	$ 31,761
Plan Fiduciary Net Position - Beginning	540,639	564,248	484,060	402,514	364,439	376,808	345,047
Plan Fiduciary Net Position - Ending (b)	$ 578,893	$ 540,639	$ 564,260	$ 484,060	$ 402,514	$ 364,439	$ 376,808
City's Net Pension Liability - Ending (a) - (b)	$ 606,062	$ 576,902	$ 552,792	$ 622,623	$ 711,984	$ 627,466	$ 595,838
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	48.85%	48.38%	50.51%	43.74%	36.12%	36.74%	38.74%
Covered-Employee Payroll	$ 489,882	$ 359,326	$ 369,110	$ 347,776	$ 328,795	$ 318,038	$ 308,101
City's Net OPEB Liability as a Percentage of Covered-Employee Payroll	123.72%	160.55%	149.76%	179.03%	216.54%	197.29%	193.39%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability for fiscal years-ended December 31, 2017 through December 31, 2023.

Required Supplementary Schedule – (Unaudited)
Retiree Health & Wellness San Antonio Fire and Police Fund
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size of composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: The annual investment rate of return underlying the calculation of total OPEB liability was assumed to be 7.00% for fiscal year 2021. A rate of 7.25% was assumed for the previous year presented.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Health Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended								
	1/31/2023	1/31/2022	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total OPEB Liability									
Service Cost	$ 4,302	$ 4,905	$ 3,772	$ 4,300	$ 4,466	$ 3,376	$ 3,435	$ 3,319	$ 3,207
Interest Cost	17,092	18,604	17,089	17,624	18,032	17,182	18,176	17,601	17,050
Changes in Plan Benefits						415	(19,185)		
Differences Between Expected and Actual Experience	(29,153)	26,691	(11,592)	(19,010)	1,763		475		
Changes of Assumptions	(970)	(385)	(5,962)	(4,246)	(2,190)	9,657			
Benefit Payments	(18,104)	(11,915)	(13,398)	(12,475)	(11,390)	(12,197)	(14,001)	(12,756)	(13,275)
Net Change in Total OPEB Liability	$ (26,833)	$ 37,900	$ (10,091)	$ (13,807)	$ 10,681	$ 18,433	$ (11,100)	$ 8,164	$ 6,982
Total OPEB Liability - Beginning	277,924	240,024	250,115	263,922	253,241	234,808	245,908	237,744	230,762
Total OPEB Liability - Ending (a)	$ 251,091	$ 277,924	$ 240,024	$ 250,115	$ 263,922	$ 253,241	$ 234,808	$ 245,908	$ 237,744
Plan Fiduciary Net Position									
Contributions - Employer	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,500	$ 8,806	$ 3,200
Contributions - Employee						7,156	6,802	6,734	6,024
Medicare Part D Payment	985	977	924	842	872	998	933	976	933
Earnings (Loss) on Plan Assets	(10,701)	41,220	26,613	30,260	(10,571)	41,718	38,949	(9,765)	12,536
Benefit Payments	(18,104)	(11,915)	(13,398)	(12,475)	(11,390)	(19,353)	(20,804)	(19,490)	(19,299)
Administrative Expense	(1,300)	(1,251)	(1,297)	(1,150)	(1,223)	(1,346)	(1,621)	(1,456)	(1,137)
Net Change in Plan Fiduciary Net Position	$ (29,120)	$ 29,031	$ 12,842	$ 17,477	$ (22,312)	$ 29,173	$ 32,759	$ (14,195)	$ 2,257
Plan Fiduciary Net Position - Beginning	326,859	297,828	284,986	267,509	289,821	260,648	227,889	242,084	239,827
Plan Fiduciary Net Position - Ending (b)	$ 297,739	$ 326,859	$ 297,828	$ 284,986	$ 267,509	$ 289,821	$ 260,648	$ 227,889	$ 242,084
Net OPEB (Asset) Liability - Ending (a) - (b)	$ (46,648)	$ (48,935)	$ (57,804)	$ (34,871)	$ (3,587)	$ (36,580)	$ (25,840)	$ 18,019	$ (4,340)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	118.58%	117.61%	124.08%	113.94%	101.36%	114.44%	111.00%	92.67%	101.83%
Covered-employee Payroll	$ 273,551	$ 263,640	$ 257,608	$ 254,996	$ 244,010	$ 228,240	$ 220,522	$ 223,523	$ 242,652
Net OPEB (Asset) Liability as a Percentage of Covered-Employee Payroll	(17.05%)	(18.56%)	(22.44%)	(13.68%)	(1.47%)	(16.03%)	(11.72%)	8.06%	(1.79%)

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability (asset) for fiscal years-ended January 31, 2016 through January 31, 2024.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Health Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: Changes in plan deductibles were updated accordingly for each period; Fiscal year 2019 amounts reflect updates to the HRA contributions; Fiscal year 2021 amounts reflect the addition of the HSA contributions.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate during fiscal years 2019 and 2022 and changes to the mortality improvement scale during each period; fiscal year 2022 amounts reflect the effects of the 2020 experience study updates, including updating to the Pri-2012 Mortality Table; fiscal year 2019 amounts reflect the effects of the 2017 experience study updates.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Life Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended								
	1/31/2023	1/31/2022	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total OPEB Liability									
Service Cost	$ 586	$ 614	$ 517	$ 511	$ 473	$ 349	$ 336	$ 325	$ 313
Interest Cost	3,688	3,612	3,400	3,308	3,284	3,432	3,256	3,244	3,228
Differences Between Expected and Actual Experience	561	252	4,766	840	(936)		2,378		
Changes of Assumptions	820	985	4,044	309	594	(457)			
Benefit Payments	(4,204)	(4,255)	(3,987)	(3,895)	(4,028)	(3,813)	(3,469)	(3,358)	(3,313)
Net Change in Total OPEB Liability	$ 1,451	$ 1,208	$ 8,740	$ 1,073	$ (613)	$ (489)	$ 2,501	$ 211	$ 228
Total OPEB Liability - Beginning	57,208	56,000	47,260	46,187	46,800	47,289	44,788	44,577	44,349
Total OPEB Liability - Ending (a)	$ 58,659	$ 57,208	$ 56,000	$ 47,260	$ 46,187	$ 46,800	$ 47,289	$ 44,788	$ 44,577
Plan Fiduciary Net Position									
Contributions - Employer	$ 925	$ 900	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Contributions - Employee	1,131	1,156	1,077	1,053	1,030	1,000	972	930	911
Earnings (Loss) on Plan Assets	(1,950)	6,526	4,031	5,702	(2,135)	8,066	6,936	(2,102)	2,460
Benefit Payments	(4,204)	(4,255)	(3,987)	(3,895)	(4,028)	(3,813)	(3,469)	(3,358)	(3,313)
Administrative Expense	(17)	(26)	(25)	(30)	(28)	(30)	(27)	(21)	(16)
Net Change in Plan Fiduciary Net Position	$ (4,115)	$ 4,301	$ 1,096	$ 2,830	$ (5,161)	$ 5,223	$ 4,412	$ (4,551)	$ 42
Plan Fiduciary Net Position - Beginning	57,987	53,686	52,590	49,760	54,921	49,698	45,286	49,837	49,795
Plan Fiduciary Net Position - Ending (b)	$ 53,872	$ 57,987	$ 53,686	$ 52,590	$ 49,760	$ 54,921	$ 49,698	$ 45,286	$ 49,837
Net OPEB (Asset) Liability - Ending (a) - (b)	$ 4,787	$ (779)	$ 2,314	$ (5,330)	$ (3,573)	$ (8,121)	$ (2,409)	$ (498)	$ (5,260)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	91.84%	101.36%	95.87%	111.28%	107.74%	117.35%	105.09%	101.11%	111.80%
Covered-employee Payroll	$ 273,551	$ 263,640	$ 257,608	$ 254,996	$ 244,010	$ 218,003	$ 210,631	$ 198,704	$ 191,984
Net OPEB (Asset) Liability as a Percentage of Covered-Employee Payroll	1.75%	(0.30%)	0.90%	(2.09%)	(1.46%)	(3.73%)	(1.14%)	(0.25%)	(2.74%)

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB (asset) liability for fiscal years-ended January 31, 2016 through January 31, 2024.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Life Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: There were no changes in benefit terms, in the size or composition of the population covered by the benefit terms, or other factors that significantly affected trends from year to year in the amounts reported above.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate during fiscal years 2019 and 2022 and changes to the mortality improvement scale during each period, and a change in the earnings progression during fiscal year 2024; fiscal year 2022 amounts reflect the effects of the 2020 experience study updates, including updating to the Pri-2012 Mortality Table; fiscal year 2019 amounts reflect the effects of the 2017 experience study updates.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Disability Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended								
	1/31/2023	1/31/2022	1/31/2021	1/31/2020	1/31/2019	1/31/2018	1/31/2017	1/31/2016	1/31/2015
Total OPEB Liability									
Service Cost	$ 680	$ 712	$ 557	$ 580	$ 620	$ 516	$ 527	$ 509	$ 492
Interest Cost	490	457	384	402	475	473	455	448	426
Differences Between Expected and Actual Experience	468	(665)	(156)	(673)	(656)		255		
Changes of Assumptions	142	(4)	1,993	11	189	94			
Benefit Payments	(1,049)	(1,230)	(1,142)	(977)	(880)	(1,012)	(974)	(775)	(559)
Net Change in Total OPEB Liability	$ 731	$ (730)	$ 1,636	$ (657)	$ (252)	$ 71	$ 263	$ 182	$ 359
Total OPEB Liability - Beginning	6,363	7,093	5,457	6,114	6,366	6,295	6,032	5,850	5,491
Total OPEB Liability - Ending (a)	$ 7,094	$ 6,363	$ 7,093	$ 5,457	$ 6,114	$ 6,366	$ 6,295	$ 6,032	$ 5,850
Plan Fiduciary Net Position									
Contributions - Employer	$ 559	$ 726	$ 614	$ 769	$ 1,000	$ 1,300	$ 700	$ 175	$ 175
Contributions - Employee	287	276	276	291	274	265	260	248	211
Earnings (Loss) on Plan Assets	(191)	782	539	603	(205)	627	501	(158)	177
Benefit Payments	(1,049)	(1,230)	(1,142)	(977)	(880)	(1,012)	(974)	(775)	(559)
Administrative Expense	(12)	(17)	(21)	(14)	(19)	(18)	(15)	(14)	(18)
Net Change in Plan Fiduciary Net Position	$ (406)	$ 537	$ 266	$ 672	$ 170	$ 1,162	$ 472	$ (524)	$ (14)
Plan Fiduciary Net Position - Beginning	7,041	6,504	6,238	5,566	5,396	4,234	3,762	4,286	4,300
Plan Fiduciary Net Position - Ending (b)	$ 6,635	$ 7,041	$ 6,504	$ 6,238	$ 5,566	$ 5,396	$ 4,234	$ 3,762	$ 4,286
Net OPEB (Asset) Liability - Ending (a) - (b)	$ 459	$ (678)	$ 589	$ (781)	$ 548	$ 970	$ 2,061	$ 2,270	$ 1,564
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	93.53%	110.66%	91.70%	114.31%	91.04%	84.76%	67.26%	62.37%	73.26%
Covered-employee Payroll	$ 276,105	$ 268,773	$ 260,739	$ 259,520	$ 251,482	$ 224,137	$ 216,558	$ 212,904	$ 205,704
Net OPEB (Asset) Liability as a Percentage of Covered-Employee Payroll	0.16%	(0.25%)	0.23%	(0.30%)	0.22%	0.43%	0.95%	1.07%	0.76%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB (asset) liability for fiscal years-ended January 31, 2016 through January 31, 2024.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Disability Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Benefit Changes: Fiscal year 2019 reflects updates for the 2017 amendment to the minimum benefit, eligibility requirement, and maximum age for benefit receipt tiered schedule.

Changes of assumptions: Changes of assumptions and other inputs reflect the effects of changes in the discount rate during fiscal years 2019 and 2022 and changes to the mortality improvement scale during each period, and a change in the earnings progression during fiscal year 2024; fiscal year 2022 amounts reflect the effects of the 2020 experience study updates, including updating to the Pri-2012 Mortality Table; fiscal year 2019 amounts reflect the effects of the 2017 experience study updates.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Other Post Employment Benefit Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years

	Measurement Period Ended					
	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018	12/31/2017
Total OPEB Liability						
Service Cost	$ 1,170	$ 1,712	$ 1,750	$ 1,913	$ 2,220	$ 2,428
Interest Cost	5,099	7,491	7,688	9,112	9,429	9,221
Changes of benefit terms		(32,517)				
Differences Between Expected and Actual Experience	(14,196)	(5,859)	(8,867)	(18,580)	(11,970)	(3,358)
Changes of Assumptions	(7,173)	(3,799)	2,089	(3,237)	2,817	(351)
Benefit Payments	(4,200)	(5,342)	(6,141)	(6,311)	(7,808)	(6,209)
Net Change in Total OPEB Liability	$ (19,300)	$ (38,314)	$ (3,481)	$ (17,103)	$ (5,312)	$ 1,731
Total OPEB Liability - Beginning	82,481	120,795	124,276	141,379	146,691	144,960
Total OPEB Liability - Ending (a)	$ 63,181	$ 82,481	$ 120,795	$ 124,276	$ 141,379	$ 146,691
Plan Fiduciary Net Position						
Contributions - Employer	$ 9,300	$ 10,442	$ 13,641	$ 13,811	$ 15,308	$ 13,709
Contributions - Employee						
Net Investment Income (Loss)	(18,870)	12,260	13,747	13,264	(3,164)	7,127
Benefit Payments	(4,200)	(5,342)	(6,141)	(6,311)	(7,808)	(6,209)
Administrative Expense	(170)	(177)	(187)	(175)	(159)	(144)
Net Change in Plan Fiduciary Net Position	$ (13,940)	$ 17,183	$ 21,060	$ 20,589	$ 4,177	$ 14,483
Plan Fiduciary Net Position - Beginning	121,520	104,337	83,277	62,688	58,511	44,028
Plan Fiduciary Net Position - Ending (b)	$ 107,580	$ 121,520	$ 104,337	$ 83,277	$ 62,688	$ 58,511
Net OPEB (Asset) Liability - Ending (a) - (b)	$ (44,399)	$ (39,039)	$ 16,458	$ 40,999	$ 78,691	$ 88,180
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	170.27%	147.33%	86.38%	67.01%	44.34%	39.89%
Covered-employee Payroll	$ 62,161	$ 65,898	$ 67,557	$ 68,894	$ 71,520	$ 79,417
Net OPEB (Asset) Liability as a Percentage of Covered-Employee Payroll	(71.43%)	(59.24%)	24.36%	59.51%	110.03%	111.03%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB (asset) liability for fiscal year-end December 31, 2018 through December 31, 2023.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Other Post Employment Benefit Plan
Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios
Last Ten Fiscal Years (Continued)

Notes to Schedule:

Total OPEB liability at December 31, 2023 is based on a rollforward of the January 1, 2023 actuarial valuation.

Benefit Changes: SAWS changed Medicare Advantage providers in 2022. The new contract provides coverage at no charge to the employer or employee for three years. After three years, the cost is expected to be nominal.

Changes of assumptions: For 2023, the MP-2021 mortality table was used. In 2021, the mortality table was updated to MP-2020. Healthcare trend rate assumption updated to 2021 SOA Long-Run Medical Trend model and the post 65 initial trend rate set to -2.00%. In 2020, the investment rate of return was changed from 6.50% to 6.25%. In 2019, health care cost trends ultimate rate was changed to 3.94% in 2075. In 2018, health cost trends ultimate rate was changed to 3.84% in 2075. In 2019, the mortality table was changed to the public retirement plans mortality tables published by the SOA. The mortality table was updated for 2018 and 2017.

Required Supplementary Schedule – (Unaudited)
City of San Antonio
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended September 30,	Statutorily Determined Contribution	Contributions in Relation to the Statutorily Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2018	$ 7,439	$ 7,439	$ -	$ 375,931	1.98%
2019	7,111	7,111		393,916	1.81%
2020	5,874	5,874		398,863	1.47%
2021	5,938	5,938		393,758	1.51%
2022	25,088	6,666	18,422	454,555	1.47%
2023	24,135	6,320	17,815	495,336	1.28%
2024	23,394	7,085	16,309	532,335	1.33%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the total OPEB (asset) liability for fiscal years-ended September 30, 2018 through September 30, 2024.

Required Supplementary Schedule – (Unaudited)
City of San Antonio
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Statutorily determined contribution is determined by the adopted OPEB funding policy, through adoption of the City's annual budget. The OPEB programs are funded on a pay-as-you-go basis.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal based on level percentages of projected salary.
Amortization Method	Experience/Assumptions gains and losses are amortized over a closed period of 11.9 years starting on the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service).
Remaining Amortization Period	10.9 years
Asset Valuation Method	Fair Value

Actuarial assumptions:

Discount Rate	4.00% per annum (EOY)
Healthcare and Prescription Cost Trend Rates	Pre-65 Select 7.75% and Ultimate 4.00%; Post-65 Select 6.75% and Ultimate 4.00%; Stop Loss Fees Select 7.75% and Ultimate 4.00%; Administrative Fees Select 4.00% and Ultimate 4.00%
Salary Increase Rate	3.50% per annum
Inflation	2.00%
Mortality	PUB-2010 headcount weighted base mortality table, projected generationally using Scale MP-2021, applied on a gender-specific and job class basis (teacher, safety, or general, as applicable).

Required Supplementary Schedule – (Unaudited)
Retiree Health & Wellness San Antonio Fire and Police Fund
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended September 30,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2018	$ 29,776	$ 29,776	$ -	$ 313,951	9.48%
2019	33,987	33,987		324,430	10.48%
2020	38,656	38,656		343,799	11.24%
2021	41,204	41,204		347,112	11.87%
2022	46,098	46,098		369,110	12.49%
2023	47,419	47,419		359,326	13.20%
2024	49,725	49,725		489,882	10.15%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability (asset) for fiscal years-ended December 31, 2017 through December 31, 2023.

Required Supplementary Schedule – (Unaudited)
Retiree Health & Wellness San Antonio Fire and Police Fund
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Statutorily determined contribution is using a January valuation date as of the beginning of the fiscal year in which contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Period	15 years
Amortization Method	For purposes of determining the minimum required contribution, the unfunded actuarial accrued liability (UAAL) is amortized as a level percentage of covered payroll. Total covered payroll is assumed to increase at a rate of 3.5% per year. The UAAL is amortized over a period of 30 years, open period, beginning on the valuation date.
Asset Valuation Method	Adjusted fair value gains/losses spread over a five-year period.

Actuarial Assumptions:

Discount Rate	7.00%
Inflation	2.75%
Initial Trend Date	6.25%
Ultimate Trend Date	4.25%
Years to Ultimate	Five
Salary Increases	Varies with service
Mortality	Based on the PUB-2010 Mortality Tables projected generationally with scale MP-2021.

Actuarially Determined Contribution Amounts for the year ended December 31, 2023 (not in thousands):

Biweekly Contributions:	
Active Members	$226.27
City per Active Member	$452.53
Monthly Contributions:	
Retirees with Less Than 30 Years of Service	$490.25
Dependent Children	$350.00

Required Supplementary Schedule – (Unaudited)
CPS Energy – Health Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended January 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	$ -	$ 8,806	$ (8,806)	$ 215,964	4.10%
2017		8,500	(8,500)	223,523	3.80%
2018				220,522	0.00%
2019				228,240	0.00%
2020				244,010	0.00%
2021				254,996	0.00%
2022				257,608	0.00%
2023				263,640	0.00%
2024				273,551	0.00%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability (asset) for fiscal years-ended January 31, 2016 through January 31, 2024.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Health Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contribution rates are calculated as of January 1, two years and one month prior to the end of the fiscal year in which contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent; layered periods
Remaining Amortization Period	25 years
Asset Valuation Method	Fair value gains/losses recognized over five years

Actuarial assumptions:

Inflation	2.30% for fiscal year 2024, 2.20% for fiscal year 2023 and 2022; 3.00% for fiscal year 2021; 2.30% for fiscal year 2020 and 3.00% previous years presented per year, compounded annually.
Investment Rate of Return	7.00% per year, compounded annually, for fiscal year 2024 through 2022, 7.25% for fiscal years 2021 through 2019, 7.50% for fiscal year 2018 and 2017, 7.75% for previous years.
Healthcare Cost Trend Rates	5.50% initial, decreasing to an ultimate rate of 3.70% for fiscal year 2024; 5.60% initial, decreasing to an ultimate rate of 3.70% for fiscal year 2023; 6.70% initial, decreasing to an ultimate rate of 3.80% for fiscal year 2022; 5.80% initial, decreasing to an ultimate rate of 4.00% for fiscal year 2021; 8.70% initial, decreasing to an ultimate rate of 4.10% for fiscal year 2020; 7.00% initial, decreasing to an ultimate rate of 5.00% for fiscal years 2019 and 2018; 7.50% initial, decreasing to an ultimate of 5.00% for fiscal years 2017 and 2016.
Prescription Cost Trend Rates	5.50% initial, decreasing to an ultimate rate of 3.70% for fiscal year 2024; 5.60% initial, decreasing to an ultimate rate of 3.70% for fiscal year 2023; 6.70% initial, decreasing to an ultimate rate of 3.80% for fiscal year 2022; 5.80% initial, decreasing to an ultimate rate of 4.00% for fiscal year 2021; 8.70% initial, decreasing to an ultimate rate of 4.10% for fiscal year 2020, 7.00% initial, decreasing to an ultimate rate of 5.00% for fiscal years 2019 and 2018, 8.50% initial, decreasing to an ultimate of 5.00% for fiscal years 2017 and 2016.
Salary Increases	Projected average annual base salary increases ranging from 3.30% to 11.58% for fiscal year 2024, 3.20% to 11.47% for 2023 and 2022; 3.10% to 11.60% for fiscal years 2021 through 2019; ranging from 4.00% to 9.50% for previous years.
Mortality	Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with mortality improvement scale MP-2021 for fiscal year 2021; RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Scale MP-2014 and projected with Mortality Improvement Scale MP-2017 (separate tables for males/females) for fiscal year 2020; Based on RP-2000 Combined Healthy, with No Collar Adjustment, Projected to 2020 using Scale BB for previous years; Male and Female Tables for Active and Retirees; Based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with MP-2021, Separate tables for disabled participants and contingent annuitants.
Other Information	Changes in plan deductibles were updated accordingly for each period; Fiscal year 2019 amounts reflect updates to the Health Reimbursement Arrangement contributions; Fiscal year 2021 amounts reflect the addition of the Health Savings Account contributions.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Life Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended January 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	$ 561	$ -	$ 561	$ 191,984	0.00%
2017	145		145	198,704	0.00%
2018	515		515	210,631	0.00%
2019	435		435	218,003	0.00%
2020				244,010	0.00%
2021				254,996	0.00%
2022	924	900	24	257,608	0.00%
2023	925	925		263,640	0.00%
2024				273,551	0.00%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability (asset) for fiscal years-ended January 31, 2016 through January 31, 2024.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Life Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contribution rates are calculated as of January 1, two years and one month prior to the end of the fiscal year in which contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar; layered periods
Remaining Amortization Period	Three years
Asset Valuation Method	Fair value gains/losses recognized over five years.

Actuarial assumptions:

Inflation	2.30% for fiscal year 2024, 2.20% for fiscal year 2023 and 2022; 3.00% for fiscal year 2021; 2.30% for fiscal year 2020 and 3.00% previous years presented per year, compounded annually.
Investment Rate of Return	7.00% per year, compounded annually, for fiscal year 2024, 2023 and 2022; 7.25% for fiscal years 2021 through 2019, 7.50% for previous years.
Salary Increases	Projected average annual base salary increases from 3.30% to 11.58% for fiscal year 2024; 3.20% to 11.47% for fiscal year 2023 and 2022; 5.36% average for fiscal years 2021 and 2020; 4.54% average, including inflation for fiscal year 2019; 4.78% average, including inflation, in prior years.
Mortality	Based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with mortality improvement scale MP-2021; RP-2014 Mortality adjusted backwards to 2006 with MP-2014 and projected forward (fully generational) with MP-2018 for fiscal year 2021; RP-2014 Mortality Table adjusted backwards to 2006 with Mortality Scale MP-2014 and projected with Mortality Improvement Scale MP-2017 (separate tables for males/females) for fiscal year 2020; RP-2000 Combined Healthy, with No Collar Adjustment, Projected to 2020 using Scale BB for fiscal year 2020. Male and Female Tables for Active and Retirees; Based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with MP-2021, separate tables for disabled participants and contingent annuitants.
Other Information	There were no other changes in benefit terms, in the size of composition of the population covered by the benefit terms that significantly affected trends from year to year in the amounts reported above.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Disability Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended January 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2016	$ 793	$ 175	$ 618	$ 205,704	0.09%
2017	886	700	186	212,904	0.33%
2018	1,035	1,300	(265)	216,558	0.60%
2019	1,045	1,000	45	224,137	0.45%
2020	769	769		251,482	0.31%
2021	614	614		259,520	0.24%
2022	726	726		260,739	0.28%
2023	559	559		268,773	0.21%
2024	602	602		276,105	0.22%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability (asset) for fiscal years-ended January 31, 2016 through January 31, 2024.

Required Supplementary Schedule – (Unaudited)
CPS Energy – Disability Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contribution rates are calculated as of January 1, two years and one month prior to the end of the fiscal year in which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar; layered periods
Remaining Amortization Period	Three years
Asset Valuation Method	Fair value gains/losses recognized over five years.

Actuarial assumptions:

Inflation	2.30% for fiscal year 2024, 2.20% for fiscal year 2023 and 2022; 3.00% for fiscal year 2021; 2.30% for fiscal year 2020 and 3.00% prior years, compounded annually.
Investment Rate of Return	7.00% per year, compounded annually for fiscal year 2023 and 2022; 7.25% for fiscal years 2021 through 2019; 7.50% for previous years.
Salary Increases	Projected average annual base salary increases from 3.30% to 11.58% for fiscal year 2024; 3.20% to 11.47% for fiscal year 2023 and 2022; 5.36% average for fiscal year 2021 and 2020; 4.72% average, including inflation for fiscal year 2019; 4.78% for prior years.
Mortality	Healthy mortality based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with mortality improvement scale MP-2021 Disabled mortality based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with MP-2021, separate tables for disabled participants and contingent annuitants. Healthy mortality based on Pri-2012 Employee/Retiree Mortality (headcount weighted) projected forward (fully generational) with mortality improvement scale MP-2020 Disabled mortality based in Pri-2012 Private Retirement Plans Disabled Mortality Table (headcount weighted) projected with Mortality Improvement Scale MP-2020.
Other Information	Fiscal year 2019 reflects updates for the 2017 amendment to the minimum benefit, eligibility requirement, and maximum age for benefit receipt tiered schedule.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Other Post Employment Benefit Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years

Year-Ended December 31,	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered-Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
2017	$ 11,416	$ 13,709	$ (2,293)	$ 79,417	17.26%
2018	11,392	15,308	(3,916)	78,348	19.54%
2019	10,407	13,811	(3,404)	68,894	20.05%
2020	6,339	13,641	(7,302)	67,557	20.19%
2021	3,706	10,442	(6,736)	65,898	15.85%
2022		9,300	(9,300)	62,161	14.96%
2023		5,160	(5,160)	66,975	7.70%

This schedule is to be built prospectively. Until a full ten-year trend is compiled, the schedule will show information for those years for which data is available. Amounts presented are determined as of the measurement date of the net OPEB liability (asset) for fiscal years-ended December 31, 2017 and December 31, 2023.

Required Supplementary Schedule – (Unaudited)
San Antonio Water System Other Post Employment Benefit Plan
Schedule of Contributions – OPEB
Last Ten Fiscal Years (Continued)

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date

Notes	Actuarially determined contribution rates are calculated as of January 1, of the year in which the contributions are made.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Actuarial Value of Assets	Fair Value
Remaining Amortization Period	11 years - Closed.

Actuarial assumptions:

Inflation	2.50% for 2023 to 2020; 2.40% for 2019; and 2.50% for 2018 and 2017.
Investment Rate of Return	In 2020, the investment rate of return was changed to 6.25% from 6.50%
Salary Increases	Ranging from 3.75% to 9.00%, Varies by age.
Mortality	Mortality rates for the January 1, 2023 valuation were based Pub-2010 General base rate mortality table projected to future years with historical and assumed mortality improvement rates that were issued by the SOA. PubG-2010 is the baseline mortality rate table underlying the SOA Pub-2010 experience study published in January 2019. The mortality improvement scale is based on MP-2021 published in October 2021. In 2022, the improvement table was changed to MP-2021. In 2021, the improvement table was changed to MP-2020. In 2020, the improvement table was changed to MP-2019. In 2019, the mortality tables were changed to the public retirement plans mortality tables published by the SOA. Previously, the RP-2014 mortality tables for Healthy Employee/Annuitant updated annually were used.
Healthcare Cost Trend Rates	Pre-65 initial trend is 6.80%; Post-65 trend is -2.00%. Ultimate trend rate 2023 – 4.14%, 2022 – 2.94%, 2020 and 2021- 4.04%, 2019 – 3.94%, 2018 – 3.84%, 2017 – 4.14%.

SUPPLEMENTARY INFORMATION - COMBINING FINANCIAL STATEMENTS AND SCHEDULES

Nonmajor Governmental Funds

Special Revenue Funds

GRANTS

COMMUNITY DEVELOPMENT PROGRAM – to accept, receipt, and disburse federal funds designated for Community Development Block Grants' Programs and the American Recovery and Reinvestment Act Grants.

CONFISCATED PROPERTY – to account for receipts and disbursement of funds confiscated by law enforcement officers within the City.

HOME PROGRAM – to accept, receipt, and disburse federal funds designated for HOME Investment Partnership Programs.

OTHER SPECIAL REVENUES

ADVANCED TRANSPORTATION DISTRICT – to account for a ⅛ cent sales tax that funds the administration and project delivery of the Advanced Transportation District Program (ATD).

COMMUNITY AND VISITOR FACILITIES – to account for revenues and expenditures generated from Convention and Tourism activities relating to the promotion of the City's owned facilities to be used for conventions, community, and entertainment venues.

COMMUNITY SERVICES – to account for funds that provide various services to the community, such as health, housing, education, safety, employment, golfing, and economic development.

HOTEL/MOTEL 2% REVENUE – to account for funds derived from and capital improvement activity relating to the additional 2.0% Municipal Hotel/Motel Occupancy Tax.

PARKS DEVELOPMENT AND EXPANSION – to account for a ⅛ cent sales tax that funds the purchase and maintenance of new parkland in the Edwards Aquifer Recharge Zones, as well as linear parks along Leon Creek and Salado Creek. In November 2020 the sales tax was reallocated, to finance authorized programs related to job training.

EARLY EDUCATION DEVELOPMENT – to account for revenues and expenditures relating to a ⅛ cent sales tax to fund the Pre-K 4 SA education initiative created to provide high quality pre-kindergarten for 3-year-olds and 4-year-olds throughout the City.

READY TO WORK – to account for revenues and expenditures relating to a ⅛ cent sales tax to develop and implement programs for job training and increase access to quality jobs.

RIGHT OF WAYS – to account for funds used in the maintenance and improvement of right of ways. Financing is provided by street resurfacing charges.

SAN ANTONIO HOUSING TRUST – to account for funds utilized in programs administered by the San Antonio Housing Trust Foundation. Financing is provided from investment earnings that were designated from the sale of Roger's Cable System.

STORMWATER OPERATIONS – to account for the administrative and operational activities of the Stormwater Program. Financing is provided by a storm water fee.

TAX INCREMENT REINVESTMENT ZONE – to account for all revenues and expenditures associated with the operations of Tax Increment Reinvestment Zones (TIRZ) and the Tax Increment Financing Fund (TIF). Financing is provided by property taxes contributed from the City and other participating jurisdictions.

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

OTHER SPECIAL REVENUES (Continued)

PARKS ENVIRONMENTAL & SANITATION – to account for the administrative and operational activities of the Parks Environmental Program. Financing is provided by a parks environmental fee.

BLENDED COMPONENT UNITS

PROSPER WEST SAN ANTONIO (PWSA) – was established to promote economic development and redevelopment opportunities in the west side of San Antonio. PWSA seeks to generate new capital investment, create higher paying jobs, and reduce the poverty level in the area. In addition, PWSA functions as a land development corporation that has the power to buy, sell, and accept land as a nonprofit without the restrictions placed upon a municipality.

SAN ANTONIO EARLY CHILDHOOD EDUCATION MUNICIPAL DEVELOPMENT CORPORATION (ECEMDC) – was established to account for the establishment and operation of full day Pre-K education for City resident's; provide quality training to teachers; and grant awards for expansion of Pre-K operations in their facilities. Financing is derived from a ⅛ cent sales tax approved by voters on November 6, 2012 and extended by voters on November 3, 2020. Additionally, SA: Ready to Work was established to ensure that unemployed, underemployed, or underserved residents can access and successfully complete training and education that lead to current and anticipated high demand, well-paid careers. Financing is derived from a ⅛ cent sales tax approved by voters on November 3, 2020.

SAN ANTONIO EDUCATION FACILITIES CORPORATION (EFC) – was established in accordance with state laws for the purpose of aiding nonprofit institutions of higher education in providing educational, housing, and other related facilities.

SAN ANTONIO HEALTH FACILITIES DEVELOPMENT CORPORATION (HFDC) – was established in accordance with state laws for the purpose of acquiring, constructing, improving, providing, financing, and refinancing for any real, personal, or mixed property for health care, research, and education, and to assist in the maintenance of the public health.

SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY (IDA) – was established in accordance with state laws for the purpose of furthering the promotion and development of commercial, industrial, and manufacturing enterprises to promote and encourage employment and the public welfare.

MUNICIPAL GOLF ASSOCIATION – SAN ANTONIO (MGA-SA) – was established for the purpose of, and to act on behalf of the City in, operating and promoting its municipal golf facilities.

SAN ANTONIO TEXAS MUNICIPAL FACILITIES CORPORATION (TMFC) – was established to account for the financing for the acquisition and construction of a One Stop Development Services Center, a Fire and Police Emergency Dispatch Center, also known as the Public Safety Answering Point (PSAP) facility, the City Tower renovation for City employee offices, the redevelopment of two buildings at Brooks City Base, and funding for the Edwards Aquifer Protection Program for the City. Financing was derived from the sale of City of San Antonio, Texas Municipal Facilities Corporation Lease Revenue Bonds and Notes.

STARBRIGHT INDUSTRIAL DEVELOPMENT CORPORATION (SIDC) – was established to account for the purchase of the project site for the Toyota plant and finance other costs of the project site including site preparation and a training facility as provided in the Project Starbright Agreement. Financing was derived from the prior sale of City of San Antonio, Texas Starbright Industrial Development Corporation Contract Revenue Bonds.

Nonmajor Governmental Funds

Special Revenue Funds (Continued)

BLENDED COMPONENT UNITS (Continued)

SAN ANTONIO ECONOMIC DEVELOPMENT CORPORATION (EDC) – was established to promote, assist, and enhance economic development activities for the City.

TEXAS PUBLIC FACILITIES CORPORATION (TPFC) – was established in accordance with state laws for the purpose of, and to act on the behalf of the City, to effectuate the buyout of its existing Hotel Revenue Bonds and funding for the expansion of the City's Convention Center through issuance of 2012 Lease Revenue Bonds and 2022 Lease Revenue Refunding and Improvement Bonds.

HEMISFAIR PARK AREA REDEVELOPMENT CORPORATION (HPARC) – was established by the City in August 2009 for the purpose of aiding and acting on behalf of the City to assist with acquiring property, planning, developing, constructing, managing, maintaining, and financing projects within Hemisfair Park and adjacent to or near Hemisfair Park.

URBAN RENEWAL AGENCY (OUR SA) – OUR SA is responsible for implementing the City's Urban Renewal Program. Financing is provided from the City as well as the sale of redeveloped real estate.

VISIT SAN ANTONIO (VSA) – was established to attract leisure visitors to the City, and attract and secure meetings, events, and conventions to the City, including but not limited to, the Henry B. Gonzalez Convention Center and other City-owned facilities.

CITY OF SAN ANTONIO, TEXAS MUNICIPAL COUNCIL AIDES CORPORATION (COUNCIL AIDES) – was established for the purpose of assisting council members in the performance of their official public duties as members of the City Council of the City of San Antonio.

Capital Projects Funds

GENERAL OBLIGATION BONDS

GENERAL OBLIGATION BONDS – to account for financial resources to be used for the acquisition or construction of significant improvements to streets, bridges, drainage, city facilities, public safety, and parks and recreation, excluding those financed by proprietary-type funds and trust funds. Financing is derived by the sale of General Obligation Bonds.

PRE-2012 GENERAL OBLIGATION BONDS – consist of the bond election held May 12, 2007 for physical infrastructure development and improvement projects. The bond election covered projects within five areas: libraries, parks and recreation, drainage and flood control, public health facilities improvements, and street, bridge, pedestrian and related improvements.

2012 GENERAL OBLIGATION BONDS – a bond election held on May 13, 2012 approved $596 million in physical infrastructure development and improvement projects. These projects were within five areas; streets and pedestrian, drainage improvements, library improvements, parks and recreation, and public safety.

2017 GENERAL OBLIGATION BONDS – a bond election held on May 6, 2017 approved $850 million in physical infrastructure development and improvement projects. These projects were within six areas; streets and pedestrian, drainage improvements, library improvements, parks and recreation, public safety, and neighborhood improvements.

GENERAL OBLIGATION PROJECTS FUND – to account for the acquisition or construction of major capital improvements such as streets, drainage, library, and park improvements, where funding is primarily derived from the sale of General Obligation Bonds.

Nonmajor Governmental Funds

Capital Project Funds (Continued)

CERTIFICATES OF OBLIGATION

CERTIFICATES OF OBLIGATION – to account for permanent public improvements and/or construction of municipal facilities, streets, drainage, and emergency fire protection projects. Financing is derived from the sale of Certificates of Obligation.

PRE-2019 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold between the years of 2006 to 2018 for acquisition, construction and improvement, of municipal facilities, library, streets and street lighting, drainage, sidewalks, parks and infrastructure, police, emergency fire protection projects, installation of upgrades in technology systems, and other pedestrian mobility enhancement improvements.

2019 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2019 for acquisition, construction and improvement, of City facilities and infrastructure, streets, drainage, and sidewalks; and acquisition and installation of upgrades in technology systems.

2020 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2020 for improvements to the City's Alamodome, Witte Museum, streets, bridges, drainage, and sidewalks; parks infrastructure; libraries; and public facilities.

2021 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2021 for improvements to streets, and sidewalks; drainage and flood control, parks, recreation, and open spaces; library and cultural facilities; public safety facilities; and paying the costs of issuance for the 2021 Certificates of Obligation.

2022 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2022 for improvements to municipal facilities; streets, sidewalks and drainage; parks and recreation; and funding for capital contingency.

2023 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2023 for public safety improvements; streets; parks and recreation; and information technology.

2024 CERTIFICATES OF OBLIGATION – consists of Certificates of Obligation sold in 2024 for public safety improvements; municipal facilities; streets; parks and recreation; and information technology.

CERTIFICATES OF OBLIGATION PROJECTS FUND – to account for the acquisition or construction of major capital improvements such as streets, drainage, library, and park improvements, where funding is primarily derived from the sale of Certificates of Obligation.

OTHER CAPITAL PROJECTS

IMPROVEMENT PROJECTS – to account for special capital improvements designated by City Council. Financing is derived from contributions from other funds and notes payables issued.

MUNICIPAL DRAINAGE UTILITY SYSTEM – to account for financial resources to be used to finance the costs of drainage improvements, including the acquisition, construction, and repair of structures, equipment and facilities for the City's Municipal Drainage Utility System. Financing is derived from the prior sale of City of San Antonio, Texas Municipal Drainage Utility System Revenue Bonds.

TAX & REVENUE NOTES – to account for capital projects where funding is derived from the sale of short-term tax and revenue notes.

Nonmajor Governmental Funds

Permanent Funds

CARVER CULTURAL CENTER ENDOWMENT – to account for matching funds held by the City and grant funds previously awarded by the National Endowment for the Arts.

CITY CEMETERIES – to account for operation of the City's burial park. Financing for operations is provided by user fees and investment earnings. The principal portion is required to be retained in the Fund's Corpus.

WILLIAM C. MORRIS ENDOWMENT – to account for funds donated to the City by the estate of William C. Morris for the purpose of developing and sustaining the San Antonio Public Library's programs for children.

BOZA BECICA ENDOWMENT – to account for funds donated to the City by the estate of Boza Becica for the purpose of developing and sustaining the San Antonio Public Library's material purchases. The principal portion is required to be retained in the Fund's Corpus.

SOUTHERN EDWARDS PLATEAU ENDOWMENT – to account for funds donated to the City by third parties for the purpose of developing and sustaining the Southern Edwards Plateau Habitat Conservation. Financing for operations is also provided by user fees and investment earnings. The principal portion is required to be retained in the Fund's Corpus.

Combining Balance Sheet
Nonmajor Governmental Funds
As of September 30, 2024
(In Thousands)

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Assets:				
Cash and Cash Equivalents	$ 53,433	$ 74	$ -	$ 53,507
Investments	118,252	251		118,503
Receivables, Net	1,323	2		1,325
Materials and Supplies, at Cost	394			394
Prepaid Expenditures	668			668
Lease Receivables	7,406			7,406
Due From Other Funds	1,800			1,800
Due From Other Governmental Agencies, Net	1,455			1,455
Restricted Assets:				
Cash and Cash Equivalents	261,725	142,388	1,776	405,889
Investments	230,848	305,101	6,025	541,974
Receivables, Net	122,229	6,647	224	129,100
Materials and Supplies, at Cost	777			777
Deposits	15			15
Prepaid Expenditures	4,426			4,426
Lease Receivables	38,416			38,416
Due From Other Funds	8,990			8,990
Due From Other Governmental Agencies, Net	4,273	5,551		9,824
Total Assets	$ 856,430	$ 460,014	$ 8,025	$ 1,324,469
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Vouchers Payable	$ 2,357	$ -	$ -	$ 2,357
Accounts Payable - Other	9,398			9,398
Accrued Payroll	133			133
Unearned Revenue	267			267
Liabilities Payable From Restricted Assets:				
Vouchers Payable	15,900	50,907		66,807
Accounts Payable - Other	35,048	22,760	1	57,809
Accrued Payroll	2,607	10	2	2,619
Accrued Leave Payable	253			253
Unearned Revenue	4,013	6,874		10,887
Due To Other Funds	18,029	41		18,070
Due To Other Governmental Agencies				-
Total Liabilities	88,005	80,592	3	168,600
Deferred Inflows of Resources	124,162	5,616		129,778
Fund Balances:				
Nonspendable	6,280		6,911	13,191
Restricted	413,101	393,375	1,111	807,587
Committed	211,996	327		212,323
Assigned	14,891			14,891
Unassigned	(2,005)	(19,896)		(21,901)
Total Fund Balances	644,263	373,806	8,022	1,026,091
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 856,430	$ 460,014	$ 8,025	$ 1,324,469

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
Year-Ended September 30, 2024
(In Thousands)

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
Revenues:				
Taxes:				
Property	$ 50,747	$ -	$ -	$ 50,747
General Sales and Use	125,211			125,211
Gross Receipts Business	1,718			1,718
Occupancy	110,048			110,048
Penalties and Interest on Delinquent Taxes	961			961
Intergovernmental	39,407	27,893		67,300
Charges for Services	158,425		380	158,805
Fines and Forfeits	304			304
Miscellaneous	55,593	42		55,635
Investment Earnings	36,329	23,207	450	59,986
Contributions	6,876			6,876
Total Revenues	585,619	51,142	830	637,591
Expenditures:				
Current:				
General Government	14,936			14,936
Public Safety	10,648			10,648
Public Works	63,403			63,403
Health Services	9,082			9,082
Sanitation	12,586			12,586
Welfare	1,204			1,204
Culture and Recreation	73,557		477	74,034
Convention and Tourism	77,945			77,945
Urban Redevelopment and Housing	32,520			32,520
Education	140,161			140,161
Economic Development and Opportunity	41,226			41,226
Environmental	114			114
Capital Outlay	780	552,377		553,157
Debt Service:				
Principal Retirement	38,349			38,349
Interest	30,340			30,340
Arbitrage		2,731		2,731
Issuance Costs	225	1,326		1,551
Leases:				
Principal Retirement	3,033			3,033
Interest	497			497
Subscription:				
Principal Retirement	702			702
Interest	53			53
Total Expenditures	551,361	556,434	477	1,108,272
Excess (Deficiency) of Revenues Over (Under) Expenditures	34,258	(505,292)	353	(470,681)
Other Financing Sources (Uses):				
Issuance of Long-Term Debt	30,737	211,305		242,042
Issuance of Lease Liabilities	2,630			2,630
Issuance of Subscription Liabilities	758			758
Premium on Long-Term Debt	1,333	13,741		15,074
Transfers In	214,257	513,173		727,430
Transfers Out	(296,282)	(248,369)		(544,651)
Total Other Financing Sources (Uses), Net	(46,567)	489,850		443,283
Net Change in Fund Balances	(12,309)	(15,442)	353	(27,398)
Fund Balances October 1, as previously reported	642,312	389,248	7,669	1,039,229
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	14,684			14,684
Change to Financial Reporting Entity (Removal of Blended Component Unit)	(424)			(424)
Fund Balances October 1, as Restated	656,572	389,248	7,669	1,053,489
Fund Balances, September 30	$ 644,263	$ 373,806	$ 8,022	$ 1,026,091

Combining Balance Sheet
Nonmajor Governmental Funds - Special Revenue Funds
As of September 30, 2024
(In Thousands)

	GRANTS	OTHER SPECIAL REVENUES	BLENDED COMPONENT UNITS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
Assets:				
Cash and Cash Equivalents	$ -	$ 42,452	$ 10,981	$ 53,433
Investments		118,252		118,252
Receivables, Net		503	820	1,323
Materials and Supplies, at Cost			394	394
Prepaid Expenditures			668	668
Lease Receivables		7,406		7,406
Due From Other Funds		1,800		1,800
Due From Other Governmental Agencies, Net		1,455		1,455
Restricted Assets:				
Cash and Cash Equivalents	2,316	51,917	207,492	261,725
Investments	7,611	214,548	8,689	230,848
Receivables, Net	41,450	79,312	1,467	122,229
Materials and Supplies, at Cost		198	579	777
Deposits		15		15
Prepaid Expenditures		2,792	1,634	4,426
Lease Receivables	422	32,019	5,975	38,416
Due From Other Funds			8,990	8,990
Due From Other Governmental Agencies, Net	1,647	2,626		4,273
Total Assets	$ 53,446	$ 555,295	$ 247,689	$ 856,430
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits):				
Liabilities:				
Vouchers Payable	$ -	$ 1,389	$ 968	$ 2,357
Accounts Payable - Other		8,090	1,308	9,398
Accrued Payroll		133		133
Unearned Revenue			267	267
Liabilities Payable From Restricted Assets:				
Vouchers Payable	1,900	5,882	8,118	15,900
Accounts Payable - Other	873	14,702	19,473	35,048
Accrued Payroll	77	2,184	346	2,607
Accrued Leave Payable		2	251	253
Unearned Revenue	3,667	323	23	4,013
Due To Other Funds	90	17,939		18,029
Due To Other Governmental Agencies				
Total Liabilities	6,607	50,644	30,754	88,005
Deferred Inflows of Resources	42,005	75,540	6,617	124,162
Fund Balances (Deficits):				
Nonspendable		3,005	3,275	6,280
Restricted	5,159	217,551	190,391	413,101
Committed		210,235	1,761	211,996
Assigned			14,891	14,891
Unassigned	(325)	(1,680)		(2,005)
Total Fund Balances (Deficits)	4,834	429,111	210,318	644,263
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	$ 53,446	$ 555,295	$ 247,689	$ 856,430

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Special Revenue Funds
Year-Ended September 30, 2024

(In Thousands)

	GRANTS	OTHER SPECIAL REVENUES	BLENDED COMPONENT UNITS	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
Revenues:				
Taxes:				
Property	$ -	$ 50,747	$ -	$ 50,747
General Sales and Use		125,211		125,211
Gross Receipts Business		1,718		1,718
Occupancy		110,048		110,048
Penalties and Interest on Delinquent Taxes		961		961
Intergovernmental	22,224	14,305	2,878	39,407
Charges for Services	279	134,311	23,835	158,425
Fines and Forfeits		304		304
Miscellaneous	1,591	50,918	3,084	55,593
Investment Earnings	936	26,298	9,095	36,329
Contributions	894	2,675	3,307	6,876
Total Revenues	25,924	517,496	42,199	585,619
Expenditures:				
Current:				
General Government		5,574	9,362	14,936
Public Safety	948	9,700		10,648
Public Works		63,403		63,403
Health Services		9,082		9,082
Sanitation		12,586		12,586
Welfare	527	677		1,204
Culture and Recreation	347	46,121	27,089	73,557
Convention and Tourism		47,138	30,807	77,945
Urban Redevelopment and Housing	22,310	6,475	3,735	32,520
Education		41,498	98,663	140,161
Economic Development and Opportunity		37,023	4,203	41,226
Environmental		114		114
Capital Outlay			780	780
Debt Service:				
Principal Retirement			38,349	38,349
Interest			30,340	30,340
Issuance Costs			225	225
Leases:				
Principal Retirement		71	2,962	3,033
Interest		2	495	497
Subscription:				
Principal Retirement	62	423	217	702
Interest	3	34	16	53
Total Expenditures	24,197	279,921	247,243	551,361
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,727	237,575	(205,044)	34,258
Other Financing Sources (Uses):				
Issuance of Long-Term Debt			30,737	30,737
Issuance of Lease Liabilities		15	2,615	2,630
Issuance of Subscription Liabilities			758	758
Premium/(Discount) on Long-Term Debt			1,333	1,333
Transfers In	1	40,393	173,863	214,257
Transfers Out	(1,483)	(278,583)	(16,216)	(296,282)
Total Other Financing Sources (Uses), Net	(1,482)	(238,175)	193,090	(46,567)
Net Change in Fund Balances	245	(600)	(11,954)	(12,309)
Fund Balances (Deficits) October 1, as previously reported	(10,095)	429,711	222,696	642,312
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	14,684			14,684
Change to Financial Reporting Entity (Removal of Blended Component Unit)			(424)	(424)
Fund Balances October 1, as Restated	4,589	429,711	222,272	656,572
Fund Balances, September 30	$ 4,834	$ 429,111	$ 210,318	$ 644,263

Combining Balance Sheet
Nonmajor Governmental Funds - Grants
As of September 30, 2024
(In Thousands)

	FORMERLY NONMAJOR FUND CATEGORICAL GRANT-IN AID	COMMUNITY DEVELOPMENT PROGRAM	CONFISCATED PROPERTY	HOME PROGRAM	TOTAL NONMAJOR GRANTS
Assets:					
Restricted Assets:					
Cash and Cash Equivalents	$ -	$ 85	$ 1,121	$ 1,110	$ 2,316
Investments			3,806	3,805	7,611
Receivables, Net		10,589	157	30,704	41,450
Materials and Supplies, at Cost					
Prepaid Expenditures					
Lease Receivables		422			422
Due From Other Governmental Agencies, Net		1,225		422	1,647
Total Assets	$ -	$ 12,321	$ 5,084	$ 36,041	$ 53,446
Liabilities, Deferred Inflow of Resources and Fund Balances (Deficits):					
Liabilities:					
Liabilities Payable From Restricted Assets:					
Vouchers Payable	$ -	$ 604	$ 68	$ 1,228	$ 1,900
Accounts Payable - Other		329	4	540	873
Accrued Payroll		60	6	11	77
Unearned Revenue				3,667	3,667
Due To Other Funds		90			90
Due To Other Governmental Agencies					
Total Liabilities	-	1,083	78	5,446	6,607
Deferred Inflows of Resources		11,085		30,920	42,005
Fund Balances (Deficits):					
Nonspendable					
Restricted		153	5,006		5,159
Unassigned				(325)	(325)
Total Fund Balances (Deficits)		153	5,006	(325)	4,834
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	$ -	$ 12,321	$ 5,084	$ 36,041	$ 53,446

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Grants
Year-Ended September 30, 2024

(In Thousands)

	FORMERLY NONMAJOR FUND CATEGORICAL GRANT-IN AID	COMMUNITY DEVELOPMENT PROGRAM	CONFISCATED PROPERTY	HOME PROGRAM	TOTAL NONMAJOR GRANTS
Revenues:					
Intergovernmental	$ -	$ 13,655	$ 1,071	$ 7,498	$ 22,224
Charges for Services		279			279
Miscellaneous		1,336		255	1,591
Investment Earnings		109	283	544	936
Contributions				894	894
Total Revenues	-	15,379	1,354	9,191	25,924
Expenditures:					
Current:					
General Government					
Public Safety			948		948
Public Works					
Health Services					
Sanitation					
Welfare		527			527
Culture and Recreation		347			347
Urban Redevelopment and Housing		12,793		9,517	22,310
Education					
Environmental					
Leases:					
Principal Retirement					
Interest					
Subscription:					
Principal Retirement			62		62
Interest			3		3
Total Expenditures	-	13,667	1,013	9,517	24,197
Excess (Deficiency) of Revenues Over (Under) Expenditures		1,712	341	(326)	1,727
Other Financing Sources (Uses):					
Transfers In				1	1
Transfers Out		(1,483)			(1,483)
Total Other Financing Sources (Uses), Net		(1,483)		1	(1,482)
Net Change in Fund Balances		229	341	(325)	245
Fund Balances (Deficits) October 1, as previously reported	(14,684)	(76)	4,665		(10,095)
Change Within Financial Reporting Entity (Nonmajor to Major Fund)	14,684				14,684
Fund Balances (Deficits) October 1, as Restated		(76)	4,665		4,589
Fund Balances (Deficits), September 30	$ -	$ 153	$ 5,006	$ (325)	$ 4,834

Combining Balance Sheet
Nonmajor Governmental Funds - Other Special Revenues
As of September 30, 2024
(In Thousands)

	ADVANCED TRANSPORTATION DISTRICT	COMMUNITY AND VISITOR FACILITIES	COMMUNITY SERVICES	HOTEL/MOTEL 2% REVENUE	PARKS DEVELOPMENT AND EXPANSION	EARLY EDUCATION DEVELOPMENT	READY TO WORK	RIGHT OF WAYS	SAN ANTONIO HOUSING TRUST	STORMWATER OPERATIONS	TAX INCREMENT REINVESTMENT ZONE	PARKS ENVIRONMENTAL AND SANITATION	TOTAL OTHER NONMAJOR SPECIAL REVENUES
Assets:													
Cash and Cash Equivalents	$ -	$ 42,452	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 42,452
Investments		118,252											118,252
Receivables, Net		503											503
Lease Receivables		7,406											7,406
Due From Other Funds		1,800											1,800
Due From Other Governmental Agencies, Net		1,455											1,455
Restricted Assets:													
Cash and Cash Equivalents	2,748	897	20,239	331	4,523	14	55	657	299	8,727	13,421	6	51,917
Investments	9,940	6,114	85,632	972	16,754	1	19	2,229	11,361	36,076	45,438	12	214,548
Receivables, Net	4,150	12,305	36,101	2,771	104	8,340	8,340	791	616	4,571	312	911	79,312
Materials and Supplies, at Cost		38	119							41			198
Deposits			15										15
Prepaid Expenditures			2,792										2,792
Lease Receivables		19,176	12,843										32,019
Due From Other Governmental Agencies		18	1,772					363			473		2,626
Total Assets	$ 16,838	$ 210,416	$ 159,513	$ 4,074	$ 21,381	$ 8,355	$ 8,414	$ 4,040	$ 12,276	$ 49,415	$ 59,644	$ 929	$ 555,295
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits):													
Liabilities:													
Vouchers Payable	$ -	$ 1,389	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,389
Accounts Payable - Other		8,090											8,090
Accrued Payroll		133											133
Liabilities Payable From Restricted Assets:													
Vouchers Payable	42	1,764	2,521					8		374	993	180	5,882
Accounts Payable - Other	54	11,921	1,781			324	137	29		299	49	108	14,702
Accrued Payroll	84	416	294			732	35	58		407	14	144	2,184
Accrued Leave Payable			2										2
Unearned Revenue		125	196			1	1						323
Due To Other Funds				1,800		7,298	8,241					600	17,939
Total Liabilities	180	23,838	4,794	1,800		8,355	8,414	95		1,080	1,056	1,032	50,644
Deferred Inflows of Resources		29,752	44,277	1,009					502				75,540
Fund Balances (Deficits):													
Nonspendable		38	2,926							41			3,005
Restricted	16,658	1,825	65,595	1,265	21,381			3,945		48,294	58,588		217,551
Committed		154,963	43,498						11,774				210,235
Unassigned			(1,577)									(103)	(1,680)
Total Fund Balances (Deficits)	16,658	156,826	110,442	1,265	21,381			3,945	11,774	48,335	58,588	(103)	429,111
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	$ 16,838	$ 210,416	$ 159,513	$ 4,074	$ 21,381	$ 8,355	$ 8,414	$ 4,040	$ 12,276	$ 49,415	$ 59,644	$ 929	$ 555,295

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Other Special Revenues
Year-Ended September 30, 2024

(In Thousands)

	ADVANCED TRANSPORTATION DISTRICT	COMMUNITY AND VISITOR FACILITIES	COMMUNITY SERVICES	HOTEL/MOTEL 2% REVENUE	PARKS DEVELOPMENT AND EXPANSION	EARLY EDUCATION DEVELOPMENT	READY TO WORK	RIGHT OF WAYS	SAN ANTONIO HOUSING TRUST	STORMWATER OPERATIONS	TAX INCREMENT REINVESTMENT ZONE	PARKS ENVIRONMENTAL AND SANITATION	TOTAL OTHER NONMAJOR SPECIAL REVENUES
Revenues:													
Taxes:													
Property	$ -	$ -	$ 6,207	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 44,540	$ -	$ 50,747
General Sales and Use	24,731					50,240	50,240						125,211
Gross Receipts Business			1,718										1,718
Occupancy		77,249	10,725	22,074									110,048
Penalties and Interest on Delinquent Taxes		747		214									961
Intergovernmental		7,940	6,365										14,305
Charges for Services		40,523	13,740					5,033		63,659		11,356	134,311
Fines and Forfeits			304										304
Miscellaneous		1,000	8,561	12		38,410	2,898	1		36			50,918
Investment Earnings	895	9,101	6,658	272	1,705	62	78	182	811	3,141	3,389	4	26,298
Contributions		10	2,665										2,675
Total Revenues	25,626	136,570	56,943	22,572	1,705	88,712	53,216	5,216	811	66,836	47,929	11,360	517,496
Expenditures:													
Current:													
General Government			5,574										5,574
Public Safety			9,700										9,700
Public Works	8,384		4,733					4,002		46,284			63,403
Health Services			9,082										9,082
Sanitation												12,586	12,586
Welfare			677										677
Culture and Recreation		40,741	5,380										46,121
Convention and Tourism		36,436	10,699	3									47,138
Urban Redevelopment and Housing			5,450						1,025				6,475
Education			312			38,310	2,876						41,498
Economic Development and Opportunity			6,438								30,585		37,023
Environmental			114										114
Leases:													
Principal Retirement		14	51					1		5			71
Interest		1	1										2
Subscription:													
Principal Retirement	3	280								140			423
Interest		11								23			34
Total Expenditures	8,387	77,483	58,211	3		38,310	2,876	4,003	1,025	46,452	30,585	12,586	279,921
Excess of Revenues Over (Under) Expenditures	17,239	59,087	(1,268)	22,569	1,705	50,402	50,340	1,213	(214)	20,384	17,344	(1,226)	237,575
Other Financing Sources (Uses):													
Issuance of Lease Liabilities		15											15
Transfers In		7,581	17,888	13,866								1,058	40,393
Transfers Out	(14,908)	(58,545)	(17,577)	(36,298)	(8,423)	(50,402)	(50,340)			(27,503)	(14,587)		(278,583)
Total Other Financing Sources (Uses), Net	(14,908)	(50,949)	311	(22,432)	(8,423)	(50,402)	(50,340)			(27,503)	(14,587)	1,058	(238,175)
Net Change in Fund Balances	2,331	8,138	(957)	137	(6,718)			1,213	(214)	(7,119)	2,757	(168)	(600)
Fund Balances October 1	14,327	148,688	111,399	1,128	28,099			2,732	11,988	55,454	55,831	65	429,711
Fund Balances (Deficits), September 30	$ 16,658	$ 156,826	$ 110,442	$ 1,265	$ 21,381	$ -	$ -	$ 3,945	$ 11,774	$ 48,335	$ 58,588	$ (103)	$ 429,111

Combining Balance Sheet
Nonmajor Governmental Funds - Blended Component Units
As of September 30, 2024
(In Thousands)

	PROSPER WEST SAN ANTONIO	SAN ANTONIO EARLY CHILDHOOD EDUCATION MUNICIPAL DEVELOPMENT CORP.	SAN ANTONIO EDUCATION FACILITIES CORP.	SAN ANTONIO HEALTH FACILITIES DEVELOPMENT CORP.	SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY	MUNICIPAL GOLF ASSOCIATION SAN ANTONIO	SAN ANTONIO TEXAS MUNICIPAL FACILITIES CORP.	STARBRIGHT INDUSTRIAL DEVELOPMENT CORP.	SAN ANTONIO ECONOMIC DEVELOPMENT CORP.	TEXAS PUBLIC FACILITIES CORP.	HEMISFAIR PARK AREA REDEVELOPMENT CORP.	URBAN RENEWAL AGENCY (OUR SA)	VISIT SAN ANTONIO	COUNCIL AIDES	TOTAL NONMAJOR BLENDED COMPONENT UNITS
Assets:															
Cash and Cash Equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 10,981	$ -	$ 10,981
Receivables, Net													820		820
Materials and Supplies, at Cost												391	3		394
Prepaid Expenditures													668		668
Restricted Assets:															
Cash and Cash Equivalents		144,453	293		29	3,313	24,125	290	1,791	31,825	569	478		326	207,492
Investments						2,136	7		700		3,631	1,623		592	8,689
Receivables, Net		885		7		95	96	1	134	156	79	10		4	1,467
Materials and Supplies, at Cost						425						154			579
Prepaid Expenditures		1,565				44		3			22				1,634
Lease Receivables											5,975				5,975
Due From Other Funds		8,990													8,990
Total Assets	$ -	$ 155,893	$ 293	$ 7	$ 29	$ 6,013	$ 24,228	$ 294	$ 2,625	$ 31,981	$ 10,276	$ 2,656	$ 12,472	$ 922	$ 247,689
Liabilities, Deferred Inflows of Resources and Fund Balances:															
Liabilities:															
Vouchers Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 15	$ 953	$ -	$ 968
Accounts Payable - Other													1,308		1,308
Unearned Revenue													267		267
Liabilities Payable From Restricted Assets:															
Vouchers Payable		7,890							39			189			8,118
Accounts Payable - Other		17,760				1,524	10				91			88	19,473
Accrued Payroll											159			187	346
Accrued Leave Payable														251	251
Unearned Revenue											23				23
Total Liabilities		25,650				1,524	10		39		273	204	2,528	526	30,754
Deferred Inflows of Resources									825		5,792				6,617
Fund Balances:															
Nonspendable		1,565				469		3			22	545	671		3,275
Restricted		128,678					24,218	291		31,981	3,316	1,907			190,391
Committed									1,761						1,761
Assigned			293	7	29	4,020					873		9,273	396	14,891
Unassigned															
Total Fund Balances		130,243	293	7	29	4,489	24,218	294	1,761	31,981	4,211	2,452	9,944	396	210,318
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ -	$ 155,893	$ 293	$ 7	$ 29	$ 6,013	$ 24,228	$ 294	$ 2,625	$ 31,981	$ 10,276	$ 2,656	$ 12,472	$ 922	$ 247,689

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Blended Component Units
Year-Ended September 30, 2024
(In Thousands)

	PROSPER WEST SAN ANTONIO	SAN ANTONIO EARLY CHILDHOOD EDUCATION MUNICIPAL DEVELOPMENT CORP.	SAN ANTONIO EDUCATION FACILITIES CORP.	SAN ANTONIO HEALTH FACILITIES DEVELOPMENT CORP.	SAN ANTONIO INDUSTRIAL DEVELOPMENT AUTHORITY	MUNICIPAL GOLF ASSOCIATION SAN ANTONIO	SAN ANTONIO TEXAS MUNICIPAL FACILITIES CORP.	STARBRIGHT INDUSTRIAL DEVELOPMENT CORP.	SAN ANTONIO ECONOMIC DEVELOPMENT CORP.	TEXAS PUBLIC FACILITIES CORP.	HEMISFAIR PARK AREA REDEVELOPMENT CORP.	URBAN RENEWAL AGENCY (OUR SA)	VISIT SAN ANTONIO	COUNCIL AIDES	TOTAL NONMAJOR BLENDED COMPONENT UNITS
Revenues:															
Intergovernmental	$ -	$ 2,878	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,878
Charges for Services			20			21,158					2,657				23,835
Miscellaneous		173				82	1		7		190		2,631		3,084
Investment Earnings		5,142	7			262	1,659	36		1,713	133	128		15	9,095
Contributions		780									1,816	711			3,307
Total Revenues		8,973	27			21,502	1,660	36	7	1,713	4,796	839	2,631	15	42,199
Expenditures:															
Current:															
General Government							3							9,359	9,362
Culture and Recreation						27,089									27,089
Convention and Tourism													30,807		30,807
Urban Redevelopment and Housing												3,735			3,735
Education		98,663													98,663
Economic Development and Opportunity			1					4	259		3,939				4,203
Capital Outlay		780													780
Debt Service:															
Principal Retirement						1,211	31,975	1,100		4,040			23		38,349
Interest						201	4,812	560		24,767					30,340
Issuance Costs							225								225
Leases:															
Principal Retirement		2,525				368					69				2,962
Interest		256				31					208				495
Subscription:															
Principal Retirement		217													217
Interest		16													16
Total Expenditures		102,457	1			28,900	37,015	1,664	259	28,807	4,216	3,735	30,830	9,359	247,243
Excess (Deficiency) of Revenues Over (Under) Expenditures		(93,484)	26			(7,398)	(35,355)	(1,628)	(252)	(27,094)	580	(2,896)	(28,199)	(9,344)	(205,044)
Other Financing Sources (Uses):															
Issuance of Long-Term Debt						1,014	29,445						278		30,737
Issuance of Lease Liabilities						2,615									2,615
Issuance of Subscription Liabilities		758													758
Premium/(Discount) on Long-Term Debt							1,333								1,333
Transfers In		99,556				175	5,964	1,605	200	28,768	4	546	27,552	9,493	173,863
Transfers Out						(1,697)	(13,400)			(1,089)		(30)			(16,216)
Total Other Financing Sources, Net		100,314				2,107	23,342	1,605	200	27,679	4	516	27,830	9,493	193,090
Net Change in Fund Balances		6,830	26			(5,291)	(12,013)	(23)	(52)	585	584	(2,380)	(369)	149	(11,954)
Fund Balances October 1, as previously reported	424	123,413	267	7	29	9,780	36,231	317	1,813	31,396	3,627	4,832	10,313	247	222,696
Change to Financial Reporting Entity (Removal of Blended Component Unit)	(424)														(424)
Fund Balances October 1, as Restated		123,413	267	7	29	9,780	36,231	317	1,813	31,396	3,627	4,832	10,313	247	222,272
Fund Balances, September 30	$ -	$ 130,243	$ 293	$ 7	$ 29	$ 4,489	$ 24,218	$ 294	$ 1,761	$ 31,981	$ 4,211	$ 2,452	$ 9,944	$ 396	$ 210,318

Combining Balance Sheet
Nonmajor Governmental Funds - Capital Projects
As of September 30, 2024
(In Thousands)

	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION	OTHER CAPITAL PROJECTS	TOTAL CAPITAL PROJECTS
Assets:				
Cash and Cash Equivalents	$ -	$ -	$ 74	$ 74
Investments			251	251
Receivables, Net			2	2
Restricted Assets:				
Cash and Cash Equivalents	67,829	41,576	32,983	142,388
Investments	137,339	122,078	45,684	305,101
Receivables, Net	5,179	756	712	6,647
Due From Other Governmental Agencies, Net	5,476		75	5,551
Total Assets	$ 215,823	$ 164,410	$ 79,781	$ 460,014
Liabilities, Deferred Inflows of Resources and Fund Balances:				
Liabilities:				
Liabilities Payable From Restricted Assets:				
Vouchers Payable	$ 30,289	$ 3,074	$ 17,544	$ 50,907
Accounts Payable - Other	11,251	784	10,725	22,760
Accrued Payroll	2	6	2	10
Unearned Revenue	2,613	52	4,209	6,874
Due To Other Funds			41	41
Total Liabilities	44,155	3,916	32,521	80,592
Deferred Inflows of Resources	5,338		278	5,616
Fund Balances:				
Restricted	175,464	161,001	56,910	393,375
Committed			327	327
Unassigned	(9,134)	(507)	(10,255)	(19,896)
Total Fund Balances	166,330	160,494	46,982	373,806
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 215,823	$ 164,410	$ 79,781	$ 460,014

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Capital Projects
Year-Ended September 30, 2024
(In Thousands)

	GENERAL OBLIGATION BONDS	CERTIFICATES OF OBLIGATION	OTHER CAPITAL PROJECTS	TOTAL CAPITAL PROJECTS
Revenues:				
Intergovernmental	$ 19,790	$ 163	$ 7,940	$ 27,893
Miscellaneous	42			42
Investment Earnings	13,940	6,874	2,393	23,207
Total Revenues	33,772	7,037	10,333	51,142
Expenditures:				
Capital Outlay	262,327	49,618	240,432	552,377
Debt Service:				
Arbitrage	2,429	258	44	2,731
Issuance Costs		1,014	312	1,326
Total Expenditures	264,756	50,890	240,788	556,434
(Deficiency) of Revenues (Under) Expenditures	(230,984)	(43,853)	(230,455)	(505,292)
Other Financing Sources (Uses):				
Issuance of Long-Term Debt		156,205	55,100	211,305
Premium on Long-Term Debt		12,069	1,672	13,741
Transfers In	239,948	50,920	222,305	513,173
Transfers Out	(63,059)	(136,123)	(49,187)	(248,369)
Total Other Financing Sources (Uses), Net	176,889	83,071	229,890	489,850
Net Change in Fund Balances	(54,095)	39,218	(565)	(15,442)
Fund Balances, October 1	220,425	121,276	47,547	389,248
Fund Balances, September 30	$ 166,330	$ 160,494	$ 46,982	$ 373,806

Combining Balance Sheet
Nonmajor Governmental Funds - General Obligation Bonds
As of September 30, 2024
(In Thousands)

	PRE-2012 GENERAL OBLIGATION BONDS	2012 GENERAL OBLIGATION BONDS	2017 GENERAL OBLIGATION BONDS	GENERAL OBLIGATION PROJECTS FUND	TOTAL GENERAL OBLIGATION BONDS
Assets:					
Restricted Assets:					
Cash and Cash Equivalents	$ 1,172	$ 3,781	$ 34,752	$ 28,124	$ 67,829
Investments	3,979	12,836	120,524		137,339
Receivables, Net	25	79	745	4,330	5,179
Due From Other Governmental Agencies, Net				5,476	5,476
Total Assets	$ 5,176	$ 16,696	$ 156,021	$ 37,930	$ 215,823
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits):					
Liabilities:					
Liabilities Payable From Restricted Assets:					
Vouchers Payable	$ -	$ -	$ -	$ 30,289	$ 30,289
Accounts Payable - Other			2,429	8,822	11,251
Accrued Payroll				2	2
Unearned Revenue				2,613	2,613
Total Liabilities			2,429	41,726	44,155
Deferred Inflows of Resources				5,338	5,338
Fund Balances (Deficits):					
Restricted	5,176	16,696	153,592		175,464
Unassigned				(9,134)	(9,134)
Total Fund Balances (Deficits)	5,176	16,696	153,592	(9,134)	166,330
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	$ 5,176	$ 16,696	$ 156,021	$ 37,930	$ 215,823

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - General Obligation Bonds
Year-Ended September 30, 2024
(In Thousands)

	PRE-2012 GENERAL OBLIGATION BONDS	2012 GENERAL OBLIGATION BONDS	2017 GENERAL OBLIGATION BONDS	GENERAL OBLIGATION PROJECTS FUND	TOTAL GENERAL OBLIGATION BONDS
Revenues:					
Intergovernmental	$ -	$ -	$ -	$ 19,790	$ 19,790
Miscellaneous			42		42
Investment Earnings	423	1,216	12,301		13,940
Total Revenues	423	1,216	12,343	19,790	33,772
Expenditures:					
Capital Outlay				262,327	262,327
Debt Service:					
Arbitrage			2,429		2,429
Total Expenditures			2,429	262,327	264,756
Excess (Deficiency) of Revenues Over (Under) Expenditures	423	1,216	9,914	(242,537)	(230,984)
Other Financing Sources (Uses):					
Transfers In				239,948	239,948
Transfers Out	(2,388)	(4,348)	(55,818)	(505)	(63,059)
Total Other Financing Sources (Uses), Net	(2,388)	(4,348)	(55,818)	239,443	176,889
Net Change in Fund Balances	(1,965)	(3,132)	(45,904)	(3,094)	(54,095)
Fund Balances (Deficits), October 1	7,141	19,828	199,496	(6,040)	220,425
Fund Balances (Deficits), September 30	$ 5,176	$ 16,696	$ 153,592	$ (9,134)	$ 166,330

Combining Balance Sheet
Nonmajor Governmental Funds - Certificates of Obligation
As of September 30, 2024
(In Thousands)

	PRE-2019 CERTIFICATES OF OBLIGATION	2019 CERTIFICATES OF OBLIGATION	2020 CERTIFICATES OF OBLIGATION	2021 CERTIFICATES OF OBLIGATION	2022 CERTIFICATES OF OBLIGATION	2023 CERTIFICATES OF OBLIGATION	2024 CERTIFICATES OF OBLIGATION	CERTIFICATES OF OBLIGATION PROJECTS FUND	TOTAL CERTIFICATES OF OBLIGATION
Assets:									
Restricted Assets:									
Cash and Cash Equivalents	$ 16,005	$ 241	$ 416	$ 2,269	$ 406	$ 213	$ 18,875	$ 3,151	$ 41,576
Investments	21,319	1,073	1,485	7,701	17,640	729	72,131		122,078
Receivables, Net	132	7	9	48	109	5	446		756
Total Assets	$ 37,456	$ 1,321	$ 1,910	$ 10,018	$ 18,155	$ 947	$ 91,452	$ 3,151	$ 164,410
Liabilities and Fund Balances (Deficits):									
Liabilities:									
Liabilities Payable From Restricted Assets:									
Vouchers Payable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,074	$ 3,074
Accounts Payable - Other		258						526	784
Accrued Payroll								6	6
Unearned Revenue								52	52
Total Liabilities		258						3,658	3,916
Fund Balances (Deficits):									
Restricted	37,456	1,063	1,910	10,018	18,155	947	91,452		161,001
Unassigned								(507)	(507)
Total Fund Balances (Deficits)	37,456	1,063	1,910	10,018	18,155	947	91,452	(507)	160,494
Total Liabilities and Fund Balances (Deficits)	$ 37,456	$ 1,321	$ 1,910	$ 10,018	$ 18,155	$ 947	$ 91,452	$ 3,151	$ 164,410

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Certificates of Obligation
Year-Ended September 30, 2024
(In Thousands)

	PRE-2019 CERTIFICATES OF OBLIGATION	2019 CERTIFICATES OF OBLIGATION	2020 CERTIFICATES OF OBLIGATION	2021 CERTIFICATES OF OBLIGATION	2022 CERTIFICATES OF OBLIGATION	2023 CERTIFICATES OF OBLIGATION	2024 CERTIFICATES OF OBLIGATION	CERTIFICATES OF OBLIGATION PROJECTS FUND	TOTAL CERTIFICATES OF OBLIGATION
Revenues:									
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 163	$ 163
Investment Earnings	3,098	152	280	1,306	1,567	248	223		6,874
Total Revenues	3,098	152	280	1,306	1,567	248	223	163	7,037
Expenditures:									
Capital Outlay								49,618	49,618
Debt Service:									
Arbitrage		258							258
Issuance Costs						13	1,001		1,014
Total Expenditures		258				13	1,001	49,618	50,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,098	(106)	280	1,306	1,567	235	(778)	(49,455)	(43,853)
Other Financing Sources (Uses):									
Issuance of Long-Term Debt							156,205		156,205
Premium on Long-Term Debt							12,069		12,069
Transfers In	1,945							48,975	50,920
Transfers Out	(23,574)	(1,604)	(6,431)	(15,302)	(7,976)	(5,192)	(76,044)		(136,123)
Total Other Financing Sources (Uses), Net	(21,629)	(1,604)	(6,431)	(15,302)	(7,976)	(5,192)	92,230	48,975	83,071
Net Change in Fund Balances	(18,531)	(1,710)	(6,151)	(13,996)	(6,409)	(4,957)	91,452	(480)	39,218
Fund Balances (Deficits), October 1	55,987	2,773	8,061	24,014	24,564	5,904		(27)	121,276
Fund Balances (Deficits), September 30	$ 37,456	$ 1,063	$ 1,910	$ 10,018	$ 18,155	$ 947	$ 91,452	$ (507)	$ 160,494

Combining Balance Sheet
Nonmajor Governmental Funds - Other Capital Projects
As of September 30, 2024
(In Thousands)

	IMPROVEMENT PROJECTS	MUNICIPAL DRAINAGE UTILITY SYSTEM	TAX & REVENUE NOTES	TOTAL OTHER CAPITAL PROJECTS
Assets:				
Cash and Cash Equivalents	$ -	$ -	$ 74	$ 74
Investments			251	251
Receivables, Net			2	2
Restricted Assets:				
Cash and Cash Equivalents	21,995	25	10,963	32,983
Investments		84	45,600	45,684
Receivables, Net	430	1	281	712
Due From Other Governmental Agencies, Net	75			75
Total Assets	$ 22,500	$ 110	$ 57,171	$ 79,781
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits):				
Liabilities:				
Liabilities Payable From Restricted Assets:				
Vouchers Payable	$ 17,544	$ -	$ -	$ 17,544
Accounts Payable - Other	10,681		44	10,725
Accrued Payroll	2			2
Unearned Revenue	4,209			4,209
Due To Other Funds	41			41
Total Liabilities	32,477		44	32,521
Deferred Inflows of Resources	278			278
Fund Balances (Deficits):				
Restricted		110	56,800	56,910
Committed			327	327
Unassigned	(10,255)			(10,255)
Total Fund Balances (Deficits)	(10,255)	110	57,127	46,982
Total Liabilities, Deferred Inflows of Resources and Fund Balances (Deficits)	$ 22,500	$ 110	$ 57,171	$ 79,781

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Other Capital Projects
Year-Ended September 30, 2024
(In Thousands)

	IMPROVEMENT PROJECTS	MUNICIPAL DRAINAGE UTILITY SYSTEM	TAX & REVENUE NOTES	TOTAL OTHER CAPITAL PROJECTS
Revenues:				
Intergovernmental	$ 7,940	$ -	$ -	$ 7,940
Investment Earnings		17	2,376	2,393
Total Revenues	7,940	17	2,376	10,333
Expenditures:				
Capital Outlay	240,432			240,432
Debt Service:				
Arbitrage			44	44
Issuance Costs			312	312
Total Expenditures	240,432		356	240,788
Excess (Deficiency) of Revenue Over (Under) Expenditures	(232,492)	17	2,020	(230,455)
Other Financing Sources (Uses):				
Issuance of Long-Term Debt			55,100	55,100
Premium on Long-Term Debt			1,672	1,672
Transfers In	222,305			222,305
Transfers Out	(175)	(204)	(48,808)	(49,187)
Total Other Financing Sources (Uses), Net	222,130	(204)	7,964	229,890
Net Change in Fund Balances	(10,362)	(187)	9,984	(565)
Fund Balances, October 1	107	297	47,143	47,547
Fund Balances (Deficits), September 30	$ (10,255)	$ 110	$ 57,127	$ 46,982

Combining Balance Sheet
Nonmajor Governmental Funds - Permanent
As of September 30, 2024
(In Thousands)

	CARVER CULTURAL CENTER ENDOWMENT	CITY CEMETERIES	WILLIAM C. MORRIS ENDOWMENT	BOZA BECICA ENDOWMENT	SOUTHERN EDWARDS PLATEAU ENDOWMENT	TOTAL PERMANENT FUNDS
Assets:						
Restricted Assets:						
Cash and Cash Equivalents	$ 84	$ 1,185	$ 75	$ 123	$ 309	$ 1,776
Investments	284	4,023	253	417	1,048	6,025
Receivables, Net	2	208	1	3	10	224
Total Assets	$ 370	$ 5,416	$ 329	$ 543	$ 1,367	$ 8,025
Liabilities and Fund Balances:						
Liabilities:						
Liabilities Payable From Restricted Assets:						
Accounts Payable - Other	$ -	$ 1	$ -	$ -	$ -	$ 1
Accrued Payroll		2				2
Total Liabilities		3				3
Fund Balances:						
Nonspendable	334	4,646	313	514	1,104	6,911
Restricted	36	767	16	29	263	1,111
Total Fund Balances	370	5,413	329	543	1,367	8,022
Total Liabilities and Fund Balances	$ 370	$ 5,416	$ 329	$ 543	$ 1,367	$ 8,025

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds - Permanent
Year-Ended September 30, 2024
(In Thousands)

	CARVER CULTURAL CENTER ENDOWMENT	CITY CEMETERIES	WILLIAM C. MORRIS ENDOWMENT	BOZA BECICA ENDOWMENT	SOUTHERN EDWARDS PLATEAU ENDOWMENT	TOTAL PERMANENT FUNDS
Revenues:						
Charges for Services	$ -	$ 380	$ -	$ -	$ -	$ 380
Investment Earnings	21	301	19	31	78	450
Total Revenues	21	681	19	31	78	830
Expenditures:						
Culture and Recreation	9	442	10	16		477
Total Expenditures	9	442	10	16		477
Excess of Revenue Over Expenditures	12	239	9	15	78	353
Net Change in Fund Balances	12	239	9	15	78	353
Fund Balances, October 1	358	5,174	320	528	1,289	7,669
Fund Balances, September 30	$ 370	$ 5,413	$ 329	$ 543	$ 1,367	$ 8,022

Supplementary Budget and Actual Schedules for Legally Adopted Funds

Schedules of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2024
(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes	$ 893,936	$ 893,436	$ (500)
Licenses and Permits	10,360	10,047	(313)
Intergovernmental	107,390	108,753	1,363
Revenues from Utilities	500,796	500,488	(308)
Charges for Services	71,951	69,403	(2,548)
Fines and Forfeits	9,678	9,655	(23)
Miscellaneous	18,157	20,747	2,590
Investment Earnings	22,922	27,103	4,181
Total Revenues	$ 1,635,190	$ 1,639,632	$ 4,442
Expenditures:			
General Government	142,779	141,142	1,637
Public Safety	948,101	948,526	(425)
Public Works	102,892	102,805	87
Health Services	73,441	73,417	24
Culture and Recreation	155,904	155,681	223
Urban Redevelopment and Housing	46,573	46,446	127
Welfare	60,496	60,243	253
Economic Development and Opportunity	21,162	17,746	3,416
Environmental	11,788	8,659	3,129
Total Expenditures	$ 1,563,136	$ 1,554,665	$ 8,471
Excess of Revenues Over Expenditures	$ 72,054	$ 84,967	$ 12,913
Other Financing Sources (Uses):			
Transfers In	20,481	20,845	364
Transfers Out	(276,234)	(275,481)	753
Total Other Financing Sources (Uses), Net	$ (255,753)	$ (254,636)	$ 1,117
Net Change in Fund Balance	(183,699)	(169,669)	$ 14,030
Fund Balances, October 1	373,144	565,252	
Add Encumbrances		179,072	
Fund Balances, September 30	$ 189,445	$ 574,655	

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:	
Amortized Lease Revenue (GASB 87)	364
Net Fair Value of Investments (GASB 31)	8,381
Ending Fund Balance	$ 583,400

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Schedule of Revenues Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2024
(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes:			
Property:			
Current	$ 457,929	$ 457,303	$ (626)
Delinquent	2,642	2,535	(107)
General Sales and Use:			
City Sales	401,319	401,918	599
Selective Sales and Use:			
Alcoholic Beverages	12,851	12,425	(426)
Gross Receipts Business:			
Telecommunication Access Lines Fees	5,362	5,272	(90)
Cablevision Franchise	7,837	7,412	(425)
Bingo	1,150	1,107	(43)
Other	2,103	1,977	(126)
Penalties and Interest on Delinquent Taxes	2,743	3,487	744
Total Taxes	$ 893,936	$ 893,436	$ (500)
Licenses and Permits:			
Alarm Licenses	2,042	1,933	(109)
Alcoholic Beverages Licenses	929	959	30
Amusement Licenses	40	29	(11)
Building Permits	89	71	(18)
Health Licenses	5,376	5,227	(149)
Professional and Occupational Licenses	899	1,054	155
Street Permits	985	774	(211)
Total Licenses and Permits	$ 10,360	$ 10,047	$ (313)
Intergovernmental:			
Bexar County - Child Support	36	33	(3)
Federal Aid	101,130	101,130	
Library Aid from Bexar County	3,000	3,000	
Other	2,853	4,194	1,341
VIA Contributions	371	396	25
Total Intergovernmental	$ 107,390	$ 108,753	$ 1,363
Revenues from Utilities:			
CPS Energy	466,296	466,296	
San Antonio Water System	34,500	34,192	(308)
Total Revenues from Utilities	$ 500,796	$ 500,488	$ (308)

(Continued)

Schedule of Revenues Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2024
(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Charges for Services:			
General Government	$ 3,023	$ 2,782	$ (241)
Public Safety:			
Fire Department	37,733	34,956	(2,777)
Police Department	10,427	10,828	401
Sanitation:			
Demolition of Unsafe Structures	806	773	(33)
Health	3,051	2,868	(183)
Streets	612	227	(385)
Culture and Recreation:			
Attractions and Venues	13,974	13,839	(135)
Community Centers	195	260	65
Concessions & Rentals	427	439	12
Library	337	522	185
Miscellaneous Recreation Revenue	182	594	412
Recreation Fees	1,166	1,298	132
Swimming Pools	18	17	(1)
Total Charges for Services	$ 71,951	$ 69,403	$ (2,548)
Fines and Forfeits:			
Municipal Court Fines	$ 9,678	$ 9,655	$ (23)
Miscellaneous:			
Interfund Charges	2,000	2,028	28
Other	1,027	1,307	280
Recovery of Expenditures	4,612	6,787	2,175
Rents, Leases, and Concessions	2,355	1,797	(558)
Sales	8,163	8,828	665
Total Miscellaneous	$ 18,157	$ 20,747	$ 2,590
Investment Earnings:			
Interest	$ 22,922	$ 27,103	$ 4,181
Total Revenues	$ 1,635,190	$ 1,639,632	$ 4,442

(End of Schedule)

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:	
Amortized Lease Revenue (GASB 87)	364
Net Fair Value of Investments (GASB 31)	8,381
Total Revenues	$ 1,648,377

Schedule of Expenditures Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2024
(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Expenditures:			
General Government:			
Executive:			
Personal Services	$ 56,457	$ 56,070	$ 387
Contractual Services	37,544	36,155	1,389
Commodities	824	924	(100)
Other Expenditures	13,383	13,388	(5)
Capital Outlay	2,944	3,202	(258)
Total Executive	$ 111,152	$ 109,739	$ 1,413
Judicial:			
Personal Services	13,069	13,083	(14)
Contractual Services	2,508	2,272	236
Commodities	148	170	(22)
Other Expenditures	2,767	2,763	4
Capital Outlay	560	739	(179)
Total Judicial	$ 19,052	$ 19,027	$ 25
Legislative:			
Personal Services	5,860	5,814	46
Contractual Services	3,324	2,824	500
Commodities	641	794	(153)
Other Expenditures	2,316	2,299	17
Capital Outlay	434	645	(211)
Total Legislative	$ 12,575	$ 12,376	$ 199
Total General Government	$ 142,779	$ 141,142	$ 1,637
Public Safety:			
Fire:			
Personal Services	$ 305,709	$ 309,231	$ (3,522)
Contractual Services	17,123	16,831	292
Commodities	13,927	13,138	789
Other Expenditures	35,936	35,342	594
Capital Outlay	5,336	5,823	(487)
Total Fire	$ 378,031	$ 380,365	$ (2,334)
Police:			
Personal Services	469,146	465,853	3,293
Contractual Services	26,801	29,086	(2,285)
Commodities	7,362	6,885	477
Other Expenditures	55,129	54,558	571
Capital Outlay	11,632	11,779	(147)
Total Police	$ 570,070	$ 568,161	$ 1,909
Total Public Safety	$ 948,101	$ 948,526	$ (425)
Public Works:			
Administration:			
Personal Services	$ 3,012	$ 3,715	$ (703)
Contractual Services	20,357	21,862	(1,505)
Commodities	61	58	3
Other Expenditures	494	561	(67)
Capital Outlay	209	159	50
Total Administration	$ 24,133	$ 26,355	$ (2,222)

(Continued)

Schedule of Expenditures Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2024
(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Streets:			
Personal Services	$ 17,811	$ 17,829	$ (18)
Contractual Services	12,191	13,628	(1,437)
Commodities	6,586	6,869	(283)
Other Expenditures	22,739	22,418	321
Capital Outlay	231	261	(30)
Total Streets	$ 59,558	$ 61,005	$ (1,447)
Traffic and Transportation:			
Personal Services	7,013	5,952	1,061
Contractual Services	8,264	5,932	2,332
Commodities	1,511	1,154	357
Other Expenditures	2,380	2,355	25
Capital Outlay	33	52	(19)
Total Traffic and Transportation	$ 19,201	$ 15,445	$ 3,756
Total Public Works	$ 102,892	$ 102,805	$ 87
Health Services:			
Personal Services	$ 39,204	$ 38,952	$ 252
Contractual Services	20,080	20,359	(279)
Commodities	2,821	3,095	(274)
Other Expenditures	9,394	9,084	310
Capital Outlay	1,942	1,927	15
Total Health Services	$ 73,441	$ 73,417	$ 24
Culture and Recreation:			
Downtown Operations:			
Personal Services	$ 5,588	$ 5,555	$ 33
Contractual Services	6,745	7,204	(459)
Commodities	435	388	47
Other Expenditures	2,819	2,786	33
Capital Outlay	148	139	9
Total Downtown Operations	$ 15,735	$ 16,072	$ (337)
Libraries:			
Personal Services	31,188	30,942	246
Contractual Services	6,307	6,520	(213)
Commodities	8,209	7,810	399
Other Expenditures	5,745	5,612	133
Capital Outlay	2,203	1,825	378
Total Libraries	$ 53,652	$ 52,709	$ 943
Parks:			
Personal Services	54,295	54,148	147
Contractual Services	11,326	11,570	(244)
Commodities	4,196	4,098	98
Other Expenditures	15,206	15,690	(484)
Capital Outlay	1,494	1,394	100
Total Parks	$ 86,517	$ 86,900	$ (383)
Total Culture and Recreation	$ 155,904	$ 155,681	$ 223

(Continued)

Schedule of Expenditures Compared to Budget
Budget and Actual (Budgetary Basis)
General Fund
Year-Ended September 30, 2024
(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Urban Redevelopment and Housing			
Personal Services	$ 16,963	$ 17,056	$ (93)
Contractual Services	22,633	22,069	564
Commodities	396	395	1
Other Expenditures	6,194	6,628	(434)
Capital Outlay	387	298	89
Total Urban Redevelopment and Housing	$ 46,573	$ 46,446	$ 127
Welfare:			
Personal Services	$ 16,422	$ 15,925	$ 497
Contractual Services	30,815	30,748	67
Commodities	468	421	47
Other Expenditures	11,136	11,477	(341)
Capital Outlay	1,655	1,672	(17)
Total Welfare	$ 60,496	$ 60,243	$ 253
Economic Development and Opportunity:			
Personal Services	$ 5,141	$ 5,125	$ 16
Contractual Services	15,396	11,997	3,399
Commodities	46	74	(28)
Other Expenditures	509	511	(2)
Capital Outlay	70	39	31
Total Economic Development and Opportunity	$ 21,162	$ 17,746	$ 3,416
Environmental:			
Personal Services	$ 1,260	$ 1,289	$ (29)
Contractual Services	7,666	3,497	4,169
Commodities	35	61	(26)
Other Expenditures	2,812	3,809	(997)
Capital Outlay	15	3	12
Total Environmental	$ 11,788	$ 8,659	$ 3,129
Total Expenditures	$ 1,563,136	$ 1,554,665	$ 8,471

(End of Schedule)

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Encumbrances	(87,743)
Lease Right-to-Use Assets Expenditures	1,343
Subscription Right-to-Use Assets Expenditures	63,529
Total Expenditures	$ 1,531,794

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Debt Service Fund
Year-Ended September 30, 2024

(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Property Taxes:			
Current	$ 293,411	$ 293,516	$ 105
Delinquent	1,693	1,625	(68)
Penalties and Interest on Delinquent Taxes	1,757	2,234	477
Miscellaneous		430	430
Investment Earnings	1,871	5,311	3,440
Total Revenues	$ 298,732	$ 303,116	$ 4,384
Expenditures:			
General Government:			
Contractual Services	837	1,412	(575)
Total General Government	$ 837	$ 1,412	$ (575)
Debt Service:			
Principal Retirement	234,610	234,610	
Interest	87,936	87,936	
Total Debt Service	$ 322,546	$ 322,546	$ -
Total Expenditures	$ 323,383	$ 323,958	$ (575)
(Deficiency) of Revenues (Under) Expenditures	$ (24,651)	$ (20,842)	$ 3,809
Other Financing Sources:			
Transfers In	17,425	18,160	735
Total Other Financing Sources	$ 17,425	$ 18,160	$ 735
Net Change in Fund Balance	(7,226)	(2,682)	$ 4,544
Fund Balances, October 1	46,614	46,614	
Fund Balances, September 30	$ 39,388	$ 43,932	

The City noted budget violations of excess expenditures over appropriations. As there was sufficient actual revenues and fund balances to cover these excesses, the City does not deem these violations to be material.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Advanced Transportation District
Year-Ended September 30, 2024

(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
General Sales and Use:			
City Sales Tax	$ 24,950	$ 24,731	$ (219)
Investment Earnings	603	652	49
Total Revenues	$ 25,553	$ 25,383	$ (170)
Expenditures:			
Public Works:			
Personal Services	4,161	4,205	(44)
Contractual Services	1,738	1,696	42
Commodities	109	101	8
Other Expenditures	2,627	2,618	9
Capital Outlay	1,005	1,007	(2)
Total Expenditures	$ 9,640	$ 9,627	$ 13
Excess of Revenues Over Expenditures	$ 15,913	$ 15,756	$ (157)
Other Financing (Uses):			
Transfers Out	(25,462)	(22,288)	3,174
Total Other Financing (Uses)	$ (25,462)	$ (22,288)	$ 3,174
Net Change in Fund Balance	(9,549)	(6,532)	$ 3,017
Fund Balances, October 1	14,327	14,327	
Add Encumbrances		8,620	
Fund Balances, September 30	$ 4,778	$ 16,415	

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Net Fair Value of Investments (GASB 31)	243
Ending Fund Balance	$ 16,658

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Community and Visitor Facilities
Year-Ended September 30, 2024
(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes:			
Occupancy	$ 82,218	$ 77,249	$ (4,969)
Penalties and Interest on Delinquent Taxes	907	747	(160)
Intergovernmental	8,952	7,940	(1,012)
Charges for Services	40,980	40,523	(457)
Miscellaneous	586	1,000	414
Investment Earnings	4,067	6,849	2,782
Contributions		10	10
Total Revenues	$ 137,710	$ 134,318	$ (3,392)
Expenditures:			
Culture & Recreation:			
Arts & Cultural:			
Personal Services	2,566	2,568	(2)
Contractual Services	2,035	2,016	19
Commodities	45	35	10
Other Expenditures	914	921	(7)
Capital Outlay	45	44	1
Total Arts & Cultural	$ 5,605	$ 5,584	$ 21
Alamodome:			
Personal Services	6,502	6,320	182
Contractual Services	7,133	7,320	(187)
Commodities	565	618	(53)
Other Expenditures	5,571	5,607	(36)
Capital Outlay	681	733	(52)
Total Alamodome	$ 20,452	$ 20,598	$ (146)
Nondepartmental:			
Personal Services	607	592	15
Contractual Services	6,916	6,942	(26)
Commodities	14	20	(6)
Other Expenditures	613	560	53
Capital Outlay	94	103	(9)
Total Nondepartmental	$ 8,244	$ 8,217	$ 27
Contributions to Other Agencies	7,718	7,435	283
Total Culture & Recreation	$ 42,019	$ 41,834	$ 185

(Continued)

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Community and Visitor Facilities (Continued)
Year-Ended September 30, 2024

(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Expenditures Continued:			
Convention and Tourism:			
Convention Center:			
Personal Services	$ 17,575	$ 17,511	$ 64
Contractual Services	5,355	5,100	255
Commodities	1,103	1,068	35
Other Expenditures	12,323	12,180	143
Capital Outlay	1,428	1,346	82
Total Convention Center	$ 37,784	$ 37,205	$ 579
Contributions to Other Agencies (VSA)	27,552	27,552	
Total Convention and Tourism	$ 65,336	$ 64,757	$ 579
Total Expenditures	$ 107,355	$ 106,591	$ 764
Excess of Revenues Over Expenditures	$ 30,355	$ 27,727	$ (2,628)
Other Financing Sources (Uses):			
Transfers In	7,207	7,581	374
Transfers Out	(44,995)	(44,872)	123
Total Other Financing Sources (Uses), Net	$ (37,788)	$ (37,291)	$ 497
Net Change in Fund Balance	(7,433)	(9,564)	$ (2,131)
Fund Balances, October 1	148,688	148,688	
Add Encumbrances		15,435	
Fund Balances, September 30	$ 141,255	$ 154,559	

(End of Schedule)

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:	
Amortized Lease Revenue (GASB 87)	15
Net Fair Value of Investments (GASB 31)	2,252
Ending Fund Balance	$ 156,826

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Note: Includes revenues and expenditures generated from Convention and Tourism activities relating to the promotion of City owned facilities to be used for conventions, community and entertainment venues; the marketing and promotion of the City through VSA and support for arts and cultural organizations in the Department of Arts and Culture.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Confiscated Property
Year-Ended September 30, 2024

(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Intergovernmental	$ 934	$ 1,071	$ 137
Investment Earnings	164	215	51
Total Revenues	$ 1,098	$ 1,286	$ 188
Expenditures:			
Public Safety:			
Personal Services	70	84	(14)
Contractual Services	1,073	1,009	64
Commodities	229	127	102
Other Expenditures	54	51	3
Capital Outlay	192	99	93
Total Expenditures	$ 1,618	$ 1,370	$ 248
(Deficiency) of Revenues (Under) Expenditures	$ (520)	$ (84)	$ 436
Net Change in Fund Balance	(520)	(84)	$ 436
Fund Balances, October 1	4,665	4,665	
Add Encumbrances		357	
Fund Balances, September 30	$ 4,145	$ 4,938	

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Net Fair Value of Investments (GASB 31)	68
Ending Fund Balance	$ 5,006

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Hotel/Motel 2% Revenue
Year-Ended September 30, 2024
(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Taxes:			
Occupancy	$ 23,491	$ 22,074	$ (1,417)
Penalties and Interest on Delinquent Taxes	261	214	(47)
Miscellaneous		12	12
Investment Earnings		192	192
Total Revenues	$ 23,752	$ 22,492	$ (1,260)
Expenditures:			
Convention and Tourism:			
Contractual Services	25	3	22
Total Convention and Tourism	$ 25	$ 3	$ 22
Total Expenditures	$ 25	$ 3	$ 22
Excess of Revenues Over Expenditures	$ 23,727	$ 22,489	$ (1,238)
Other Financing Sources (Uses):			
Transfer In	18,743	13,866	(4,877)
Transfers Out	(42,495)	(36,298)	6,197
Total Other Financing Sources (Uses), Net	$ (23,752)	$ (22,432)	$ 1,320
Net Change in Fund Balance	(25)	57	$ 82
Fund Balances, October 1	1,128	1,128	
Fund Balances, September 30	$ 1,103	$ 1,185	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		80	
Ending Fund Balance		$ 1,265	

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Parks Environmental & Sanitation
Year-Ended September 30, 2024
(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 11,245	$ 11,356	$ 111
Investment Earnings	1	1	
Total Revenues	$ 11,246	$ 11,357	$ 111
Expenditures:			
Sanitation:			
Personal Services	7,947	7,921	26
Contractual Services	3,376	3,431	(55)
Commodities	165	174	(9)
Other Expenditures	1,056	1,055	1
Capital Outlay	37	5	32
Total Expenditures	$ 12,581	$ 12,586	$ (5)
(Deficiency) of Revenues (Under) Expenditures	$ (1,335)	$ (1,229)	$ 106
Other Financing Sources:			
Transfers In	1,058	1,058	
Total Other Financing Sources	$ 1,058	$ 1,058	$ -
Net Change in Fund Balance	(277)	(171)	$ 106
Fund Balances, October 1	65	65	
Fund Balances, September 30 (Deficit)	$ (212)	$ (106)	

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:

Net Fair Value of Investments (GASB 31)	3
Ending Fund Balance (Deficit)	$ (103)

The City noted budget violations of excess expenditures over appropriations.

In fiscal year 2025 the deficit will be covered with the reallocation of expenses to the General Fund.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Right of Ways
Year-Ended September 30, 2024
(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 5,120	$ 5,033	$ (87)
Investment Earnings	57	122	65
Miscellaneous		1	1
Total Revenues	$ 5,177	$ 5,156	$ (21)
Expenditures:			
Public Works:			
Personal Services	3,117	3,112	5
Contractual Services	401	369	32
Commodities	55	51	4
Other Expenditures	432	427	5
Capital Outlay	84	51	33
Total Expenditures	$ 4,089	$ 4,010	$ 79
Excess of Revenues Over Expenditures	$ 1,088	$ 1,146	$ 58
Net Change in Fund Balance	1,088	1,146	$ 58
Fund Balances, October 1	2,732	2,732	
Add Encumbrances		7	
Fund Balances, September 30	$ 3,820	$ 3,885	

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:	
Net Fair Value of Investments (GASB 31)	60
Ending Fund Balance	$ 3,945

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Stormwater Operations
Year-Ended September 30, 2024
(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 63,473	$ 63,659	$ 186
Miscellaneous	34	36	2
Investment Earnings	2,309	2,292	(17)
Total Revenues	$ 65,816	$ 65,987	$ 171
Expenditures:			
Public Works:			
Administration:			
Personal Services	5,251	5,131	120
Contractual Services	7,550	7,756	(206)
Commodities	99	67	32
Other Expenditures	623	611	12
Capital Outlay	27	58	(31)
Total Administration	$ 13,550	$ 13,623	$ (73)
Vegetation Control:			
Personal Services	6,401	6,251	150
Contractual Services	1,655	1,659	(4)
Commodities	692	643	49
Other Expenditures	2,323	2,515	(192)
Capital Outlay	402	287	115
Total Vegetation Control	$ 11,473	$ 11,355	$ 118
River Maintenance:			
Personal Services	169	171	(2)
Contractual Services	1,597	1,603	(6)
Commodities	1	3	(2)
Other Expenditures	145	145	
Capital Outlay		15	(15)
Total River Maintenance	$ 1,912	$ 1,937	$ (25)
Street Sweeping:			
Personal Services	2,909	2,999	(90)
Contractual Services	752	769	(17)
Commodities	409	407	2
Other Expenditures	1,148	1,056	92
Capital Outlay	217	215	2
Total Street Sweeping	$ 5,435	$ 5,446	$ (11)
Tunnel Maintenance:			
Personal Services	5,668	5,730	(62)
Contractual Services	2,999	1,694	1,305
Commodities	852	529	323
Other Expenditures	1,890	1,999	(109)
Capital Outlay	863	935	(72)
Total Tunnel Maintenance	$ 12,272	$ 10,887	$ 1,385

(Continued)

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Stormwater Operations (Continued)
Year-Ended September 30, 2024

(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Expenditures Continued:			
Design Engineering:			
Personal Services	2,489	2,451	38
Contractual Services	1,010	1,173	(163)
Commodities	12	13	(1)
Other Expenditures	80	83	(3)
Capital Outlay		15	(15)
Total Design Engineering	$ 3,591	$ 3,735	$ (144)
Total Public Works	48,233	46,983	1,250
Total Expenditures	$ 48,233	$ 46,983	$ 1,250
Excess of Revenues Over Expenditures	$ 17,583	$ 19,004	$ 1,421
Other Financing (Uses):			
Transfers Out	(50,286)	(48,098)	2,188
Total Other Financing (Uses)	$ (50,286)	$ (48,098)	$ 2,188
Net Change in Fund Balance	(32,703)	(29,094)	$ 3,609
Fund Balances, October 1	55,454	55,454	
Add Encumbrances		21,126	
Fund Balances, September 30	$ 22,751	$ 47,486	

(End of Schedule)

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:	
Net Fair Value of Investments (GASB 31)	849
Ending Fund Balance	$ 48,335

Differences in Presentation between Budget and GAAP Basis:

The City records principal and interest payments related to lease and subscription activity on a GAAP basis; however, for budget purposes they are included in the associated division's expenditures. Additionally, the City records capitalized expenditures as capital outlay on the GAAP basis; however, for budget purposes they are included in the associated division's expenditures. These differences have no bearing on the fund balance since the overall expenditures are the same.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Tax Increment Financing
Year-Ended September 30, 2024
(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Administrative Fee [1]	$ 1,356	$ 1,368	$ 12
Investment Earnings	105	112	7
Total Revenues	$ 1,461	$ 1,480	$ 19
Expenditures:			
Economic Development and Opportunity:			
Personal Services	799	760	39
Contractual Services	48	39	9
Commodities	7	1	6
Other Expenditures	41	41	
Capital Outlay	50	15	35
Total Expenditures	$ 945	$ 856	$ 89
Excess of Revenues Over Expenditures	$ 516	$ 624	$ 108
Other Financing (Uses):			
Transfers Out	(78)	(78)	
Total Other Financing (Uses)	$ (78)	$ (78)	$ -
Net Change in Fund Balance	438	546	$ 108
Fund Balances, October 1	2,651	2,651	
Fund Balances, September 30	$ 3,089	$ 3,197	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		13	
Ending Fund Balance		$ 3,210	

This fund is incorporated within the Tax Increment Reinvestment Zone reporting unit.

[1] For financial reporting presentation the revenue is reported as an intrafund transfer and therefore is not reflected in the financial statements; however the above schedule reflects the fund schedule from the City's 2024 Adopted Budget.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Community Service Funds - Child Safety
Year-Ended September 30, 2024

(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 287	$ 304	$ 17
Intergovernmental	2,021	1,964	(57)
Investment Earnings	8	4	(4)
Total Revenues	$ 2,316	$ 2,272	$ (44)
Expenditures:			
Public Safety:			
Personal Services	2,460	2,424	36
Contractual Services	16	15	1
Commodities	12	12	
Other Expenditures	310	304	6
Capital Outlay	9	1	8
Total Expenditures	$ 2,807	$ 2,756	$ 51
(Deficiency) of Revenues (Under) Expenditures	$ (491)	$ (484)	$ 7
Net Change in Fund Balance	(491)	(484)	$ 7
Fund Balances, October 1	443	443	
Add Encumbrance		2	
Fund Balances, September 30 (Deficit)	$ (48)	$ (39)	

Explanation of Differences:

Items recorded for GAAP purposes that are not recorded for budget purposes:	
Net Fair Value of Investments (GASB 31)	3
Ending Fund Balance (Deficit)	$ (36)

The City noted budget violations of excess expenditures over appropriations.

In fiscal year 2025 the deficit will be funded by transfers from the General Fund.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Community Service Funds - Energy Efficiency Fund
Year-Ended September 30, 2024

(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Intergovernmental	$ 72	$ -	$ (72)
Investment Earnings	100	107	7
Total Revenues	$ 172	$ 107	$ (65)
Expenditures:			
General Government:			
Personal Services	480	471	9
Contractual Services	395	507	(112)
Other Expenditures	31	23	8
Capital Outlay	11	11	
Total Expenditures	$ 917	$ 1,012	$ (95)
(Deficiency) of Revenues (Under) Expenditures	$ (745)	$ (905)	$ (160)
Other Financing Sources (Uses):			
Transfers In	1,125	1,125	
Transfers Out	(1,545)	(1,433)	112
Total Other Financing Sources (Uses), Net	$ (420)	$ (308)	$ 112
Net Change in Fund Balance	(1,165)	(1,213)	$ (48)
Fund Balances, October 1	2,061	2,061	
Add Encumbrances		1,076	
Fund Balances, September 30	$ 896	$ 1,924	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		36	
Ending Fund Balance		$ 1,960	

The City noted budget violations of excess expenditures and encumbrances over appropriations. As there was sufficient actual revenues and fund balances to cover these excesses, the City does not deem these violations to be material.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Community Service Funds - Golf Course Operating and Maintenance
Year-Ended September 30, 2024
(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Miscellaneous [1]	$ 1,700	$ 1,697	$ (3)
Investment Earnings	18	20	2
Total Revenues	$ 1,718	$ 1,717	$ (1)
Excess of Revenues Over Expenditures	$ 1,718	$ 1,717	$ (1)
Other Financing Sources (Uses):			
Transfers Out	(1,697)	(1,697)	
Total Other Financing (Uses)	$ (1,697)	$ (1,697)	$ -
Net Change in Fund Balance	21	20	$ (1)
Fund Balances, October 1	24	24	
Fund Balances, September 30	$ 45	$ 44	
Explanation of Differences:			
Net Fair Value of Investments (GASB 31)		5	
Ending Fund Balance		$ 49	

[1] For financial reporting presentation the revenue is reported as transfers in; however the above schedule reflects the fund schedule from the City's 2024 Adopted Budget.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Community Service Funds - Municipal Court Security
Year-Ended September 30, 2024

(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 436	$ 417	$ (19)
Investment Earnings	13	14	1
Total Revenues	$ 449	$ 431	$ (18)
Expenditures:			
General Government:			
Personal Services	369	371	(2)
Contractual Services	93	86	7
Commodities	2	2	
Other Expenditures	32	32	
Total Expenditures	$ 496	$ 491	$ 5
(Deficiency) of Revenues (Under) Expenditures	$ (47)	$ (60)	$ (13)
Other Financing Sources:			
Transfers In	177	177	
Total Other Financing Sources	$ 177	$ 177	$ -
Net Change in Fund Balance	130	117	$ (13)
Fund Balances, October 1	272	272	
Fund Balances, September 30	$ 402	$ 389	
Explanation of Differences:			
Net Fair Value of Investments (GASB 31)		4	
Ending Fund Balance		$ 393	

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Community Service Funds - Municipal Court Technology
Year-Ended September 30, 2024

(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 362	$ 348	$ (14)
Investment Earnings	15	16	1
Total Revenues	$ 377	$ 364	$ (13)
Expenditures:			
General Government:			
Contractual Services	810	811	(1)
Capital Outlay	24		24
Total Expenditures	$ 834	$ 811	$ 23
(Deficiency) of Revenues (Under) Expenditures	$ (457)	$ (447)	$ 10
Other Financing Sources:			
Transfers In	552	552	
Total Other Financing Sources	$ 552	$ 552	$ -
Net Change in Fund Balance	95	105	$ 10
Fund Balances, October 1	260	260	
Fund Balances, September 30	$ 355	$ 365	
Net Fair Value of Investments (GASB 31)		5	
Ending Fund Balance		$ 370	

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Community Service Funds - Municipal Court Truancy Intervention & Prevention Fund
Year-Ended September 30, 2024

(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 477	$ 559	$ 82
Investment Earnings	8	9	1
Total Revenues	$ 485	$ 568	$ 83
Expenditures:			
General Government:			
Personal Services	680	682	(2)
Contractual Services	7	7	
Commodities	3	2	1
Other Expenditures	66	66	
Capital Outlay	26	27	(1)
Total Expenditures	$ 782	$ 784	$ (2)
(Deficiency) of Revenues (Under) Expenditures	$ (297)	$ (216)	$ 81
Other Financing Sources:			
Transfers In	414	414	
Total Other Financing Sources	$ 414	$ 414	$ -
Net Change in Fund Balance	117	198	$ 81
Fund Balances, October 1	190	190	
Fund Balances, September 30	$ 307	$ 388	
Net Fair Value of Investments (GASB 31)		2	
Ending Fund Balance		$ 390	

The City noted budget violations of excess expenditures over appropriations. As there was sufficient actual revenues and fund balances to cover these excesses, the City does not deem these violations to be material.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Community Service Funds - Public Education and Government
Year-Ended September 30, 2024
(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Business and Franchise Tax	$ 1,800	$ 1,719	$ (81)
Investment Earnings	419	435	16
Total Revenues	$ 2,219	$ 2,154	$ (65)
Expenditures:			
General Government:			
Contractual Services	519	473	46
Commodities	3	3	
Other Expenditures	8	7	1
Capital Outlay	3,692	2,299	1,393
Total Expenditures	$ 4,222	$ 2,782	$ 1,440
(Deficiency) of Revenues (Under) Expenditures	$ (2,003)	$ (628)	$ 1,375
Other Financing (Uses):			
Transfers Out	(10)	(10)	
Total Other Financing (Uses)	$ (10)	$ (10)	$ -
Net Change in Fund Balance	(2,013)	(638)	$ 1,375
Fund Balances, October 1	9,873	9,873	
Add Encumbrances		1,028	
Fund Balances, September 30	$ 7,860	$ 10,263	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		146	
Ending Fund Balance		$ 10,409	

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Community Service Funds - Riverwalk Capital Improvement Fund
Year-Ended September 30, 2024

(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 716	$ 760	$ 44
Investment Earnings	41	57	16
Total Revenues	$ 757	$ 817	$ 60
Expenditures:			
Culture and Recreation:			
Contractual Services	26	31	(5)
Total Expenditures	$ 26	$ 31	$ (5)
Excess of Revenues Over Expenditures	$ 731	$ 786	$ 55
Other Financing (Uses):			
Transfers Out	(1,106)	(307)	799
Total Other Financing (Uses)	$ (1,106)	$ (307)	$ 799
Net Change in Fund Balance	(375)	479	$ 854
Fund Balances, October 1	1,048	1,048	
Fund Balances, September 30	$ 673	$ 1,527	
Net Fair Value of Investments (GASB 31)		17	
Ending Fund Balance		$ 1,544	

The City noted budget violations of excess expenditures over appropriations. As there was sufficient actual revenues and fund balances to cover these excesses, the City does not deem these violations to be material.

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Special Revenue Funds
Community Service Funds - Tree Canopy Preservation and Mitigation Fund
Year-Ended September 30, 2024

(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Charges for Services	$ 7,974	$ 7,316	$ (658)
Investment Earnings	924	986	62
Total Revenues	$ 8,898	$ 8,302	$ (596)
Expenditures:			
Culture and Recreation:			
Personal Services	993	958	35
Contractual Services	2,302	2,121	181
Commodities	322	331	(9)
Other Expenditures	110	103	7
Capital Outlay	905	258	647
Total Expenditures	$ 4,632	$ 3,771	$ 861
Excess of Revenues Over Expenditures	$ 4,266	$ 4,531	$ 265
Other Financing (Uses):			
Transfers Out	(16,795)	(16,780)	15
Total Other Financing (Uses)	$ (16,795)	$ (16,780)	$ 15
Net Change in Fund Balance	(12,529)	(12,249)	$ 280
Fund Balances, October 1	20,405	20,405	
Add Encumbrances		14,813	
Fund Balances, September 30	$ 7,876	$ 22,969	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		305	
Ending Fund Balance		$ 23,274	

Schedule of Revenues, Expenditures, Encumbrances, and Changes in Fund Balances
Budget and Actual (Budgetary Basis)
Permanent Fund
City Cemeteries
Year-Ended September 30, 2024
(In Thousands)

	2024		
	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
Revenues:			
Lease Revenue	$ 275	$ 238	$ (37)
Investment Earnings	25	25	
Total Revenues	$ 300	$ 263	$ (37)
Expenditures:			
Culture and Recreation:			
Personal Services	87	88	(1)
Contractual Services	347	300	47
Commodities	2	3	(1)
Self-Insurance	51	51	
Total Culture and Recreation	$ 487	$ 442	$ 45
Total Expenditures	$ 487	$ 442	$ 45
(Deficiency) of Revenues (Under) Expenditures	$ (187)	$ (179)	$ 8
Net Change in Fund Balance	(187)	(179)	$ 8
Fund Balances, October 1	731	731	
Fund Balances, September 30	$ 544	$ 552	
Explanation of Differences:			
Items recorded for GAAP purposes that are not recorded for budget purposes:			
Net Fair Value of Investments (GASB 31)		8	
Ending Fund Balance		$ 560	

This fund is incorporated within the City Cemeteries reporting unit.