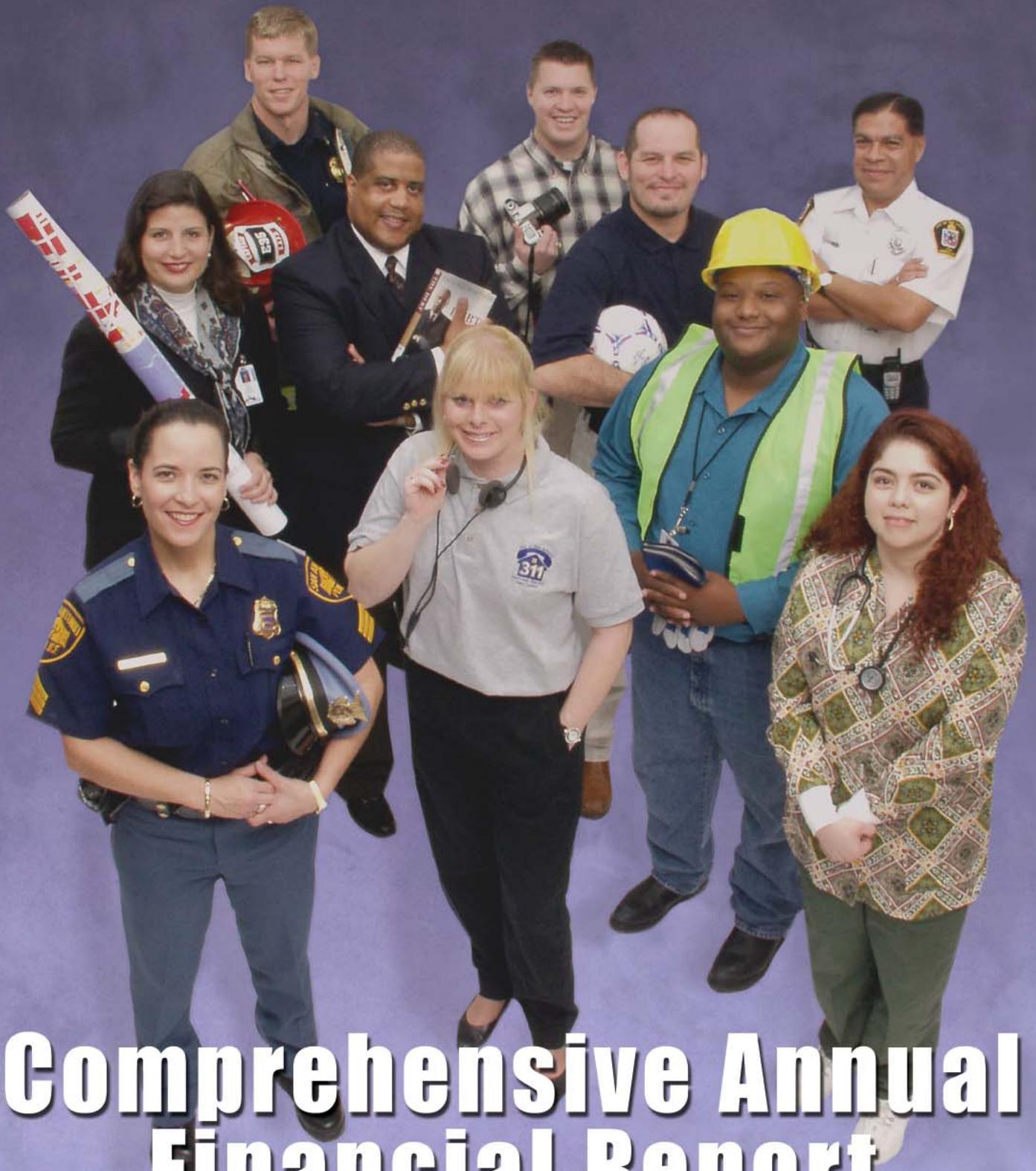


CITY OF SAN ANTONIO, TEXAS



# Comprehensive Annual Financial Report

FISCAL YEAR ENDED SEPTEMBER 30, 2004

# CITY OF SAN ANTONIO



## TEXAS

### COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2004

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NORMA DAVIS  
ELOISE LOPEZ  
FRANCES GARCIA  
HILDA ORTEGON  
ANNETTE GUAJARDO



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***City of San Antonio  
Texas***

***Introductory Section***

**CITY OF SAN ANTONIO, TEXAS  
COMPREHENSIVE ANNUAL FINANCIAL REPORT  
For Year Ended September 30, 2004**

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# CITY OF SAN ANTONIO

P.O. BOX 630966  
SAN ANTONIO, TEXAS 78283-3966

April 19, 2005

To the Honorable Mayor and City Council:

It is my pleasure to present the City of San Antonio's (City) Comprehensive Annual Financial Report (CAFR) for the fiscal year ended September 30, 2004. This report is published to provide the City Council, City staff, our citizens, and other readers with detailed information concerning the financial position and activities of the City.

This document was prepared and is presented by the City's Finance department. Accordingly, City management is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures.

It should be noted that the public accounting firms KPMG LLP, Leal & Carter PC, and Robert J. Williams, CPA, have audited the basic financial statements contained herein. As reflected in the independent auditors' report, the City's financial statements are presented fairly in all material respects in accordance with generally accepted accounting principles.

The audit of the aforementioned independent auditors was also designed to meet the requirements of the Single Audit Act Amendments of 1996, Office of Management and Budget (OMB) Circular A-133, and the State of Texas Single Audit Circular. The Independent Auditors' Report on the basic financial statements, MD&A (required supplementary information), and required disclosures and schedules are included in the Financial Section of this CAFR. Required reports and schedules mandated by the Single Audit Act Amendments of 1996, OMB Circular A-133, and the State of Texas Single Audit Circular are in separate documents.

## THE REPORT

The CAFR is presented in three sections: introductory, financial, and statistical.

- The introductory section contains the transmittal letter, a copy of the Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting, the City's organizational chart, and a list of principal officials.
- The financial section includes the Independent Auditors' Report, Management's Discussion and Analysis (MD&A), the basic financial statements, which consist of government-wide and fund financial statements and notes to the financial statements, required supplementary information other than MD&A, and other supplementary information.
- The statistical section consists of selected financial and demographic information presented on a multi-year basis.
- As noted above, included in the Financial Section of the CAFR is the MD&A, which presents 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. The City of San Antonio's MD&A can be found immediately following the report of the independent auditors.

## THE REPORTING ENTITY AND CITY SERVICES

The City of San Antonio is a home rule city that was incorporated in 1837 and chartered in 1951. It is structured as a Council-Manager form of government with a Mayor and ten Council Members each serving two-year terms, limited to two consecutive terms. San Antonio is located in South Central Texas, approximately seventy-five 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, mild weather, and superb recreation choices, including championship golf courses, theme parks, historical attractions, museums, professional sporting attractions and a lively performing arts environment.

As of September 30, 2004, the City's geographic area was approximately 512.2284 square miles making it one of the largest cities in the United States. The United States Census Bureau cites the City as the second most populated city in the state of Texas and eighth most populated city in the country. The estimated population grew from 1,262,800 in fiscal year 2003 to 1,278,300 in fiscal year 2004, an increase of 1.23%.

Below are further details regarding the City as a reporting entity and public service provider.

### Reporting Entity

Pursuant to the reporting standards contained in Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity", as amended by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units - an amendment of GASB Statement No. 14", other related entities are included in the CAFR as blended or discretely presented component units. Blended component units are those entities that are considered as part of the City's operations but are legally separate entities. Those entities are the City of San Antonio Health Facilities Development Corporation, the City of San Antonio Industrial Development Authority, the San Antonio Fire and Police Pension Fund, the San Antonio Fire and Police Retiree Health Care Fund, the City of San Antonio Texas Municipal Facilities Corporation, and the City of San Antonio Texas Starbright Industrial Development Corporation.

Entities that require discrete presentation are the San Antonio Development Agency (SADA), the City of San Antonio Education Facilities Corporation (SAEFC), the Greater Kelly Development Authority (GKDA), the San Antonio Housing Trust Foundation, Inc. (SAHTF), the San Antonio Local Development Company, Inc. dba South Texas Business Fund (SALDC), Brooks Development Authority (BDA), San Antonio Water System (SAWS) and City Public Service (CPS). SAWS and CPS are independently managed, municipally owned utility systems that operate under quasi-independent boards of trustees. For additional details on each of these entities and the basis for their respective presentation in our financial report, please refer to the Financial Section, Note No. 1, entitled "Reporting Entity".

### Services

The City provides a vast array of municipal services. These services include but are not limited to fire and police protection, street and sidewalk maintenance, libraries, parks, water and electric services, and solid waste disposal. In addition, the City maintains preventive health services, and facilitates economic and neighborhood development. These services are funded from various sources, which include ad valorem taxes, hotel/motel taxes, sales taxes, grants, user fees, revenues from municipally owned utilities, and bond proceeds.

City services are augmented through non-City agencies and local foundations such as SADA, SAEFC, SAHTF, and SALDC.

## ECONOMIC CONDITIONS AND OUTLOOK

As a community, San Antonio has positioned itself for long-term growth and prosperity by successfully following a strategy to diversify its economy and improve quality-of-life for all citizens. City government has played an integral part by implementing "A Strategic Plan for Enhanced Economic Development" through the collaborative efforts of San Antonio, Inc., a group of economic development organizations within San Antonio.

## ECONOMIC CONDITIONS AND OUTLOOK (Continued)

The City's economic plan involves further development of San Antonio's major industries, which include biomedical research and health services, international trade and distribution, information technology and security, telecommunications, aerospace, tourism, financial services, automotive manufacturing and the military. Untapped economic opportunities are also a part of the City's economic development plan.

The City is also undertaking on-going infrastructure improvements, neighborhood revitalization, and workforce development initiatives, as well as providing assistance and attraction programs that are geared to businesses of all sizes. Both government and citizens are working toward increasing the caliber of educational and economic opportunities, expanding arts and leisure choices, revitalizing older neighborhoods, and planning for overall growth in San Antonio.

The North American Free Trade Agreement (NAFTA) has enabled the City to capitalize on international trade opportunities by becoming a distribution point and center for companies doing business in Mexico. San Antonio is the closest major U.S. city to Mexico's biggest markets and enjoys close cultural and business ties to that nation.

Following are additional details that provide a more in-depth look at the business climate and local economy for the City of San Antonio.

### Business Climate and Local Economy

San Antonio's healthy economy and positive business climate are enhanced by elements key to continued economic growth, such as an advanced telecommunications system, significant recent accomplishments in the area of higher education, and strong workforce development programs. Also enhancing San Antonio's business appeal is the high quality-of-life the City offers and a cost-of-living that is well below the national average. Below is a brief discussion on the City's local economic development activities that will help to ensure its economic sustainability and viability.

### KellyUSA

At KellyUSA, a former U.S. Air Force Base, GKDA is transforming the base into a multi-use airport and rail-served business park. As of December 2004, there were 70 tenants (commercial companies and federal agencies) employing over 12,171 people with an average salary of \$38,000 and a total economic impact of \$2.5 billion per year. Major commercial employers at KellyUSA include Boeing, Lockheed Martin, General Electric, Standard Aero, Pratt & Whitney, Chromalloy, and EG&G.

With 96 percent of the marketable 8.6 million square feet leased, GKDA is now focused on development of new Class A facilities leveraging public and private investment to create more jobs for San Antonio. GKDA has begun Phase II development at KellyUSA to construct another 514,400 square feet of new facilities to accommodate market demand over the next one to three years. This growth is projected to increase the economic impact on San Antonio to over \$4.3 billion per year. GKDA is also planning in Phase II to generate some \$364 million in investment capital by leveraging City, State, Federal and GKDA funding. Phase II includes key transportation infrastructure projects that will facilitate the development of several facility projects that allow KellyUSA to respond to market demand opportunities. These projects are expected to create employment for an additional 6,400 employees at KellyUSA.

### Brooks City-Base

Brooks City-Base is a collaborative effort between the Air Force and the City designed to retain the Air Force missions and jobs at Brooks AFB, improve Air Force mission effectiveness, assist the Air Force in reducing its support operating costs, and promote and enhance economic development on Brooks AFB and in the surrounding community. Both the City and the Air Force are partnering to utilize City incentives and existing Brooks AFB resources to create the Brooks Technology & Business Park, a facility that will foster the development of key targeted industry sectors, such as health services and biotechnology. Brooks Technology & Business Park was officially established on July 22, 2002, with the transfer of the 1,310 acres of land and improvements.

## ECONOMIC CONDITIONS AND OUTLOOK (Continued)

### Brooks City-Base (Continued)

The City and County are also planning to construct a \$24.5 million new Emergency Operations Center at Brooks. Additionally, BDA also recently completed the sale of 62 acres for a major commercial retail development at the northeast end of the park called City-Base Landing. This \$50 million investment will bring 500 new jobs to the Southside. The BDA is contracting with Grubb & Ellis, a national real estate developer and property management firm, to manage Brooks Technology & Business Park facilities.

### Fort Sam Houston

Fort Sam Houston has also initiated leasing activities to reduce infrastructure costs and pursue asset management opportunities using military facilities. In April 2000, the United States Army (the "Army") entered into a partnership with the private organization, Fort Sam Houston Redevelopment Partners, Ltd. (FSHRP), for the redevelopment of the former Brooke Army Medical Center (BAMC) and two other buildings at Fort Sam Houston. These three buildings, totaling about 500,000 square feet in space and located in a designated historic district, have been vacant for some time and are presently in a deteriorating condition. On June 21, 2001, FSHRP signed a 50-year lease with the Army to redevelop and lease these three properties to commercial tenants. In September 2003, the Army relocated U.S. Army South from Puerto Rico to Fort Sam Houston, bringing approximately 500 new jobs to San Antonio with an annual economic impact of approximately \$200 million. To facilitate this relocation, the Army negotiated a lease with the FSHRP to locate U.S. Army South and the Southwest Region Installation Management Agency in the old BAMC.

The continued success of this unique public-private partnership at Fort Sam Houston is critical to assisting the Army in reducing infrastructure support costs, preserving historical assets, promoting economic development opportunities, and generating net cash flow for both the Army and FSHRP. This project supports the City's economic development strategy to promote development in targeted areas of the City, leverage military installation economic assets to create jobs, and assist our military installations in reducing base support operating costs. The Army intends to extend the public-private partnership initiative to include other properties at Fort Sam Houston currently available for redevelopment.

### Base Realignment and Closure (BRAC 2005)

In 2005, another round of military base realignment and closures BRAC is scheduled. The community has been proactive in strengthening the value of its military installations through unique initiatives like the Brooks City-Base project and the Fort Sam leasing project. To prepare for BRAC 2005, the City of San Antonio in partnership with the Greater San Antonio Chamber of Commerce and Bexar County, has established the San Antonio Military Missions (SAMM) Task Force. In November 2003, the SAMM Task Force hired an Executive Director and staff to begin developing and implementing a strategy for BRAC 2005 focused on promoting the military value of the community's military assets.

### San Antonio Technology Accelerator Initiative (SATAI)

SATAI is a targeted economic development initiative focused on developing an advanced technology economy in the San Antonio region. SATAI's mission is to accelerate the regional technological economy through providing hands-on development of advanced technology start-up companies and assisting established companies in accessing tech-based solutions through Enterprise Services. One of the largest SATAI projects is the coordination of several homeland security initiatives through its leadership of the Southwest Enterprise for Regional Preparedness. SATAI's efforts in this area will lead to several state of the art technologies that will be commercialized through new start-up technology companies.

SATAI has been very successful in becoming a key component in the development of San Antonio's advanced technology economy. For example, SATAI helps companies pursuing venture capital funding prepare for venture capitalist presentations. Statistics indicate that companies completing this preparation program have a 50% chance of receiving funding. Conversely, companies that do not complete this program have a 1-5% chance of receiving funding from venture capitalists. SATAI has also been very successful in attracting the interest of venture capital firms throughout the country to participate in the San Antonio investment market. This has filled a huge void in the community's efforts to develop the advanced technology economy.

## ECONOMIC CONDITIONS AND OUTLOOK (Continued)

### Aerospace Industry Development

The aerospace industry's annual economic impact to the City is about \$2.9 billion. This industry provides over 8,283 jobs, with employees earning annual wages totaling over \$320 million. The aerospace industry continues to expand as the City leverages its key aerospace assets, which include San Antonio International Airport, Stinson Municipal Airport, KellyUSA, Randolph AFB, Lackland AFB, and training institutions. Many of the major aerospace industry participants have significant operations in San Antonio, such as Boeing, Lockheed Martin, General Electric, Pratt & Whitney, Raytheon, Cessna, San Antonio Aerospace - a division of Singapore Technologies, Southwest Airlines, American Airlines, Delta, Continental, FEDEX, UPS, and others. The industry in San Antonio is very diversified with continued growth in air passenger service, air cargo, maintenance repair and overhaul (MRO), and general aviation.

San Antonio International Airport (SAT) has added three new non-stop passenger routes in the past 12 months and currently has flights to 28 non-stop destinations, with seasonal charter service to Mexico available during the spring and summer. SAT is currently developing construction plans for a new Terminal B and Parking Garage, with ground breaking expected respectively in the spring and summer of 2005. SAT is also in the process of an Environmental Impact Statement for implementation of proposed airfield capacity enhancement projects recommended in the Airport Master Plan.

Stinson Municipal Airport is at 100% occupancy rate and has a tenant waiting list for facilities. A Stinson Master Plan was approved by the City Council in October 2002. Implementation of the Master Plan recommendations is currently in process pending the successful completion of an Environmental Assessment for certain airfield improvements.

At KellyUSA, the MRO business is strong as tenants such as Boeing and Lockheed Martin continue to secure long-term government contracts. KellyUSA is also working to add air cargo activity as recommended by an Air Cargo Study and Strategic Plan completed in June 2002. This study also provided San Antonio International Airport with an Air Cargo Strategic Plan that includes recommendations on expanding the existing integrator service primarily provided by UPS, FedEx, and Airborne Express.

Brooks Air Force Base 311<sup>th</sup> Human Systems Wing's School of Aerospace Medicine, long active in research and development related to aviation and human systems, conducts research related to human effectiveness in aviation and is opening a new aircraft sustainability laboratory that will conduct research and development applicable to commercial aviation.

### New Business Prospects

As of the third quarter of 2004, the San Antonio Economic Development Foundation, Inc., reported to the City's Economic Development department that it had 107 active business prospects. The new businesses are categorized as business services, transportation equipment, miscellaneous manufacturing, fabricated metal products, food products, and others.

### Downtown Development Projects

During 2004, a new 265 all-suites hotel, La Contessa, began construction. A proposal by Drury Inns Southwest, Inc. to redevelop the historic Alamo Bank Building into a Drury Plaza Hotel utilizing Empowerment Zone facility bonds to partially fund the project has had a positive reception by the City Council. Included in that project is a \$1.5 million extension of the Riverwalk at the developer's expense. Construction continued on the 350-room La Quinta Inn & Suites hotel project, which will reshape the downtown skyline. The City also continued its efforts to facilitate the development of a convention headquarters hotel adjacent to the recently enlarged Henry B. Gonzalez Convention Center. The Convention Center Hotel Advisory Board (CCHAB) commissioned a study to recommend financing and development options for this 1000-room hotel. Additionally, La Cascada, a 150-unit condominium project along the San Antonio River is the first high-rise project in the downtown. Sales of housing units have been brisk in anticipation of this project's completion.

## ECONOMIC CONDITIONS AND OUTLOOK (Continued)

### International Trade

The Directory of San Antonio Exporters and Support Organizations has identified over 500 local companies that export to other nations or provide export assistance.

During FY 03-04 the International Affairs Department worked with 73 international delegations that included 1,578 delegates that visited San Antonio. The department also assisted more than 600 business clients that generated over \$27 million in bilateral trade between San Antonio and Mexico for the last 2 years.

As of December 31, 2004 the North American Development Bank (NADB) had authorized loans and grants totaling approximately \$695.8 million for the development and financing of 84 infrastructure projects throughout the 10 states that comprise the U.S.-Mexico border region. These projects represent a total investment of approximately \$2.33 billion, and are benefiting an estimated 7.8 million border residents in the United States and Mexico.

The NADB has been the catalyst to significant and unprecedented levels of investment in environmental infrastructure along the U.S. Mexico border. NADB participation represents about 30% of the total investment in these projects. Of these, 20 have completed, 52 are currently under construction or in various states of completion and 12 are in the design or bidding stage. In the area of local capacity building, the NADB to date has authorized technical assistance for 163 projects in 77 communities on both sides of the border.

As of the fourth quarter of 2004, the Free Trade Alliance San Antonio through its International Business Development Center, an incubator program for foreign companies, has nine companies enrolled with an economic impact of over \$1.5 million for the year.

### International Outlook

After five years, the City's International Affairs Department continues to develop an Export Leaders Program that focuses on small to medium size San Antonio companies with a high potential and strong commitment to develop and expand international markets. The San Antonio Export Leaders Program is a competitive eight-month program that offers the tools, training, consultation and coaching necessary for about fifteen companies to be successful in exporting and offers the participants a new export experience. In five years, the program has graduated 57 companies and generated \$5.4 million in trade in 2003.

San Antonio continues to develop itself as an INLAND PORT for imports and exports to/from Mexico, Latin America and other regions of the world. This encompasses transportation, manufacturing, and logistics facilities, professional services and value-added services involved in producing, marketing and moving freight within, into and out of the San Antonio area. Over the past twelve years, the City has operated three commercial trade offices in Mexico's three largest cities: Mexico City, Guadalajara, and Monterrey.

The City's commitment to international trade is evidenced in the City's International Center which houses the North American Development Bank, International Conference Center, the Trade Commission of Mexico, Mexican State Trade Offices, the Free Trade Alliance San Antonio, the U.S. Department of Commerce, the City's International Affairs Department and the Convention & Visitors Bureau.

## FINANCIAL INFORMATION

### **Accounting system and budgetary control**

The City's accounting system supports an adequate internal control structure. The structure helps to safeguard the City's assets against loss, theft, or misuse. The accounting system provides reliable financial records for preparing financial statements in conformity with generally accepted accounting principles. The internal control structure provides reasonable, but not absolute, assurance that the City's assets are safeguarded. The concept of reasonable assurance first recognizes that the cost of a control should not exceed the benefits likely to be derived. Secondly, the evaluation of costs and benefits require estimates and judgments by management.

## FINANCIAL INFORMATION (Continued)

### Accounting System and Budgetary Control (Continued)

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 by function and activity within individual funds. The City utilizes an encumbrance system of accounting as one mechanism to accomplish effective budgetary control. Encumbered amounts lapse at year-end, however, encumbrances generally are appropriated as part of the following year's budget. For the fiscal year ending September 30, 2003, the Government Finance Officers Association of the United States and Canada ("GFOA") presented an award of Distinguished Budget Presentation to the City.

As demonstrated by the statements and schedules in the Financial Section of this report, the City continues to meet its responsibility for sound financial management. As in the Financial Section, all monetary amounts presented in the remainder of this letter are expressed in thousands, except where noted.

### Fiscal Management and Administrative Topics

#### Pension and Postemployment Retirement Benefits

The City provides pension retirement benefits for its eligible employees through two plans. For uniformed Fire and Police employees, retirement benefits are provided through the Fire and Police Pension Fund, a single-employer defined benefit retirement plan. Contribution and benefit levels are established under State statute. For fiscal year 2004, active members contributed 12.32% of covered payroll, or \$24.13 million and the City contributed 24.64%, or \$48.04 million.

The City provides all other eligible employees, exclusive of fire and police employees, retirement benefits through the Texas Municipal Retirement System (TMRS), a nontraditional, joint contributory, hybrid defined benefit plan. TMRS is a statewide agent multiple-employer public employee retirement system. Contributions to the system are actuarially determined. The required contribution from City employees is 6%, while the City matches at a rate of approximately 11.63%. Both the City and its covered employees made the required contributions of \$23.06 million and \$11.95 million, respectively. For additional information on the City's pension plans, see Note 8 in the notes to the financial statements.

With respect to post-employment health benefits, the City provides benefits for all non-uniformed City retirees and for all pre-October 1, 1989 uniformed fire and police retirees. The cost of the program is reviewed annually and actuarially determined costs of medical claims are funded jointly on a pay-as-you-go basis with the City contributing 2/3 and the retirees contributing 1/3 of the cost. As of September 30, 2004, 1,512 retirees were participating in the program and currently there are 6,067 active civilian employees who may become eligible for this program in the future.

The second post-employment health benefit program provides retirement health care benefits for eligible fire and police retirees under the Fire and Police Retiree Healthcare Fund ("Fund"). Contribution and benefits levels are established under the City's collective bargaining agreements with the Fire and Police Unions. The benefits of this plan are financed on a prefunded basis. For fiscal year 2004, the City contributed \$16.56 million to the Fund and active employees and retirees contributed \$2.5 million. Recent actuarial studies have resulted in different results and indicate that the current contribution levels are not sufficient to amortize the unfunded liability of the Fund. The City continues to review the Fund in order to develop a comprehensive framework for a long-term solution. For additional information on City's post-employment health benefits, please see Note 9, of the notes to the financial statements.

**FINANCIAL INFORMATION (Continued)****Fiscal Management and Administrative Topics (Continued)**Employee Benefits Program

The City's Self-Insurance Fund continues to experience increased expenses due to rising health care costs, increased prescription drug costs, increased claims volume and changing employee demographics. The City continues to focus on cost containment programs such as: hospital audits, hospital pre-certification, utilization review, large case management, prescription benefit management, and a preferred provider organization to assist in managing the rising cost of medical care. Such strategies have been effective for the City in managing medical costs in a changing health care industry.

In addition to continuing enhancement of these cost containment programs, the City will seek the services of an outside consultant in 2005 to perform a comprehensive review of the Employee Benefits Programs. To maximize efficiency and ensure competitive medical pricing in the plan, a combined Health and Benefits Request for Proposal (RFP) was released in March of 2004 to consolidate plan administration and improve provider discounts. The total cost savings projected for fiscal year 2005, as a result of the new contract, program changes and increased premiums, is estimated at \$8.1 million. In fiscal year 2004, the Employee Benefits Fund had cash and investments in reserve totaling \$126,683 and a negative net assets balance of \$31.75 million. For additional information on the City's risk and employee benefit programs, please see Note 12, of the notes to the financial statements.

Risk Management Programs

For the seventh time in thirteen years, the Insurance Reserve Fund maintained a positive net assets balance of \$4.56 million for the fiscal year 2004. The Workers' Compensation Fund reflected a negative net assets balance of \$6.59 million for the fiscal year 2004. The Insurance Reserve and Workers' Compensation Funds carried cash and investments in reserve at September 30, 2004 in the amount of \$11.62 million and \$4.06 million, respectively.

The Risk Management Division Safety Office has continued aggressive efforts this year to promote Accident Prevention/Loss Control projects. This year 2,347 employees received formal classroom training on a number of subjects, totaling 18,776 classroom hours collectively. Training classes include Defensive Driving, First Aid and CPR, Drug and Alcohol Awareness training for commercial drivers and supervisors, New Employee Safety Orientations, Professional Truck Driving, Supervisor's Accident Investigation training, Hazardous Chemicals training, Ergonomics Awareness, and other specialized training courses.

In addition, the Safety Office continues to improve the quality of safety and health education to serve the needs of all City employees by developing customized training programs and updating training materials and/or training methods. The Safety Office has also provided departments 2,946 hours of technical assistance and one-on-one informal training on a variety of safety and health topics in fiscal year 2004.

Cash and Investment Management

The City's investment policies are governed by state statute and the City's own written investment policies. Under Texas law, the City is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; investment diversification, yield, maturity, and the quality and capability of investment management; and include a list of authorized investments for City funds, maximum allowable stated maturity of any individual investment, and the maximum average dollar-weighted maturity allowed for pooled fund groups. All City funds must be invested consistent with a formally adopted "investment strategy statement" that specifically addresses each fund's investment. Each investment strategy statement will describe strategy objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

The City is authorized to use demand accounts, time accounts, certificates of deposit, and other permissible investments including Obligations of the U.S. Treasury and U.S. Agencies, Obligations of States and Cities, Commercial Paper, Repurchase Agreements, Money Market Funds, and Investment Pools. The City's investment portfolio does not include callable obligations or any derivative products. It is not the City's policy to use derivative products in its portfolio, nor does the City leverage its investments.

## FINANCIAL INFORMATION (Continued)

### Fiscal Management and Administrative Topics (Continued)

#### Cash and Investment Management (Continued)

At September 30, 2004, City investment funds were 87.41% invested in obligations of the United States, or its agencies and instrumentalities, and 11.38% invested in a money market mutual fund, with the weighted average maturity of the portfolio being less than one year. The remaining 1.21% of the City's portfolio includes the Convention Center Debt Service Reserve Fund of \$8.5 million, which was invested in a fully collateralized repurchase agreement that is fully secured by obligations of the United States or its agencies and instrumentalities. The investments and maturity terms are consistent with State law, and the City's investment policy objectives, which are to preserve principal, limit risk, maintain diversification and liquidity, and to maximize interest earnings. For additional information on Cash and Investments, please see Note 3 of the notes to the financial statements.

#### Debt Administration

The City utilizes a comprehensive debt management financial planning program (The Debt Management Plan), which is updated annually. The Debt Management Plan is a major component of the City's financial planning. The model projects financing needs while measuring and assessing the cost and timing of each debt issuance. It involves comprehensive financial analysis which utilizes computer modeling, and incorporates variables such as interest rate sensitivity, assessed values 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 which has allowed the City to capitalize on market opportunities.

Strict adherence to conservative financial management has allowed the City to meet its financing needs while at the same time maintaining its "Aa2", "AA+" and "AA+" bond rating by Moody's Investors Service, Inc. ("Moody's"), Standard & Poor's Public Ratings Services, a division of McGraw-Hill Companies, Inc. ("S&P"), and Fitch Ratings ("Fitch") respectively. The positive trend in the City's credit strength is evidenced by S&P's rating upgrade in December 1998 from "AA" to its current "AA+" and Fitch's rating upgrade in October 1999 from "AA" to "AA+". For additional information on the City's long-term debt, please see Note 6 of the notes to the financial statements.

## OTHER INFORMATION

### Independent Audit

State statutes require that an annual audit by an independent certified public accountant be conducted. The City's Audit Committee selected the accounting firms KPMG LLP, Leal & Carter PC, and Robert J. Williams, CPA in 2002. In addition to meeting the requirements set forth in State statutes, the audit was also designed to meet the requirements of the Single Audit Act Amendments of 1996, OMB Circular A-133, and the State of Texas Single Audit Circular. The Independent Auditors' Report on the basic financial statements, management's discussion and analysis (required supplementary information), required disclosures and schedules is included in the Financial Section of this CAFR. The Independent Auditors' Report along with other required reports and schedules mandated by the Single Audit Act Amendments of 1996, OMB Circular A-133, and the State of Texas Single Audit Circular are in separate documents.

### Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended September 30, 2003. This was the 28<sup>th</sup> consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial 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.

**OTHER INFORMATION****Awards (Continued)**

The City of San Antonio Planning Department was recognized by the Texas Chapter of the American Planning Association (APA) with two (2) 2003 Texas APA Planning Awards. The Department received the 2003 Project Planning Award for the Southside Initiative Community Plan. In addition, the Neighborhood Conservation District program was honored with the 2003 Current Planning Award.

The preparation of the City of San Antonio, Texas Comprehensive Annual Financial Report for the fiscal year ended September 30, 2004, was made possible by the dedication and hard work of the Finance Department, particularly the staff of the Accounting Division. Each member of the Department has my sincere appreciation for their contributions to the preparation of this document. In closing, please accept my sincere gratitude to the Mayor and City Council, City Manager, Deputy City Manager, Assistant City Managers, Assistants to the City Manager, and their staff, for their continued support.

Respectfully Submitted,



Milo D. Nitschke  
Director  
Finance Department

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of San Antonio,  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
September 30, 2003

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



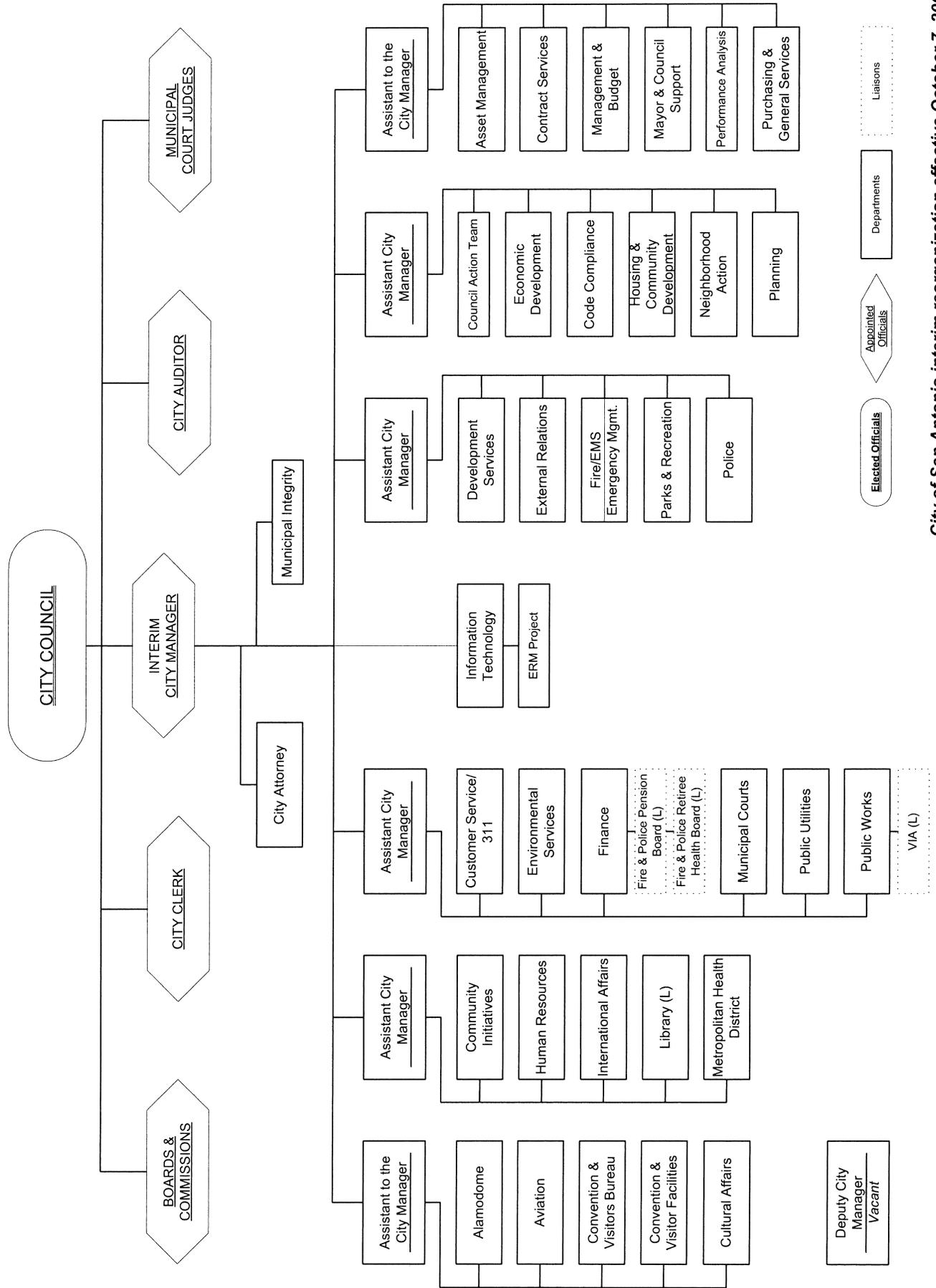
*Nancy L. Ziehl*

President

*Jeffrey R. Enos*

Executive Director

# CITIZENS OF SAN ANTONIO



City of San Antonio interim reorganization effective October 7, 2004

# **CITY OF SAN ANTONIO, TEXAS**

*Incorporated December 14, 1837*

*Charter Adopted October 2, 1951*

*Council - Manager Form of Government*

## **CITY COUNCIL**

**Edward D. Garza, Mayor**

**Roger O. Flores  
Joel Williams  
Ron H. Segovia  
Richard Perez  
Patti Radle**

**Enrique M. Barrera  
Julian Castro  
Art A. Hall  
Carroll W. Schubert  
Christopher Haass**

## **INTERIM CITY MANAGER**

*J. Rolando Bono*

**ASSISTANT CITY MANAGER**

*Christopher J. Brady*

**ASSISTANT CITY MANAGER**

*Melissa Byrne Vossmer*

**ASSISTANT CITY MANAGER**

*Jelynn LeBlanc Burley*

**ASSISTANT CITY MANAGER**

*Frances A. Gonzalez*

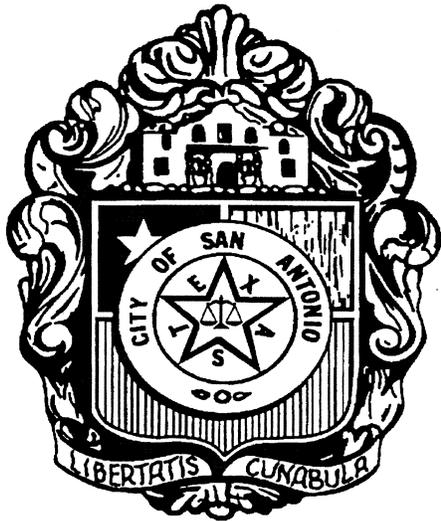
**ASSISTANT TO THE CITY MANAGER**

*Roland A. Lozano*

**ASSISTANT TO THE CITY MANAGER**

*Erik J. Walsh*

**MEMBER OF THE GOVERNMENT FINANCE OFFICERS  
ASSOCIATION OF THE UNITED STATES & CANADA**





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***City of San Antonio  
Texas***

*Financial Section*



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***City of San Antonio  
Texas***

***Independent Auditors' Report***



300 Convent, Suite 1200  
San Antonio, TX 78205



Robert J. Williams  
Certified Public Accountant  
P.O. Box 34058  
San Antonio, TX 78265-4058

LEAL & CARTER, P.C.

CERTIFIED PUBLIC ACCOUNTANTS  
11122 Wurzbach Rd. / Suite 200  
San Antonio, Texas 78230-2573

### Independent Auditors' Report

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

We have jointly audited the accompanying 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, as of and for the year ended September 30, 2004, which collectively comprise the City of San Antonio, Texas' basic financial statements as listed in the accompanying table of contents under "Basic Financial Statements." These financial statements are the responsibility of the City of San Antonio, Texas' management. Our responsibility is to express opinions on these financial statements based on our audit. We did not jointly audit the financial statements of certain discretely presented component units and blended component units included in the governmental and fiduciary funds of the City of San Antonio, Texas, which represent the indicated percent of total assets and total revenues as presented in the table below. Those financial statements were audited by other auditors, including KPMG LLP, Robert J. Williams, CPA, and Leal & Carter, P.C., acting separately, whose reports thereon have been furnished to us, and our opinions, insofar as they relate to the amounts included for those component units, are based solely on the reports of the other auditors.

	<b>Percent not jointly audited</b>	
	<b>Total assets</b>	<b>Total revenue</b>
Government-wide		
Governmental activities	0%	0%
Business-type activities	0%	0%
Discretely presented component units	100%	100%
Fund statements		
Major funds	0%	0%
Aggregate remaining fund information	75%	32%

	<b>Percent audited by KPMG separately</b>		<b>Percent audited by Leal &amp; Carter separately</b>		<b>Percent audited by Robert J. Williams separately</b>	
	<b>Total assets</b>	<b>Total revenue</b>	<b>Total assets</b>	<b>Total revenue</b>	<b>Total assets</b>	<b>Total revenue</b>
Government-wide						
Discretely presented component units	72%	82%	1%	1%	72%	82%
Fund statements						
Aggregate remaining fund information	0%	0%	6%	4%	0%	0%

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of other auditors provide a reasonable basis for our opinions.

In our opinion, based on our audit and the reports of the other auditors, the 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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis on pages 1 through 12, the Budgetary Comparison Schedule on page 119, and Schedules of Funding Progress on page 120 are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We, and the other auditors, have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we, and the other auditors, did not audit this information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of San Antonio, Texas' basic financial statements. The introductory section, the combining financial statements, schedules and other supplementary information, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements. The combining financial statements and schedules and other supplementary information have been subjected to the auditing procedures applied by us and the other auditors in the audit of the basic financial statements and, in our opinion, based on our audit and the reports of other auditors, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

KPMG LLP Robert Williams CPA Seal & Carter, P.C.

April 1, 2005



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***City of San Antonio  
Texas***

***Management's Discussion and Analysis***

***(Required Supplementary Information)***

***(Unaudited)***

## MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2004. This discussion and analysis is 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 of the City exceeded its liabilities by \$2,535,564 (net assets). Of this amount, \$105,630 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$536,728, an increase of \$10,478 compared to the fiscal year 2003 fund balance. The total unreserved fund balance of \$317,992 is available for spending at the government's discretion. Of this amount, \$39,620 designated and \$278,372 is undesignated fund balance.
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$90,410 or 16.9% of the total General Fund expenditures.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as the introduction of the City of San Antonio's basic financial statements which are comprised of 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 assets* is a presentation of the City's assets and liabilities, including capital and infrastructure assets, and long-term liabilities. This statement reports the difference between assets and liabilities as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information regarding increases and decreases to the government's net assets for the fiscal year. Changes in net assets 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). Both 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, environmental protection and control, culture and recreation, convention and tourism, conservation, urban redevelopment and housing, welfare and economic development opportunity. The business-type activities of the City include the airport system, parking system, and environmental services.

In addition, the basic financial statements provide information regarding the City's legally separate discretely presented component units. 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 non-major 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 types: 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 statement, 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 fund and governmental activities.

The City of San Antonio maintains five individual governmental funds for financial reporting purposes. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the debt service fund, both of which are considered to be major funds. Data from the other funds are combined into a single, aggregated presentation. Individual fund data for each non-major 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, parking and environmental services funds. *Internal service funds* are used to accumulate and allocate costs internally among the City's various functions, including, self-insurance programs, other internal services and information technology 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 that are reported alongside the business activities.

Proprietary fund financial statements provide separate and more detailed information for the airport, parking, and environmental services funds. The airport and parking funds are considered major funds of the City while internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements.

*Fiduciary funds.* 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.

*Other information.* In addition to the basic financial statements and the accompanying notes, this report also presents certain required supplementary information on the City's General Fund budget, which is adopted on an annual basis, and schedules of funding progress related to pension and retirement plans. A budgetary comparison statement has been provided for this fund in order to demonstrate budgetary compliance with this budget.

### Government-wide Financial Analysis

GASB Statement No. 34, *Basic Financial Statements- and Management's Discussion and Analysis-for State and Local Governments*, requires that the City provide a comparative analysis of government-wide data. Below is a comparative summary of the governmental activities and business-type activities as required by GASB Statement No. 34:

<b>City of San Antonio, Texas</b>						
<b>Statement of Net Assets</b>						
<b>For the Year Ended September 30, 2004</b>						
<b>(With Comparative Totals for September 30, 2003)</b>						
	<b>Governmental</b>		<b>Business-type</b>		<b>Total</b>	
	<b>Activities</b>		<b>Activities</b>		<b>Primary Government</b>	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 708,633	\$ 731,143	\$ 202,559	\$ 206,703	\$ 911,192	\$ 937,846
Capital Assets	3,047,629	3,001,042	296,394	294,308	3,344,023	3,295,350
Total Assets	<u>3,756,262</u>	<u>3,732,185</u>	<u>498,953</u>	<u>501,011</u>	<u>4,255,215</u>	<u>4,233,196</u>
Current and other liabilities	135,687	146,728	11,900	13,440	147,587	160,168
Long-term liabilities	1,312,631	1,287,466	259,433	266,780	1,572,064	1,554,246
Total Liabilities	<u>1,448,318</u>	<u>1,434,194</u>	<u>271,333</u>	<u>280,220</u>	<u>1,719,651</u>	<u>1,714,414</u>
Net Assets						
Investment in capital assets, net of related debt	2,118,418	2,079,719	197,929	156,567	2,316,347	2,236,286
Restricted	89,867	92,524	23,720	56,489	113,587	149,013
Unrestricted	99,659	125,748	5,971	7,735	105,630	133,483
Total Net Assets	<u>\$ 2,307,944</u>	<u>\$ 2,297,991</u>	<u>\$ 227,620</u>	<u>\$ 220,791</u>	<u>\$ 2,535,564</u>	<u>\$ 2,518,782</u>

For the year ended September 30, 2004, total assets exceeded liabilities by \$2,535,564. The largest portion of the City's net assets, \$2,316,347 (91.4%) represents its investment in capital assets less any related debt used to acquire those assets that is still outstanding, and includes assets such as land, infrastructure, improvements, buildings, machinery and equipment.

Capital assets are used to provide services to the citizens of San Antonio and are not available for further spending. Although the City's investment in capital assets is reported net of related debt, the resources needed to repay the debt must be provided from other sources, as capital assets cannot be used to liquidate these liabilities.

Of the total net assets, \$113,587 (4.5%) represents resources that are subject to external restrictions on how they may be used. The remaining \$105,630 (4.1%) represents unrestricted net assets, which can be used to meet the government's ongoing obligations to citizens and creditors.

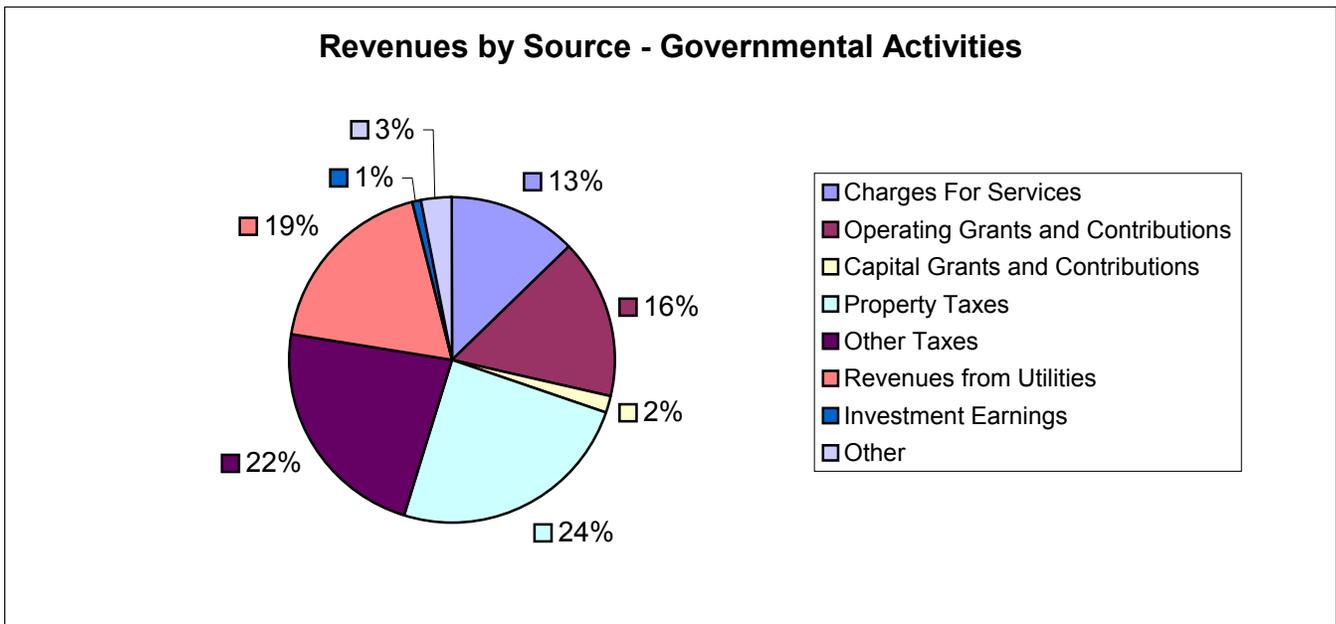
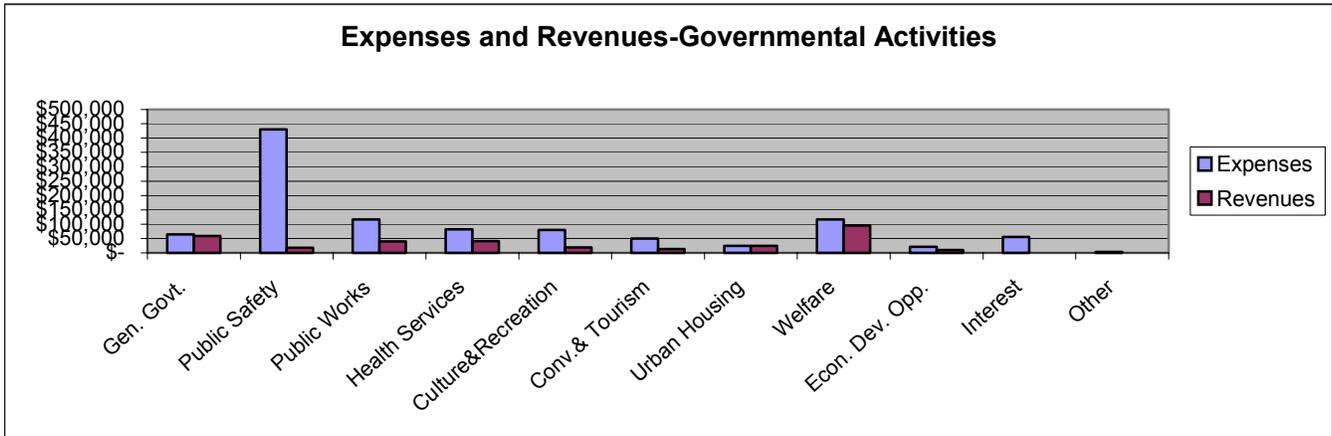
City of San Antonio, Texas  
 Changes in Net Assets  
 For the year ended September 30, 2004  
 (With Comparative Totals for September 30, 2003)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program Revenues:						
Charges for services	\$ 133,709	\$ 136,118	\$ 103,739	\$ 100,998	\$ 237,448	\$ 237,116
Operating grants and contributions	168,120	190,746			168,120	190,746
Capital grants and contributions	16,614	51,189	27	3,865	16,641	55,054
General revenues:						
Property Taxes	257,514	236,947			257,514	236,947
Other Taxes	238,700	232,009			238,700	232,009
Revenues from Utilities	196,793	210,854			196,793	210,854
Investment Earnings	7,189	8,556	2,046	2,557	9,235	11,113
Net Increase (Decrease) in Fair Value of Investments		(20)		(6)		(26)
Miscellaneous	28,542	(1,639)	10,378	9,406	38,920	7,767
Gain (Loss) on Sale of Capital Assets	611	542		39	611	581
Capital Contributions	1,585	1,115			1,585	1,115
Total Revenues	<u>\$ 1,049,377</u>	<u>\$ 1,066,417</u>	<u>\$ 116,190</u>	<u>\$ 116,859</u>	<u>\$ 1,165,567</u>	<u>\$ 1,183,276</u>
Expenses:						
Primary Government:						
Governmental Activities:						
General Government	63,610	67,034			63,610	67,034
Public Safety	428,607	378,316			428,607	378,316
Public Works	116,629	128,374			116,629	128,374
Sanitation	2,787	7,102			2,787	7,102
Health Services	82,233	84,239			82,233	84,239
Environmental Protection and Control	36	298			36	298
Culture and Recreation	80,051	77,434			80,051	77,434
Convention and Tourism	50,100	51,141			50,100	51,141
Urban Redevelopment and Housing	23,981	28,653			23,981	28,653
Welfare	116,701	133,455			116,701	133,455
Economic Development Opportunity	21,277	19,847			21,277	19,847
Commercial Paper Fees		84				84
Interest on Long-term Debt	55,855	54,490			55,855	54,490
Business-type Activities:						
Airport			49,427	45,164	49,427	45,164
Parking Facilities			6,264	7,523	6,264	7,523
Environmental Services			51,227	48,252	51,227	48,252
Total Expenses	<u>1,041,867</u>	<u>1,030,467</u>	<u>106,918</u>	<u>100,939</u>	<u>1,148,785</u>	<u>1,131,406</u>
Increase in Net Assets before transfers	7,510	35,950	9,272	15,920	16,782	51,870
Transfers	2,443	5,488	(2,443)	(5,488)		
Net Increase in Net Assets	9,953	41,438	6,829	10,432	16,782	51,870
Beginning Net Assets	2,297,991	2,256,553	220,791	210,359	2,518,782	2,466,912
Ending Net Assets	<u>\$ 2,307,944</u>	<u>\$ 2,297,991</u>	<u>\$ 227,620</u>	<u>\$ 220,791</u>	<u>\$ 2,535,564</u>	<u>\$ 2,518,782</u>

Governmental Activities

The City's total revenues were \$1,165,567 for fiscal year ended September 30, 2004. Revenues from governmental activities totaled \$1,049,377 and revenues from business-type activities totaled \$116,190. General revenues represented 63.8% of the City's total revenue, while program revenues provided 36.2% of revenue received in fiscal year 2004.

Expenses for the City totaled \$1,148,785. Governmental activity expenses totaled \$1,041,867, or 90.7% of total expenses.

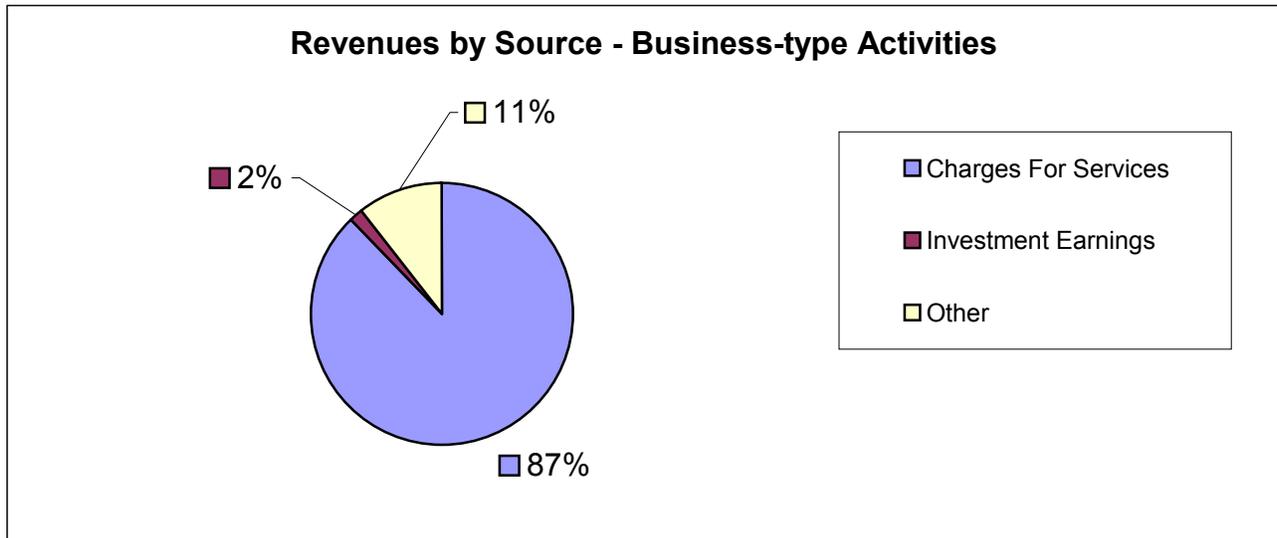
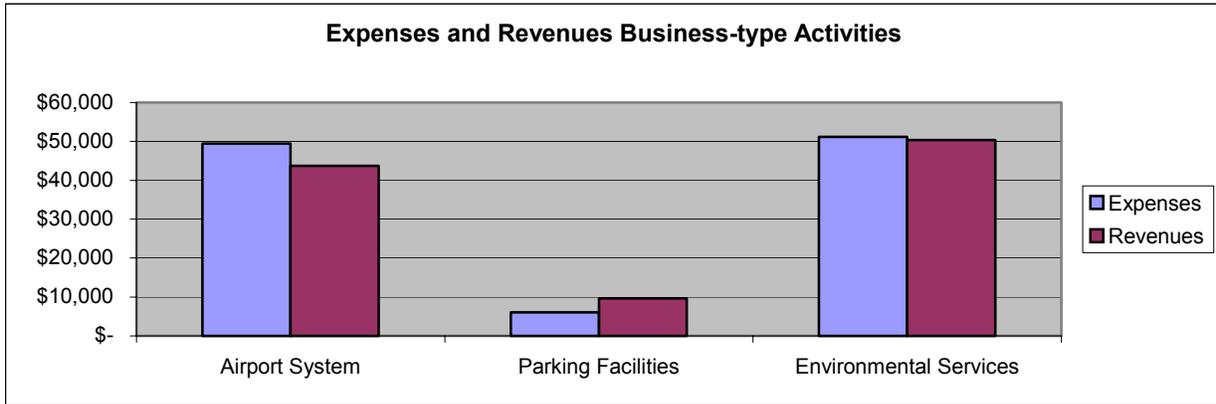


Revenues exceeded expenses by \$16,782. General revenues increased over fiscal year 2003 by \$42,488, which was partially attributed to an increase in Property Taxes by \$20,567 and an increase in Miscellaneous Revenues by \$31,153. The City collected more in Property Taxes in fiscal year 2004 because the overall estimated appraised value of properties increased over the prior year, thereby increasing revenues.

Expenses increased slightly over prior year amounts. Public Safety spending increased by 13.3%, which was due to an increase in salaries and depreciation expense for the City's radio system tower and equipment, most of which was placed into service during fiscal year 2004. Welfare expenses decreased by 14.4% as a result of increased expenses from the prior year for the Child Care Delivery System federal grant received in fiscal year 2003, but not in 2004. Public Works expenses also decreased by 10.1%, which was mostly attributable to a decrease of project related expenses in the Categorical Grant-In Aid fund from fiscal year 2003.

Business-type Activities/Proprietary Funds

Program revenues for the City’s business-type activities totaled \$103,766, which is \$1,097 lower than the previous fiscal year. Expenses for business-type activities were \$106,918 compared to prior years expenses of \$100,939. The current year’s increase in expenses is attributed to increased expenses incurred in the Airport and Environmental Services funds over the prior year. The remaining revenue was a result of interest and other miscellaneous items.



**Financial Analysis of Governmental Funds**

Activities of the Primary Government’s General Fund, Special Revenue Funds, and Debt Service Funds are considered general government functions. The General Fund is the City’s general operating fund. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted as to expenditure. The Debt Service Funds are used to account for financial activity related to the City’s general bonded indebtedness, as well as other long-term obligations.

Revenues from taxes increased by \$27,258 which was primarily attributable to: (1) a \$13,173 or 8.8% increase in property tax revenue in the General Fund, (2) an \$9,856 or 6.9% increase in sales tax revenue in the General Fund, and (3) a \$5,345 or 5.2% increase in property tax revenue for the Debt Service Fund as a result of increased property valuation, new construction, and annexation. Revenues for the utilities category, which is represented in the City’s General Fund decreased by \$14,061 or 6.7%. This is primarily attributed to a decrease of \$14,510 in the City’s payment from CPS which is based on CPS’ gross revenues. CPS revenues are impacted by a number of variables such as fuel costs, weather, types of electric generation used as well as other factors.

The total fund balance of the General Fund at year-end was \$98,510, an increase of \$16,868 from the total fund balance of \$81,642 for the close of fiscal year 2003. The total unreserved general fund balance for fiscal year 2004 is \$90,410, which represents \$29,175 in designated and \$61,235 in undesignated fund balance. The undesignated fund balance, which represents amounts available for additional appropriations, in the General Fund at the close of the fiscal year increased by \$19,751 from the previous year.

The total fund balance of the Debt Service Fund at year-end was \$83,723; a decrease of \$4,165 from the total fund balance for the close of fiscal year 2003. The entire fund balance is reserved for payment of debt service.

**General Fund Budgetary Highlights**

<b>Significant Variances in Budget Appropriations General Fund</b>			
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Results</u>
General Government	\$ 57,504	\$ 77,710	\$ 54,215
Public Safety	365,593	378,062	376,925
Public Works	14,041	10,638	10,657
Health Services	15,811	12,911	13,410
Sanitation	2,537	2,536	2,380
Welfare	17,366	16,989	16,481
Culture and Recreation	62,676	62,463	57,919
Economic Development and Opportunity	19,126	22,864	8,043
Transfers to other funds	72,786	76,111	76,441
Total	<u>\$ 627,440</u>	<u>\$ 660,284</u>	<u>\$ 616,471</u>

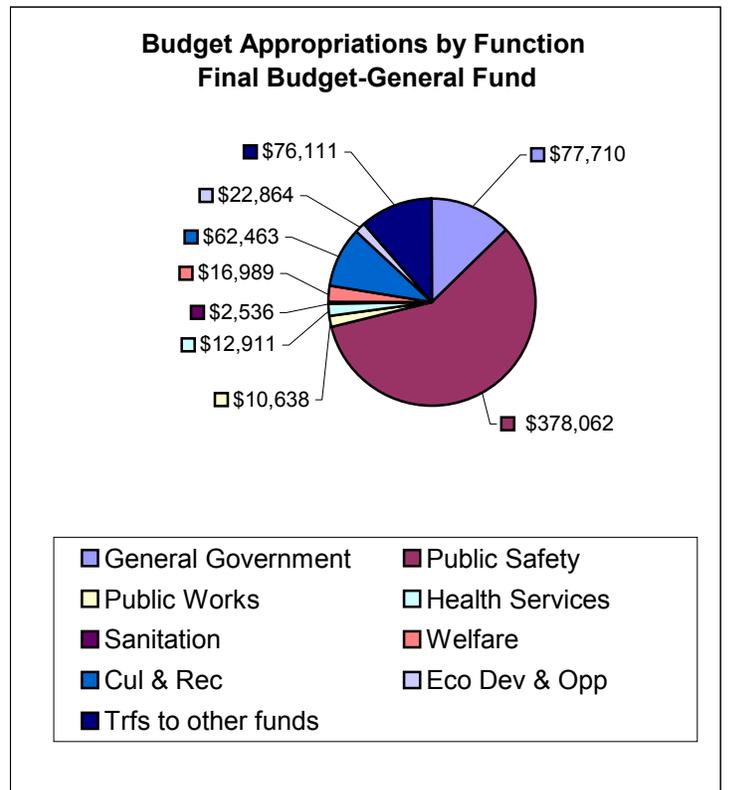
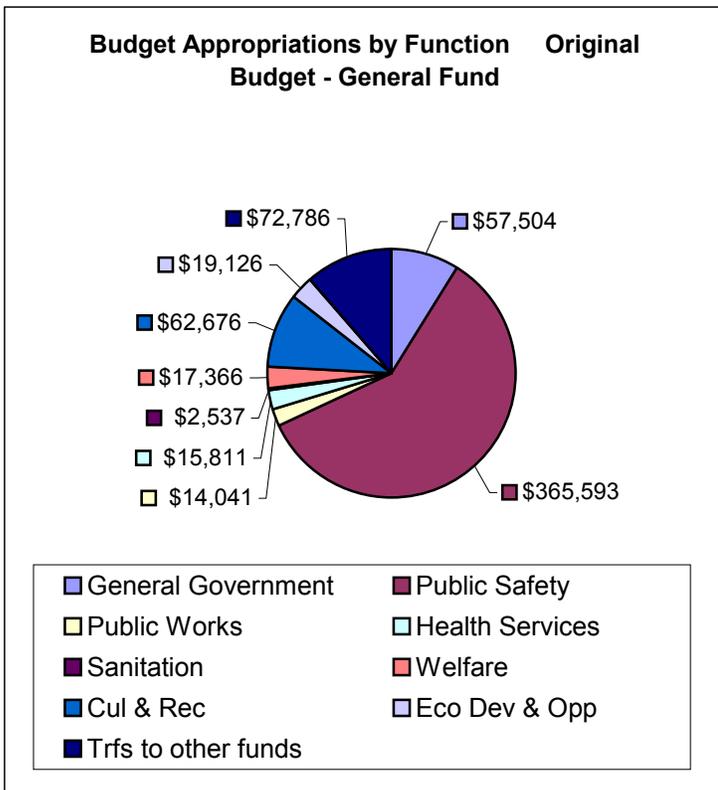
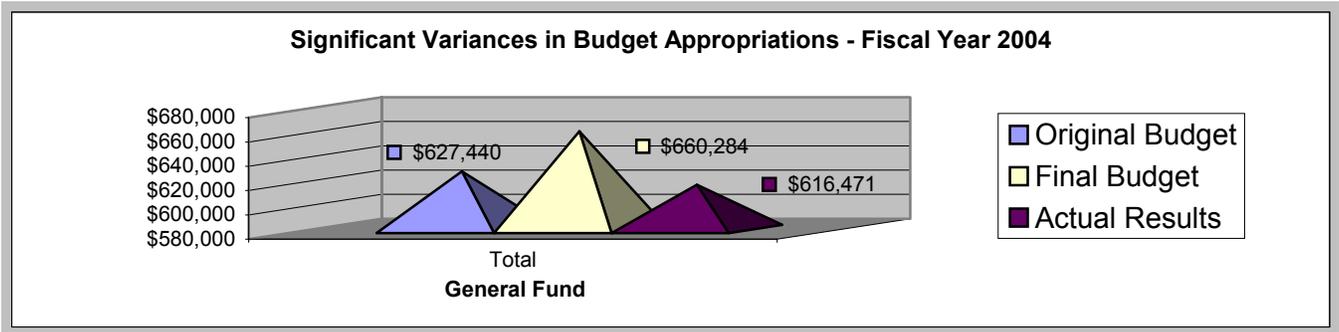
Changes in original budget appropriations to the final amended budget appropriations were a \$32,844 increase in appropriations. This increase can be summarized by the following discussion.

General Government had a \$20,206 increase composed of \$5,928 of budget carry forwards and a \$14,278 budget increase. Of the \$12,469 increase in Public Safety, \$1,076 was due to budget carry forwards and an \$11,393 budget increase. Public Works had a \$3,403 decrease composed of an increase of \$106 in budget carry forwards and a \$3,509 budget decrease. Health Services had a \$2,900 budget decrease, which consisted of \$125 of budget carry forwards and \$3,025 of budget decreases. Sanitation had a \$1 budget decrease. All of the \$377 decrease in Welfare was due to a budget decrease. Culture and Recreation's \$213 decrease was due to a \$1,098 increase for budget carry forwards and \$1,311 as a decrease in budget. The \$3,738 increase in Economic Development and Opportunity was due to a \$169 increase in budget carry forwards and a \$3,569 budget increase. The \$3,325 increase in transfers was due to amounts funded from various government functions.

Final budgeted appropriations for the General Fund were \$660,284 while actual expenditures were \$616,471, creating a positive variance of \$43,813. Significant variances are as follows:

- General Government had a \$23,495 positive variance, which was composed of \$13,278 of budgeted salaries, \$1,235 of anticipated improvements, \$601 of improvements to computers to include software licenses, \$210 for training and incentives, \$6,533 in various contractual services, and \$1,281 in unrealized expenditures for commodities such as supplies and repair and maintenance, and \$357 in unrealized capital expenditures.
- Culture and Recreation had a positive variance of \$4,544, which was due to \$2,447 of budgeted salaries, \$1,603 in contractual services, \$449 in expenditures for commodities, and \$45 in capital expenditures
- Economic Development and Opportunity had a \$14,821 positive variance, which was mostly attributable to \$12,000 in anticipated expenditures for infrastructure improvements to be made at Brooks City-Base. Other savings include \$2,741 in contractual services and \$80 in unrealized capital expenditures.

The following charts provide a comparison of the City's budget appropriations.

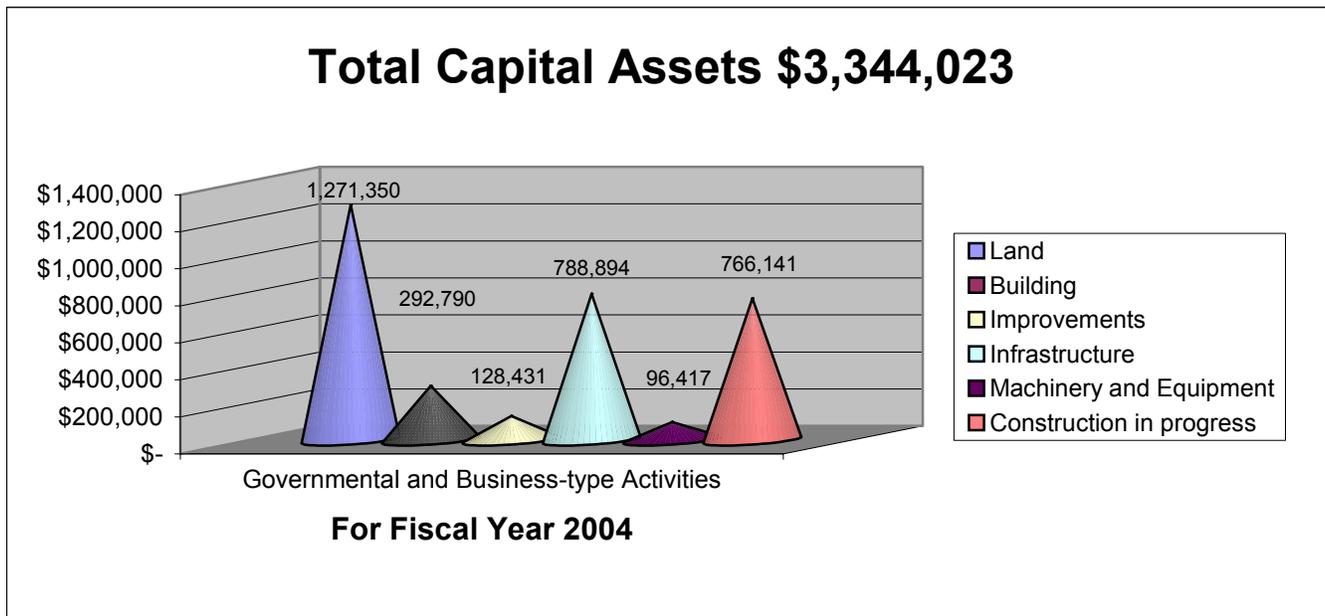


### Capital Assets

The City of San Antonio’s investment in capital assets for its governmental and business-type activities as of September 30, 2004, amounts to \$3,344,023 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, infrastructure, and machinery and equipment. The total increase in the City’s investment in capital assets for the current fiscal year was 1.5%, which is comprised of a 1.6% increase for governmental activities and a 0.7% increase for business-type activities.

	Governmental Activities		Business-type Activities		Total Primary Government	
	2004	2003	2004	2003	2004	2003
	Land	\$ 1,259,362	\$ 1,238,908	\$ 11,988	\$ 11,988	\$ 1,271,350
Buildings	220,650	239,019	72,140	75,380	292,790	314,399
Improvements	40,379	34,974	88,052	92,682	128,431	127,656
Infrastructure	788,894	805,327			788,894	805,327
Machinery and Equipment	92,823	96,856	3,594	4,690	96,417	101,546
Construction in Progress	645,521	585,958	120,620	109,568	766,141	695,526
Totals	<u>\$ 3,047,629</u>	<u>\$ 3,001,042</u>	<u>\$ 296,394</u>	<u>\$ 294,308</u>	<u>\$ 3,344,023</u>	<u>\$ 3,295,350</u>

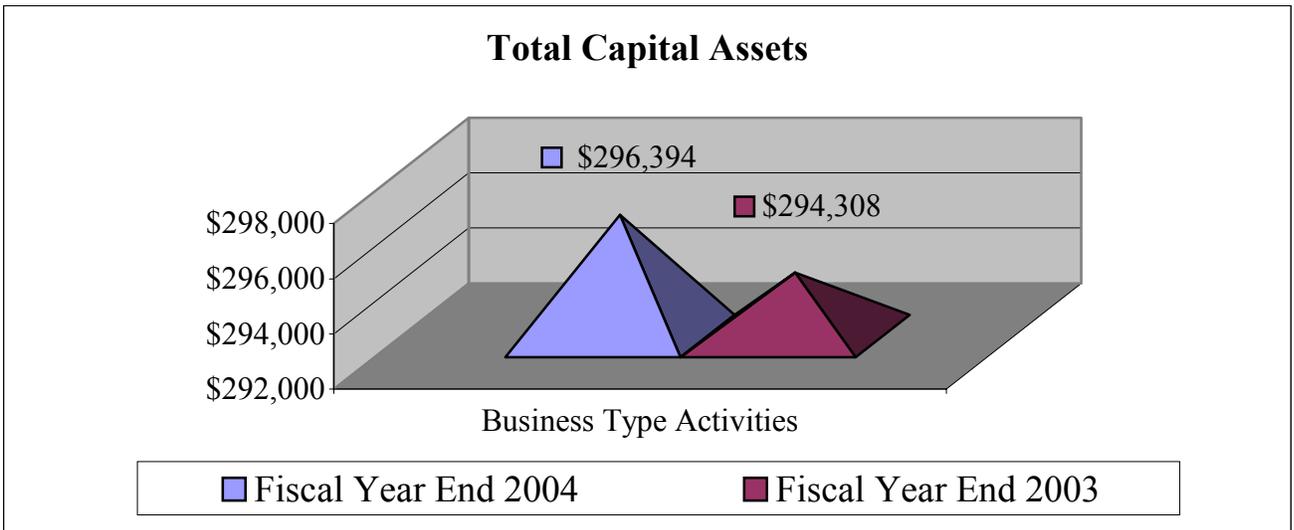
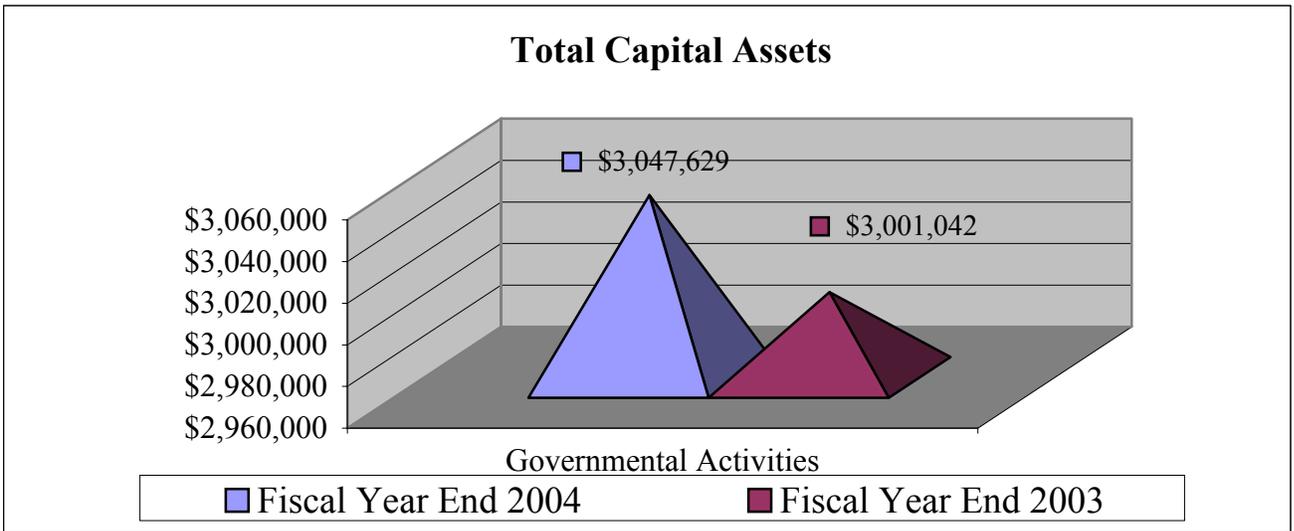
The following schedule provides a summary of the City’s capital assets:



**Change in Capital Assets  
September 30, 2004**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Beginning Balance	\$ 3,001,042	\$ 294,308	\$ 3,295,350
Additions	154,271	11,476	165,747
Deletions	(13,460)	(933)	(14,393)
Accumulated Depreciation	(94,224)	(8,457)	(102,681)
<b>Total</b>	<u><u>\$ 3,047,629</u></u>	<u><u>\$ 296,394</u></u>	<u><u>\$ 3,344,023</u></u>

The following charts provide a summary of the changes in capital assets:



Additional information on the City's capital assets can be found in Note 4 of the notes to the financial statements.

## Debt Administration

### Long-term Debt

At the end of the current fiscal year, the City of San Antonio had a total of \$1,394,988 in bonds, certificates, revenue bonds and commercial paper outstanding, an increase of 1.3% over last year. Additional information on the City of San Antonio's long-term debt, including descriptions of the new issues, can be found in Note 6 in the Notes to the Financial Statements.

### City of San Antonio's Outstanding Debt September 30, 2004 and 2003

	<u>Governmental Activities</u>	
	<u>2004</u>	<u>2003</u>
Bonds Payable:		
General Obligation Bonds	\$ 655,141	\$ 666,983
Tax-Exempt Commercial Paper		10,500
Tax-Exempt Certificate of Obligation	214,470	196,280
Taxable Certificates of Obligation	4,580	5,165
Revenue Bonds	<u>264,697</u>	<u>234,918</u>
Total	<u>\$ 1,138,888</u>	<u>\$ 1,113,846</u>
	<u>Business-type Activities</u>	
	<u>2004</u>	<u>2003</u>
Bonds Payable:		
General Obligation Bonds	\$ 13,245	\$ 12,475
Tax-Exempt Certificate of Obligation		135
Revenue Bonds	<u>242,855</u>	<u>250,265</u>
Total	<u>\$ 256,100</u>	<u>\$ 262,875</u>

On September 30, 2003, outstanding bonds, certificates and commercial paper debt totaled \$1.377 billion. In April 2004, the City issued additional indebtedness for a total of \$63.1 million. The \$63 million was comprised of \$33,570 in general obligation bonds and \$29,525 in tax-exempt certificates of obligation. The general obligation bonds and certificates of obligation are to be utilized to fund capital improvement projects to include streets and pedestrian improvements, drainage improvements, library system improvements, parks and recreation improvements and public health and safety. Additionally, in April 2004, the City issued \$13.2 million in taxable general obligation refunding bonds, together with a cash contribution from the City, which were used to refund \$11.7 million of the City's outstanding tax supported debt, which was used to finance or refinance certain parking facilities owned and operated by the City. Hotel Occupancy Tax Subordinate Lien Revenue Refunding bonds were issued in June 2004, for the amount of \$10.4 million, for the purpose of refunding certain of its outstanding Prior Lien Bonds. Another \$111.4 million in Hotel Occupancy Tax Subordinate Lien Revenue and Refunding bonds were issued in June 2004, which was used, together with a cash contribution from the city, for the purpose of construction of permanent improvements relating to the expansion of the Convention Center, and refunding \$82.2 million of Prior Lien Bonds.

Standard & Poor's, Moody's and Fitch's underlying rating for City obligations are as follows:

	<u>Standard &amp; Poor's</u>	<u>Moody's</u>	<u>Fitch</u>
General Obligation/ Certificates of Obligation	AA+	Aa2	AA+
Airport	A+	A1	A+
Airport PFC	A-	A2	A+
Convention Center - Prior Lien	A+	A1	A+
Convention Center - Subordinate Lien	A+	A2	A
Parking	A+	A2	A+
Drainage	AA-	A1	A+

The Constitution of the State of Texas and the City Charter limit the amount of debt the City may incur. The City Charter establishes a limitation on the general obligation debt supported by ad valorem taxes to an amount not to exceed 10% of the total assessed valuation. The total assessed valuation for the fiscal year ending 2004 was \$49,723,286, which provides a debt ceiling of \$4,972,329.

#### **Requests for Information**

This financial report is designed to provide a general overview of the City's position for all 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.

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***City of San Antonio  
Texas***

***Basic Financial Statements***

## CITY OF SAN ANTONIO, TEXAS

**STATEMENT OF NET ASSETS**  
**AS OF SEPTEMBER 30, 2004**

(In Thousands)

	PRIMARY GOVERNMENT			COMPONENT UNITS
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
<u>Assets</u>				
Cash and Cash Equivalents	\$ 110,424	\$ 1,059	\$ 111,483	\$ 74,287
Investments	422,178	16,481	438,659	262,991
Receivables (net)	121,452	6,102	127,554	235,559
Due from Fiduciary Funds	52		52	
Due from Other Governmental Agencies	37,443		37,443	2,589
Internal Balances	7,146	(7,146)		
Inventories of Materials and Supplies, at Cost	5,122	546	5,668	116,484
Prepaid Expenses	131	18	149	39,229
Deposits	418		418	
Restricted Assets:				
Cash and Cash Equivalents		10,548	10,548	58,157
Investments		170,403	170,403	1,251,100
Receivables - Accrued Interest		341	341	9,061
Capital Assets:				
Non-depreciable	1,904,883	132,608	2,037,491	855,860
Depreciable, net	1,142,746	163,786	1,306,532	5,966,407
Assets Held for Resale				8,147
Prepaid Rent Long Term - Leaseback				535,972
Unamortized Debt Expense	4,267	4,207	8,474	34,926
Total Assets	<u>3,756,262</u>	<u>498,953</u>	<u>4,255,215</u>	<u>9,450,769</u>
<u>Liabilities</u>				
Accounts Payable and Other Current Liabilities	101,868	8,081	109,949	207,349
Deferred Revenues	17,998	868	18,866	2,492
Accrued Interest	8,067	3	8,070	
Accrued Bond and Certificate Interest		2,948	2,948	6,311
Due to Other Governmental Agencies	7,754		7,754	1,107
Noncurrent Liabilities:				
Due within one year	102,305	15,096	117,401	150,974
Due in more than one year	1,210,326	244,337	1,454,663	5,068,381
Total Liabilities	<u>1,448,318</u>	<u>271,333</u>	<u>1,719,651</u>	<u>5,436,614</u>
<u>Net Assets</u>				
Invested in Capital Assets, net of related debt	2,118,418	197,929	2,316,347	2,790,336
Restricted for:				
Debt Service	87,311	23,720	111,031	9,968
Equipment Renewal and Replacement Improvement and Contingency Conservation	12		12	620,191
Perpetual Care:				158,683
Expendable	943		943	
Nonexpendable	1,601		1,601	
Unrestricted	99,659	5,971	105,630	434,977
Total Net Assets	<u>\$ 2,307,944</u>	<u>\$ 227,620</u>	<u>\$ 2,535,564</u>	<u>\$ 4,014,155</u>

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

CITY OF SAN ANTONIO, TEXAS

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**  
(In Thousands)

FUNCTION/PROGRAM ACTIVITIES	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
Primary Government:				
Governmental Activities:				
General Government	\$ 63,610	\$ 57,203	\$ 1,480	\$ 0
Public Safety	428,607	7,172	8,347	1,893
Public Works	116,629	28,271	3,545	7,610
Sanitation	2,787		25	
Health Services	82,233	17,924	22,915	290
Environmental Protection and Control	36			
Culture and Recreation	80,051	9,411	2,976	6,140
Convention and Tourism	50,100	13,268		
Urban Redevelopment and Housing	23,981	217	23,343	460
Welfare	116,701		95,471	221
Economic Development Opportunity	21,277	243	10,018	
Interest on Long-term Debt	55,855			
Total governmental activities	<u>1,041,867</u>	<u>133,709</u>	<u>168,120</u>	<u>16,614</u>
Business-type Activities				
Airport System	49,427	43,701		27
Parking Facilities	6,264	9,647		
Environmental Services	51,227	50,391		
Total business-type activities	<u>106,918</u>	<u>103,739</u>		<u>27</u>
Total primary government	<u>\$ 1,148,785</u>	<u>\$ 237,448</u>	<u>\$ 168,120</u>	<u>\$ 16,641</u>
Component units:				
San Antonio Water System	256,440	241,085	0	66,291
City Public Service	1,542,449	1,503,814		47,191
Other Component Units	50,767	12,112		34,836
Total component units	<u>\$ 1,849,656</u>	<u>\$ 1,757,011</u>	<u>\$ 0</u>	<u>\$ 148,318</u>

General Revenues:

- Taxes:
  - Property Taxes
  - General Sales and Use Taxes
  - Selective Sales and Use Taxes
  - Gross Receipts Business Taxes
  - Occupancy Taxes
  - Penalties and Interest on Delinquent Taxes
- Revenues from Utilities
- Investment Earnings
- Miscellaneous
- Gain (Loss) on Sale of Capital Assets
- Capital Contributions
- Transfers (net)
  - Total General Revenues, Special Items, and Transfers
- Change in Net Assets
  - Net Assets - Beginning
  - Prior Period Adjustment
  - Net Assets - Ending

CITY OF SAN ANTONIO, TEXAS

**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**  
(In Thousands)

NET (EXPENSE) REVENUE AND CHANGES IN NET ASSETS			
PRIMARY GOVERNMENT			
GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	COMPONENT UNITS
\$ (5,368)	\$ 0	\$ (5,368)	
(411,195)		(411,195)	
(77,203)		(77,203)	
(2,762)		(2,762)	
(41,104)		(41,104)	
(36)		(36)	
(61,083)		(61,083)	
(36,832)		(36,832)	
39		39	
(21,009)		(21,009)	
(11,016)		(11,016)	
(55,855)		(55,855)	
<u>(723,424)</u>		<u>(723,424)</u>	
	(5,699)	(5,699)	
	3,383	3,383	
	(836)	(836)	
	<u>(3,152)</u>	<u>(3,152)</u>	
<u>(723,424)</u>	<u>(3,152)</u>	<u>(726,576)</u>	
			\$ 50,936
			8,556
			<u>(3,819)</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>55,673</u>
257,514	0	257,514	0
162,383		162,383	
4,189		4,189	
22,787		22,787	
46,343		46,343	
2,998		2,998	
196,793		196,793	
7,189	2,046	9,235	73,065
28,542	10,378	38,920	6,765
611		611	(6,056)
1,585		1,585	
2,443	(2,443)		
<u>733,377</u>	<u>9,981</u>	<u>743,358</u>	<u>73,774</u>
9,953	6,829	16,782	129,447
2,297,991	220,791	2,518,782	3,882,497
			2,211
<u>\$ 2,307,944</u>	<u>\$ 227,620</u>	<u>\$ 2,535,564</u>	<u>\$ 4,014,155</u>

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

## CITY OF SAN ANTONIO, TEXAS

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**AS OF SEPTEMBER 30, 2004**  
(In Thousands)

	MAJOR FUNDS			TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE	NONMAJOR GOVERNMENTAL FUNDS	
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,242	\$ 21,662	\$ 81,954	\$ 104,858
Investments	23,303	59,903	302,269	385,475
Receivables	88,159	9,860	90,137	188,156
Allowance for Uncollectibles	(17,636)	(544)	(50,582)	(68,762)
Prepaid Expenditures	50		78	128
Due from Other Funds	39,888	1,054	3,991	44,933
Due from Other Governmental Agencies	336		36,926	37,262
Allowance for Uncollectibles			(331)	(331)
Inventories of Materials and Supplies, at Cost	2,395		1,115	3,510
Deposits			261	261
<u>Total Assets</u>	<u>\$ 137,737</u>	<u>\$ 91,935</u>	<u>\$ 465,818</u>	<u>\$ 695,490</u>
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Vouchers Payable	\$ 0	\$ 0	\$ 66	\$ 66
Accounts Payable - Other	5,355		32,403	37,758
Accrued Payroll	7,196		2,444	9,640
Accrued Leave Payable	4,607		1,166	5,773
Deferred Revenues	18,482	8,212	25,202	51,896
Due To:				
Other Funds	3,587		42,999	46,586
Other Governmental Agencies			7,043	7,043
<u>Total Liabilities</u>	<u>39,227</u>	<u>8,212</u>	<u>111,323</u>	<u>158,762</u>
Fund Balances:				
Reserved:				
Reserved for Encumbrances	5,655		125,719	131,374
Reserved for Inventories	2,395		1,116	3,511
Reserved for Prepaid Expenditures	50		78	128
Reserved for Debt Service		83,723		83,723
Unreserved:				
Designated	29,175			29,175
Designated: Special Revenue Funds			7,844	7,844
Designated: Permanent Funds			2,601	2,601
Undesignated	61,235			61,235
Undesignated: Special Revenue Funds			61,749	61,749
Undesignated: Capital Projects Funds			145,090	145,090
Undesignated: Permanent Funds			10,298	10,298
<u>Total Fund Balances</u>	<u>98,510</u>	<u>83,723</u>	<u>354,495</u>	<u>536,728</u>
<u>Total Liabilities and Fund Balances</u>	<u>\$ 137,737</u>	<u>\$ 91,935</u>	<u>\$ 465,818</u>	<u>\$ 695,490</u>

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

———— CITY OF SAN ANTONIO, TEXAS ————

**RECONCILIATION OF THE BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**GOVERNMENTAL ACTIVITIES**  
**AS OF SEPTEMBER 30, 2004**  
(In Thousands)

Fund Balances - Total Governmental Funds		\$	536,728
<p>Amounts reported for governmental activities in the Statement of Net Assets are different because:</p>			
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.</p>			
Governmental capital assets			
Land and Land Improvements	1,259,362		
Construction In Progress	645,521		
Buildings	387,648		
Improvements	77,538		
Infrastructure Assets	1,979,118		
Machinery and Equipment	88,714		
Less: Accumulated Depreciation	<u>(1,430,525)</u>		
Total Capital Assets			3,007,376
<p>Some of the City's revenues will be collected after year-end but are not available soon enough to pay for the current period's expenditures and therefore are not reported in the governmental funds.</p>			
			35,154
<p>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 reported with governmental activities in the Statement of Net Assets.</p>			
			37,575
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.</p>			
Governmental bonds payable	(1,158,521)		
Premium on bonds	(40,343)		
Deferred Amount on Refunding	15,863		
Leases Payable	(6,545)		
Unamortized Debt Expense	4,267		
Accrued Interest	(8,067)		
Arbitrage Rebate	(968)		
Compensated Absences	<u>(114,575)</u>		
			<u>(1,308,889)</u>
Net assets of governmental activities		\$	<u>2,307,944</u>

## CITY OF SAN ANTONIO, TEXAS

**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**  
(In Thousands)

	MAJOR FUNDS		NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
	GENERAL	DEBT SERVICE		
<u>Revenues</u>				
Taxes:				
Property Taxes	\$ 162,629	\$ 94,056	\$ 1,346	\$ 258,031
General Sales and Use Taxes	148,492		13,891	162,383
Selective Sales and Use Taxes	4,189			4,189
Gross Receipts Business Taxes	26,550			26,550
Occupancy Taxes			46,343	46,343
Penalties and Interest on Delinquent Taxes	1,848	1,080	70	2,998
Licenses and Permits	17,026			17,026
Intergovernmental	2,696		179,021	181,717
Revenues from Utilities	196,405			196,405
Charges for Services	30,029		63,780	93,809
Fines and Forfeits	11,713			11,713
Miscellaneous	9,644		24,682	34,326
Interest	1,115	1,967	3,814	6,896
In-Kind Contributions			10,407	10,407
Total Revenues	<u>612,336</u>	<u>97,103</u>	<u>343,354</u>	<u>1,052,793</u>
<u>Expenditures</u>				
Current:				
General Government	53,456		6,145	59,601
Public Safety	375,316		16,634	391,950
Public Works	10,657		54,548	65,205
Health Services	13,384		66,459	79,843
Environmental Protection and Control			30	30
Sanitation	2,380			2,380
Welfare	15,921		99,693	115,614
Culture and Recreation	57,073		17,270	74,343
Convention and Tourism			48,188	48,188
Urban Redevelopment and Housing			23,904	23,904
Economic Development and Opportunity	7,688		12,546	20,234
Capital Projects			130,981	130,981
Debt Service:				
Principal Retirement		72,410		72,410
Interest		52,558		52,558
Issuance Costs		2,061		2,061
Total Expenditures	<u>535,875</u>	<u>127,029</u>	<u>476,398</u>	<u>1,139,302</u>
<u>Excess (Deficiency) of Revenues</u>				
Over (Under) Expenditures	<u>76,461</u>	<u>(29,926)</u>	<u>(133,044)</u>	<u>(86,509)</u>
<u>Other Financing Sources (Uses)</u>				
Long-Term Debt Issued		97,770	88,821	186,591
Payments to Refunded Bond Escrow Agent		(99,526)		(99,526)
Premium on Long-term Debt		4,879	4,609	9,488
Transfers In	15,348	22,638	143,571	181,557
Transfers Out	(74,941)		(106,182)	(181,123)
Total Other Financing Sources (Uses)	<u>(59,593)</u>	<u>25,761</u>	<u>130,819</u>	<u>96,987</u>
Net Change in Fund Balances	16,868	(4,165)	(2,225)	10,478
Fund Balances, October 1	<u>81,642</u>	<u>87,888</u>	<u>356,720</u>	<u>526,250</u>
Fund Balances, September 30	<u>\$ 98,510</u>	<u>\$ 83,723</u>	<u>\$ 354,495</u>	<u>\$ 536,728</u>

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

—— CITY OF SAN ANTONIO, TEXAS ——

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

(In Thousands)

Net change in Fund Balances - Total Governmental Funds \$ 10,478

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 depreciated over their estimated useful lives and reported as  
depreciation expense. This is the amount by which capital outlays exceed  
depreciation in the current period.

Expenditures for capital assets	139,866	
Less current year deletions	(1,757)	
Less current year depreciation	(88,738)	
		49,371

Revenues in the Statement of Activities that do not provide  
current financial resources are not reported as revenues  
in the funds.

(6,078)

Bond proceeds provide current financial resources to  
governmental funds, but issuing debt increases long-term  
liabilities in the Statement of Net Assets. Repayment of bond  
principal is an expenditure in the governmental funds, but the  
repayment reduces long-term liabilities in the Statement of Net  
Assets. This is the amount by which proceeds exceeded  
repayments.

Bond and loan amounts	(196,079)	
Bond costs	2,055	
Payments to Escrow Agent	99,526	
Amortization of Bond Premiums and Deferred Charges (net)	(1,167)	
Principal payments	72,410	
		(23,255)

Some 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.

(1,564)

Internal service funds are used by management to charge the  
cost of certain activities to individual funds.

The net (expense) of the internal service funds is  
reported with governmental activities.

(18,999)

Change in net assets of governmental activities

\$ 9,953

## — CITY OF SAN ANTONIO, TEXAS —

**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**AS OF SEPTEMBER 30, 2004**  
(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	PARKING FACILITIES	NONMAJOR ENTERPRISE FUND- ENVIRONMENTAL SERVICES	TOTAL	INTERNAL SERVICE FUNDS
<b>ASSETS</b>					
Current Assets:					
Cash and Cash Equivalents	\$ 335	\$ 126	\$ 598	\$ 1,059	\$ 5,566
Investments	10,554	2,919	3,008	16,481	36,703
Receivables:					
Other Accounts	1,642	59	2	1,703	2,388
Less: Allowance for Uncollectibles	(437)	(57)		(494)	(1,566)
Accrued Interest	27	7	9	43	116
Accrued Revenue	756		4,094	4,850	555
Due From Other Funds	668			668	23,848
Due From Other Governmental Agencies					678
Less: Allowance for Uncollectibles					(166)
Inventories	335	199	12	546	1,612
Prepaid Expenses	18			18	3
Deposits					157
Total Current Assets	<u>13,898</u>	<u>3,253</u>	<u>7,723</u>	<u>24,874</u>	<u>69,894</u>
Noncurrent Assets:					
Restricted Assets:					
Debt Service Accounts:					
Cash and Cash Equivalents	6,687	1,668		8,355	
Investments	17,430	855		18,285	
Receivables-Accrued Interest	30	3		33	
Due From Other Funds	67			67	
Construction Accounts:					
Cash and Cash Equivalents	40	365	62	467	
Investments	102,015	8,067	343	110,425	
Receivables-Accrued Interest	214	22	1	237	
Due From Other Funds	761			761	
Improvement and Contingency Accounts:					
Cash and Cash Equivalents	1,203	310	81	1,594	
Investments	39,211	1,413	406	41,030	
Receivables-Accrued Interest	65	3	1	69	
Other Restricted Accounts:					
Cash and Cash Equivalents	132			132	
Investments	663			663	
Receivables-Accrued Interest	2			2	
Due From Other Funds	2			2	
Total Restricted Assets	<u>168,522</u>	<u>12,706</u>	<u>894</u>	<u>182,122</u>	
Capital Assets:					
Land	2,970	8,125	893	11,988	
Buildings	115,656	18,985	46	134,687	178
Improvements Other Than Buildings	156,110	1,283	3,025	160,418	194
Machinery and Equipment	10,299	571	3,743	14,613	109,387
Construction in Progress	107,750	12,434	436	120,620	
Total Capital Assets	392,785	41,398	8,143	442,326	109,759
Less: Accumulated Depreciation	133,194	9,455	3,283	145,932	69,506
Net Capital Assets	<u>259,591</u>	<u>31,943</u>	<u>4,860</u>	<u>296,394</u>	<u>40,253</u>
Unamortized Debt Expense	3,342	865		4,207	
Total Assets	<u>\$ 445,353</u>	<u>\$ 48,767</u>	<u>\$ 13,477</u>	<u>\$ 507,597</u>	<u>\$ 110,147</u>

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

## — CITY OF SAN ANTONIO, TEXAS —

**STATEMENT OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**AS OF SEPTEMBER 30, 2004**  
(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	PARKING FACILITIES	NONMAJOR ENTERPRISE FUND- ENVIRONMENTAL SERVICES	TOTAL	INTERNAL SERVICE FUNDS
<b>LIABILITIES</b>					
Current Liabilities:					
Vouchers Payable	\$	\$	\$	\$ -	\$
Accounts Payable-Other	4,213	75	2,749	7,037	53,581
Accrued Payroll	421	80	543	1,044	821
Accrued Leave Payable	174	18	137	329	649
Deferred Revenues	868			868	693
Accrued Interest			3	3	
Due to Other Funds	73	2		75	22,335
Total Current Liabilities Payable from Current Assets	<u>5,749</u>	<u>175</u>	<u>3,432</u>	<u>9,356</u>	<u>78,079</u>
Current Liabilities Payable from Restricted Assets:					
Accrued Bond and Certificate Interest	2,939	7	2	2,948	
Current Portion of Bonds and Certificates	8,390	1,580		9,970	
Due to Other Funds	448	783		1,231	
Lease Purchase			143	143	146
Other Payables	3,084	519	1,051	4,654	
Total Current Liabilities Payable from Restricted Assets	<u>14,861</u>	<u>2,889</u>	<u>1,196</u>	<u>18,946</u>	<u>146</u>
Total Current Liabilities	<u>20,610</u>	<u>3,064</u>	<u>4,628</u>	<u>28,302</u>	<u>78,225</u>
Noncurrent Liabilities					
Revenue Bonds (Net of Current Portion)	210,020	23,995		234,015	
General Obligation Bonds and Certificates (Net of Current Portion)		12,115		12,115	
Unamortized Premium/Discount on New Series	2,752	(768)		1,984	
Less: Deferred Amount on Refunding	(4,037)	(1,648)		(5,685)	
Accrued Leave Payable	872	89	684	1,645	539
Lease Purchase			263	263	435
Due to Other Governmental Agencies					711
Total Noncurrent Liabilities	<u>209,607</u>	<u>33,783</u>	<u>947</u>	<u>244,337</u>	<u>1,685</u>
Total Liabilities	<u>230,217</u>	<u>36,847</u>	<u>5,575</u>	<u>272,639</u>	<u>79,910</u>
<b>NET ASSETS</b>					
Invested In Capital Assets, net of related debt	145,574	4,754	4,858	155,186	40,057
Restricted:					
Debt Service	21,268	2,452		23,720	
Renewal and Replacement Improvements and Contingency	41,017	1,726		42,743	
Unrestricted	7,277	2,988	3,044	13,309	(9,820)
Total Net Assets	<u>\$ 215,136</u>	<u>\$ 11,920</u>	<u>\$ 7,902</u>	<u>\$ 234,958</u>	<u>\$ 30,237</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.				(7,338)	
Net assets of business-type activities.				<u>\$ 227,620</u>	

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

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2004**  
 (In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				TOTAL	GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	PARKING FACILITIES	ENVIRONMENTAL SERVICES	NONMAJOR ENTERPRISE FUND-		
				INTERNAL SERVICE FUNDS		
<b>Operating Revenues</b>						
Charges for Services	43,701	9,647	50,391		103,739	151,190
Total Operating Revenues	<u>43,701</u>	<u>9,647</u>	<u>50,391</u>		<u>103,739</u>	<u>151,190</u>
<b>Operating Expenses</b>						
Personal Services	16,659	2,986	22,321		41,966	35,771
Contractual Services	8,481	1,069	20,950		30,500	88,806
Commodities	1,256	443	3,300		4,999	4,924
Materials						16,572
Other	1,703	463	2,410		4,576	18,794
Depreciation	7,996	556	419		8,971	14,491
Total Operating Expenses	<u>36,095</u>	<u>5,517</u>	<u>49,400</u>		<u>91,012</u>	<u>179,358</u>
Operating Income (Loss)	7,606	4,130	991		12,727	(28,168)
<b>Nonoperating Revenues (Expenses)</b>						
Interest and Other	1,825	166	55		2,046	626
Other Nonoperating Revenue	9,890	1,572	114		11,576	1,624
Gain (Loss) on Sale of Fixed Assets	(9)	(199)	(23)		(231)	610
Interest and Debt Expense	(11,983)	(1,551)	(20)		(13,554)	(31)
Other Nonoperating Expense	(555)	(18)			(573)	
Total Nonoperating Revenues (Expenses)	<u>(832)</u>	<u>(30)</u>	<u>126</u>		<u>(736)</u>	<u>2,829</u>
Change in Net Assets Before Contributions and Transfers	6,774	4,100	1,117		11,991	(25,339)
Capital Contributions	27				27	1,585
Transfers In (Out)						
Transfers In	761	421	35		1,217	6,512
Transfers Out	(477)	(1,523)	(1,660)		(3,660)	(4,503)
Total Transfers	<u>284</u>	<u>(1,102)</u>	<u>(1,625)</u>		<u>(2,443)</u>	<u>2,009</u>
Change in Net Assets	7,085	2,998	(508)		9,575	(21,745)
Net Assets - Beginning	208,051	8,922	8,410			51,982
Net Assets - Ending	<u>\$ 215,136</u>	<u>\$ 11,920</u>	<u>\$ 7,902</u>		<u>(2,746)</u>	<u>\$ 30,237</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.

Change in net assets of business-type activities.

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



**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**  
(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS				TOTALS	GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	PARKING FACILITIES	NONMAJOR ENTERPRISE FUND- ENVIRONMENTAL SERVICES	INTERNAL SERVICE FUNDS		
<u>Cash Flows from Operating Activities</u>						
Cash Received from Customers	\$ 44,845	\$ 9,672	\$ 50,649	\$ 105,166	\$ 148,014	
Cash Payments to Suppliers for Goods and Services	(10,678)	(1,981)	(27,330)	(39,989)	(126,451)	
Cash Payments to Employees for Service	(16,500)	(2,978)	(22,222)	(41,700)	(35,482)	
Other Nonoperating Revenues	9,890	1,572	114	11,576	1,624	
Net Cash Provided by (Used for) Operating Activities	<u>27,557</u>	<u>6,285</u>	<u>1,211</u>	<u>35,053</u>	<u>(12,295)</u>	
<u>Cash Flows from Non-Capital Financing Activities</u>						
Transfers In from Other Funds	761	421	35	1,217	6,512	
Transfers Out to Other Funds	(477)	(1,523)	(1,660)	(3,660)	(4,503)	
Due to/from Other Funds	(1,056)	2	(6)	(1,060)	995	
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(772)</u>	<u>(1,100)</u>	<u>(1,631)</u>	<u>(3,503)</u>	<u>3,004</u>	
<u>Cash Flows from Capital and Related Financing Activities</u>						
Acquisitions and Construction of Capital Assets	(10,429)	(2,243)	41	(12,631)	(11,579)	
Proceeds from Issuance of Long-Term Debt	13,233	13,233	138	13,233	278	
Principal Payments on Long-Term Debt	(7,010)	(505)	(138)	(7,653)	(19)	
Interest Paid on Long-Term Debt	(12,057)	(1,820)	(21)	(13,898)	(13,898)	
Debt Issuance Costs	(266)	(266)	(266)	(266)	(266)	
Defeasance of Revenue Bonds	(12,505)	(12,505)	(12,505)	(12,505)	(139)	
Principal Payments on Notes	13	13	13	13	(13)	
Interest Paid on Notes	(29,483)	(4,106)	(118)	(33,707)	2,091	
Proceeds from Sale of Assets	13	13	13	13	(9,381)	
Net Cash Provided by (Used for) Capital and Related Financing Activities	<u>(29,483)</u>	<u>(4,106)</u>	<u>(118)</u>	<u>(33,707)</u>	<u>(9,381)</u>	
<u>Cash Flows from Investing Activities</u>						
Purchases of Investment Securities	(498,931)	(67,546)	(10,845)	(577,322)	(105,949)	
Maturity of Investment Securities	424,735	61,708	9,388	495,831	98,202	
Interest on Investments	1,728	149	51	1,928	594	
Net Cash Provided by (Used for) Investing Activities	<u>(72,468)</u>	<u>(5,689)</u>	<u>(1,406)</u>	<u>(79,563)</u>	<u>(7,153)</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	(75,166)	(4,610)	(1,944)	(81,720)	(25,825)	
Cash and Cash Equivalents, October 1	83,563	7,079	2,685	93,327	31,391	
Cash and Cash Equivalents, September 30	<u>\$ 8,397</u>	<u>\$ 2,469</u>	<u>\$ 741</u>	<u>\$ 11,607</u>	<u>\$ 5,566</u>	

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

**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**  
(In Thousands)

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			TOTALS	GOVERNMENTAL ACTIVITIES
	AIRPORT SYSTEM	PARKING FACILITIES	NONMAJOR ENTERPRISE FUND- ENVIRONMENTAL SERVICES		
\$	7,606	\$ 4,130	\$ 991	\$ 12,727	\$ (28,168)
Operating Income (Loss)	7,996	556	419	8,971	14,491
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided Used for Operating Activities:	9,890	1,572	114	11,576	1,624
Depreciation	1,181	11		1,192	(2,146)
Other Nonoperating Revenues	(68)	(12)		(80)	1,473
Changes in Assets and Liabilities:	9	26	258	293	(468)
(Increase) Decrease In Other Accounts Receivable					(2,722)
(Increase) Decrease In Allowance for Uncollectibles					(187)
(Increase) Decrease In Accrued Revenues					133
(Increase) In Due from Other Funds	112	(10)	3	105	(2)
(Increase) In Due from Other Gov't Agencies					116
(Increase) Decrease In Inventories					(2,920)
(Increase) In Prepaid Expenses					5,206
Decrease In Deposits					305
(Decrease) In Vouchers Payable	(275)	(12)	(1,501)	(1,788)	216
Increase In Other Payables	927	16	828	1,771	71
Increase In Due to Other Funds		8		8	(10)
Increase In Accrued Payroll	114		122	236	693
Increase (Decrease) In Accrued Leave Payable	44		(23)	21	
(Decrease) in Contracts Payable					
Increase In Deferred Revenue	21			21	
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ 27,557</b>	<b>\$ 6,285</b>	<b>\$ 1,211</b>	<b>\$ 35,053</b>	<b>\$ (12,295)</b>
<b>Noncash Investing, Capital and Financing Activities:</b>					
Acquisitions and Construction of Capital Assets from Capital Contributions	\$ 27	\$	\$	\$ 27	\$
Net (Decrease) in Fair Value of Investments	\$	\$	\$	\$	\$

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

— CITY OF SAN ANTONIO, TEXAS —

**STATEMENT OF FIDUCIARY NET ASSETS/BALANCE SHEET**  
**FIDUCIARY FUNDS**  
**AS OF SEPTEMBER 30, 2004**  
(In Thousands)

<u>ASSETS</u>	<u>FIRE AND POLICE PENSION AND HEALTH CARE FUNDS</u>	<u>PRIVATE PURPOSE TRUST FUNDS</u>	<u>AGENCY FUNDS</u>
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 141,645	\$ 5	\$ 9,016
Security Lending Collateral	159,835		
Investments, at fair value:			
US Government and Agency Issues	141,387	27	
Corporate Bonds	187,849		
Preferred Common Stock	52,773		
Other	1,131,249		
Total Investments, at fair value	<u>1,513,258</u>	<u>27</u>	
Receivables:			
Other Accounts	5,504		437
Accrued Interest	5,641		2
Accrued Revenue	1,186		
Prepayments	15		
Total Current Assets	<u>1,827,084</u>	<u>32</u>	<u>9,455</u>
<u>Capital Assets</u>			
Computer Equipment	76		
Buildings	556		
Total Capital Assets	<u>632</u>		
Less: Accumulated Depreciation	<u>(322)</u>		
Net Capital Assets	<u>310</u>		
Total Assets	<u>1,827,394</u>	<u>32</u>	<u>\$ 9,455</u>
 <u>LIABILITIES</u>			
Vouchers Payable	3,550		
Accounts Payable- Other	43,055		9,399
Accrued Payroll	71		4
Due to Other Funds			52
Securities Lending	159,835		
Total Liabilities	<u>206,511</u>	<u>0</u>	<u>\$ 9,455</u>
 <u>NET ASSETS</u>			
Held in Trust for Pension Benefits and Other Purposes	<u>\$ 1,620,883</u>	<u>\$ 32</u>	

## — CITY OF SAN ANTONIO, TEXAS —

**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**  
(In Thousands)

	FIRE AND POLICE PENSION AND HEALTH CARE FUNDS	PRIVATE PURPOSE TRUST FUNDS
<b>ADDITIONS:</b>		
<u>Contributions:</u>		
Employer	\$ 64,601	\$ 0
Employee	26,631	
Other Contributions		6
Total Contributions	91,232	6
<u>Investment Earnings:</u>		
Net Increase in Fair Value of Investments	144,560	
Real Estate Income, net	340	
Interest and Dividends	32,429	
Securities Lending	1,429	
Other Income	739	
Total Investment Earnings	179,497	
Less Investment Expenses:		
Investment Management Fees and Custodian Fees	(6,615)	
Securities Lending Expenses:		
Borrower Rebates	(1,037)	
Lending Fees	(137)	
Net Investment Income	171,708	
Total Additions	262,940	6
<u>DEDUCTIONS:</u>		
Benefits	73,976	
Refunds of Contributions	418	16
Administrative Expense	1,539	
Salaries, Wage and Employee Benefits	517	
Total Deductions	76,450	16
Change in Net Assets	186,490	(10)
Net Assets - Beginning of Year	1,434,393	42
Net Assets - End of Year	\$ 1,620,883	\$ 32

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

## — CITY OF SAN ANTONIO, TEXAS —

**STATEMENT OF NET ASSETS**  
**COMPONENT UNITS**  
**AS OF SEPTEMBER 30, 2004**  
(In Thousands)

<u>ASSETS</u>	<u>SAN ANTONIO WATER SYSTEM</u>	<u>CITY PUBLIC SERVICE</u>	<u>NONMAJOR COMPONENT UNITS</u>	<u>TOTAL</u>
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 24,136	\$ 51,532	\$ 22,755	\$ 74,287
Investments	24,136	238,813	42	262,991
Receivables:				
Notes			12,177	12,177
Other Accounts	28,116	187,995	3,421	219,532
Accrued Interest	1,911	1,864	75	3,850
Inventories of Materials and Supplies	4,858	111,579	47	116,484
Due from Other Governmental Agencies			2,589	2,589
Prepaid Expenses	3,292	35,652	285	39,229
Total Current Assets	<u>62,313</u>	<u>627,435</u>	<u>41,391</u>	<u>731,139</u>
<b>Noncurrent Assets:</b>				
<b>Restricted Assets:</b>				
<b>Debt Service Accounts:</b>				
Cash and Cash Equivalents		13		13
Investments	11,467			11,467
Receivables-Accrued Interest				
<b>Construction Accounts:</b>				
Cash and Cash Equivalents	38,397			38,397
Investments	235,119	18,253		253,372
Receivables-Accrued Interest		658		658
<b>Repair and Replacement Account:</b>				
Cash and Cash Equivalents				
Investments		612,556		612,556
Receivables-Accrued Interest		5,433		5,433
<b>Conservation Accounts:</b>				
Investments	5,823			5,823
<b>Improvement and Contingency Accounts:</b>				
Investments	12,007			12,007
<b>Other Restricted Accounts:</b>				
Cash and Cash Equivalents		16,931	2,816	19,747
Investments		355,875		355,875
Receivables-Accrued Interest		2,970		2,970
Total Noncurrent Assets	<u>302,813</u>	<u>1,012,689</u>	<u>2,816</u>	<u>1,318,318</u>
<b>Capital Assets:</b>				
Land	86,758	55,196	8,494	150,448
Infrastructure			33,680	33,680
Buildings			95,327	95,327
Utility Plant in Service	2,145,315	6,709,503		8,854,818
Machinery and Equipment	99,236		60,779	160,015
Construction in Progress	428,226	248,585	16,002	692,813
Utility Property Leased		18,785		18,785
Nuclear Fuel - Net		302,379		302,379
Non-utility Property - Land		12,599		12,599
Total	<u>2,759,535</u>	<u>7,347,047</u>	<u>214,282</u>	<u>10,320,864</u>
Less: Accumulated Depreciation	743,692	2,725,483	29,422	3,498,597
Net Capital Assets	<u>2,015,843</u>	<u>4,621,564</u>	<u>184,860</u>	<u>6,822,267</u>
Assets Held for Resale	8,147			8,147
Prepaid Rent Long Term-Leaseback		535,972		535,972
Unamortized Debt Expense	9,350	25,576		34,926
Total Assets	<u>\$ 2,398,466</u>	<u>\$ 6,823,236</u>	<u>\$ 229,067</u>	<u>\$ 9,450,769</u>

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

## — CITY OF SAN ANTONIO, TEXAS —

**STATEMENT OF NET ASSETS**  
**COMPONENT UNITS**  
**AS OF SEPTEMBER 30, 2004**  
(In Thousands)

<u>LIABILITIES</u>	SAN ANTONIO WATER SYSTEM	CITY PUBLIC SERVICE	NONMAJOR COMPONENT UNITS	TOTAL
<b>Current Liabilities:</b>				
Accounts Payable and Other Current Liabilities	\$ 25,503	\$ 166,724	\$ 15,122	\$ 207,349
Deferred Revenues			2,492	2,492
Notes Payable	647		715	1,362
Due to Other Governmental Agencies			1,107	1,107
Total Current Liabilities (Payable from Current Assets)	<u>26,150</u>	<u>166,724</u>	<u>19,436</u>	<u>212,310</u>
<b>Current Liabilities (Payable from Restricted Assets):</b>				
Accrued Bond and Certificate Interest	6,311			6,311
Current Portion of Bonds and Certificates	7,735	121,245		128,980
Other Payables	16,774		3,858	20,632
Total Current Liabilities (Payable from Restricted Assets)	<u>30,820</u>	<u>121,245</u>	<u>3,858</u>	<u>155,923</u>
Total Current Liabilities	<u>56,970</u>	<u>287,969</u>	<u>23,294</u>	<u>368,233</u>
<b>Noncurrent Liabilities:</b>				
Revenue Bonds (Net of Current Portion)	1,040,710	2,501,225		3,541,935
Commercial Paper	269,000	350,000		619,000
Unamortized Premium on New Series Bonds	7,955	103,956		111,911
Plus: Unamortized Discount on New Series Bonds	(13,753)			(13,753)
Deferred Amount on Refunding	(24,004)	(158,721)		(182,725)
Long-Term Lease/Notes Payable	2,012	611,015	77,606	690,633
Other Payables	1,390	298,416	1,574	301,380
Total Noncurrent Liabilities	<u>1,283,310</u>	<u>3,705,891</u>	<u>79,180</u>	<u>5,068,381</u>
Total Liabilities	<u>1,340,280</u>	<u>3,993,860</u>	<u>102,474</u>	<u>5,436,614</u>
<u>NET ASSETS</u>				
Invested in Capital Assets, net of related debt	972,501	1,722,770	95,065	2,790,336
Restricted for Renewal and Replacement		617,989	2,202	620,191
Restricted for Debt Service	5,156	13	4,799	9,968
Restricted for Conservation	5,823	152,765	95	158,683
Unrestricted	74,706	335,839	24,432	434,977
Total Net Assets	<u>\$ 1,058,186</u>	<u>\$ 2,829,376</u>	<u>\$ 126,593</u>	<u>\$ 4,014,155</u>

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



**STATEMENT OF ACTIVITIES  
COMPONENT UNITS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**  
(In Thousands)

	Program Revenues			Net (Expense) Revenue and Changes In Net Assets			
	EXPENSES	CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	SAN ANTONIO WATER SYSTEM	CITY PUBLIC SERVICE	NONMAJOR COMPONENT UNITS	TOTALS
San Antonio Water System	\$ 256,440	\$ 241,085	\$ 66,291	\$ 50,936	\$	\$	\$ 50,936
City Public Service	1,542,449	1,503,814	47,191		8,556		8,556
Nonmajor Component Units	50,767	12,112	34,836			(3,819)	(3,819)
Total	\$ 1,849,656	\$ 1,757,011	\$ 148,318	\$ 50,936	\$ 8,556	\$ (3,819)	\$ 55,673
General Revenues:							
Investment Earnings				5,659	66,697	709	73,065
(Loss) on Disposal of Capital Assets				(389)		(5,667)	(6,056)
Miscellaneous					3,073	3,692	6,765
Total General Revenues				5,270	69,770	(1,266)	73,774
Change in Net Assets				56,206	78,326	(5,085)	129,447
Net Assets - Beginning				1,000,559	2,751,050	130,887	3,882,496
Prior Period Adjustment				1,421		791	2,212
Net Assets - Ending				\$ 1,058,186	\$ 2,829,376	\$ 126,593	\$ 4,014,155

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



**TABLE OF NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

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## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of San Antonio (City) have been prepared in conformance with 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.

### A. 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 by GASB Statement No. 39, "Determining Whether Certain Organizations Are Component Units—an amendment of GASB Statement No. 14". The underlying concept of the financial reporting entity is that elected officials are "accountable" to their constituents for their actions. One of the objectives of this concept is to provide users of governmental financial statements with a basis for assessing the accountability of those elected officials, and accordingly, the definition of the financial reporting entity is based on accountability.

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 (blended), and (c) component units, which 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. 39 and Statement No. 14 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 only discretely presented.

The following criteria (as set forth in GASB Statement No. 14 and Statement No. 39) 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
- 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.

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(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Reporting Entity (Continued)**

The criteria outlined above were excerpted from GASB Statement No. 14 and Statement No. 39. For a more detailed explanation of the criteria established by the statements, we refer the reader to the Codification of Governmental Accounting and Financial Reporting Standards, as of June 30, 2004, published by GASB, Section 2600. GASB Statement No. 39 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 their relationship with the City. Based upon the application of the criteria outlined above, the following is a brief overview of component units included in the reporting entity:

**Blended with the Primary Government** (the relationship among the following component units and the City meet the criteria, as set forth in GASB Statement No. 14 and Statement No. 39, for inclusion in the Reporting Entity and is such that the financial statements are blended in with those 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 and the San Antonio Fire and Police Retiree Health Care Fund. These component units are presented in the Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets.

**City of San Antonio Health Facilities Development Corporation**

The City of 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 health facilities development 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 of the City of San Antonio.

**City of San Antonio Industrial Development Authority**

The City of 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 an industrial development 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 promote and encourage employment and the public welfare. The IDA is governed by a Board of Directors, which is comprised of the City Council of the City of San Antonio.

**San Antonio Fire and Police Pension Fund**

The San Antonio Fire and Police Pension Fund (Pension Fund) is a Single Employer Defined Benefit Plan established in accordance with state law. The Pension Fund is administered by a nine member Board of Trustees, including three City Council members. The City and Pension Fund participants are obligated to make all contributions to the Pension Fund in accordance with rates established by state law. Benefit levels are also set by state law. Services rendered by the Pension Fund are exclusively for the benefit of eligible firefighters and police officers upon retirement.

(amounts are expressed in thousands)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### A. Reporting Entity (Continued)

#### **San Antonio Fire and Police Retiree Health Care Fund**

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 healthcare 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 Fire and Police Retiree Health Care Fund (Health Fund), was created to provide these postemployment healthcare benefits for eligible uniformed employees of the City. The Health Fund is administered by a nine-member board of trustees, including three City Council Members, and is funded primarily by contributions from the City and contributions made by active and retirees on behalf of their dependents. The City and active and retiree contribution rates are established pursuant to the Fire and Police collective bargaining agreements.

#### **City of San Antonio Texas Municipal Facilities Corporation**

The City of San Antonio Texas Municipal Facilities Corporation (TMFC) was established in fiscal year 2001 in accordance with state law for the purposes of and to act on behalf of the City in acquisition, construction, equipping, financing, operation and maintenance of land and other municipal facilities for the City. The TMFC is governed by a Board of Directors, which is comprised of the City Council of the City of San Antonio.

#### **City of San Antonio Texas Starbright Industrial Development Corporation**

The City of San Antonio Texas Starbright Industrial Development Corporation (TSIDC) was established in fiscal year 2003 in accordance with state law for the purposes of and to act on behalf of the City in the promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and the public welfare, including but not limited to the acquisition of land. The TSIDC is governed by a Board of Directors, which is comprised of the City Council of the City of San Antonio.

**Discretely Presented With the Primary Government** (the relationship among the following component units and the City is such that they meet the criteria, as set forth in GASB Statement No. 14 and Statement No. 39, for inclusion in the reporting entity, and accordingly are included, however are such that the financial statements are discretely presented alongside, but not blended with those of the City):

#### **San Antonio Water System**

On February 13, 1992, the City Council determined it was in the best interest of the citizens of San Antonio and the customers served by the water and wastewater utilities to consolidate all water utilities, agencies, and activities into one institution. It was determined that the best mechanism for effecting the consolidation of all water systems, agencies, and activities into a single institution was through a refunding of all the then outstanding water and sewer bonds. The consolidation was consummated on May 19, 1992, with the creation of the San Antonio Water System (SAWS) that included the former City Water Board, Alamo Water Conservation and Re-use District, and the City's Sewer and Stormwater system.

Additionally, it was further determined by the City Council that the interests of the citizens and customers could best be served by placing authority for management and control of SAWS, as consolidated, in a Board of Trustees. This Board of Trustees includes the City's Mayor as an ex-officio member along with six members appointed by the City Council for four year staggered terms. The rates for user charges and bond issuance authorizations are approved by the City Council.

(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Reporting Entity (Continued)**

**City Public Service**

City Public Service (CPS), a municipally owned utility, provides electricity and natural gas to San Antonio and the surrounding areas. CPS is governed by a Board of Trustees, which is comprised of four members appointed by City Council and the Mayor of the City as an ex-officio member. The rates for user charges and bond issuance authorizations are approved by the City Council.

**San Antonio Development Agency**

The San Antonio Development Agency (SADA) was created under the provisions of the Urban Renewal Law of the State of Texas. SADA is responsible for implementing the City's Urban Renewal Program and may designate, for urban renewal, such areas, as it deems advisable, subject to approval by the City Council and the Federal Agency, which administers the overall program. SADA receives a majority of its operating funds from the City as pass-through grant funds and is governed by a seven member Board of Commissioners appointed by the City Council.

**San Antonio Education Facilities Corporation**

The City of San Antonio Higher Education Authority (SAHEA) 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, all to be done on behalf of the City and as its duly constituted authority and instrumentality. In 2001, the SAHEA changed its name to the San Antonio Education Facilities Corporation (SAEFC). The Act authorizes the SAEFC to issue revenue bonds for these purposes on behalf of the City but the bonds are not obligations of the City. SAEFC is governed by an eleven member Board of Directors appointed by the City Council for two-year terms. Board members are subject to removal by the City Council for cause or at will and the City reserves the right to terminate and dissolve the SAEFC at any time.

**Greater Kelly Development Authority**

The Greater Kelly Development Corporation (GKDC) was established in 1996 as the local development authority on an interim basis under the Development Corporation Act of 1979 for the development and redevelopment of Kelly Air Force Base (Kelly). In November 1999, the City established the Greater Kelly Development Authority (GKDA) as the successor-in-interest to the GKDC pursuant to the newly enacted Senate Bill 655. In accordance with the Act, the GKDA will have the powers previously enjoyed by the GKDC while at the same time clarifying such powers and preserving the property tax exempt status of prior commercial tenants at Kelly. The GKDA is a special district and political subdivision of the State of Texas and was established for the purpose of monitoring the proposed closing of Kelly; conducting comprehensive studies of all issues related to the closure, conversion, redevelopment, and future use of Kelly; reviewing all options relative to the most appropriate uses of Kelly and the surrounding area; formulating and adopting a comprehensive plan for the conversion and redevelopment of Kelly and submitting such plan to the appropriate agency or agencies of the federal government; and implementing such plan as it relates to Kelly and the surrounding area. The GKDA is governed by an eleven member Board of Directors, appointed by the City Council. The City Council also has the ability to remove appointed members of the organization's governing board at will. The GKDA is authorized to issue bonds to finance any project as permitted by Texas Law, but said bonds are not obligations of the City.

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(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Reporting Entity (Continued)**

**San Antonio Housing Trust Foundation, Inc.**

The San Antonio Housing Trust Foundation, Inc. (SAHTF) is a non-profit corporation incorporated in 1990 under the laws of the State of Texas. SAHTF was organized for the purposes of supporting charitable, educational, and scientific undertakings, specifically for providing housing for low and middle income families and to provide administrative and other support for the operations of the City of San Antonio Housing Trust Fund, a Permanent Fund of the City. The Housing Trust Fund was established by the City for the purposes of providing additional and continuing housing opportunities for low and moderate-income families; promoting public health, safety, convenience, and welfare; and revitalizing neighborhoods and the downtown area through appropriate housing activities. SAHTF is governed by an eleven member Board of Directors appointed by the City Council. SAHTF administers The San Antonio Housing Trust Finance Corporation. The City has the ability to appoint, hire, reassign, or dismiss those persons responsible for the day-to-day operations of the SAHTF as it authorizes a contract for the administration and management of the operations on an annual basis.

**San Antonio Local Development Company, Inc. dba South Texas Business Fund (STBF)**

The San Antonio Local Development Company Inc. (SALDC) is a non-profit corporation organized in 1978 under the laws of the State of Texas and the auspices of the City. In 2004, SALDC changed its name to the San Antonio Local Development Company dba South Texas Business Fund (STBF). The STBF also expanded the area served from twelve counties to all of the counties in the state of Texas. STBF was formed to participate in the Neighborhood Business Revitalization Program (NBRP), which is co-sponsored by the Small Business Administration (SBA), the Economic Development Administration, and the U.S. Department of Housing and Urban Development (HUD). STBF is governed by a thirty-three member Board of Trustees, appointed by the City Council, and an eleven member Board of Directors appointed from the Board of Trustees. STBF, under agreement with the City, administers and operates a revolving loan fund, NBRP, that provides qualifying local businesses with loans under economic development programs administered by the SBA. STBF also administers, by agreement with the City, a U.S. Department of Commerce Title IX Revolving Loan Fund, SBA MicroLoan Program, and a HUD 108 Fund. Currently, STBF has an outstanding note payable to HUD, which is guaranteed by the City.

**Brooks Development Authority**

The Brooks Development Authority (BDA) 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 law for the purposes of and to act on behalf of the City in improving mission effectiveness, reduce the cost of providing quality installation support through improved capital asset management and promote economic development on Brooks Air Force Base and in the surrounding community. An eleven member Board of Directors appointed by the City Council governs the BDA for two-year terms and will oversee the Brooks Technology and Business Park in support of the Brooks City-Base Project. The City has the ability to impose its will on this organization as the City Council has the power to remove board members by adopting a resolution.

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(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Reporting Entity (Continued)**

Essential disclosures related to the above mentioned discretely presented 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. The addresses are as follows:

**Discretely Presented Component Units**

San Antonio Water System  
P.O. Box 2449  
San Antonio, Texas 78298  
Contact Person: Stacey L. Isenberg  
Telephone No. (210) 704-7431

City Public Service  
P.O. Box 1771  
San Antonio, Texas 78296-1771  
Contact Person: Richard E. Williamson  
Telephone No. (210) 353-2397

San Antonio Development Agency  
P. O. Box 831386  
San Antonio, Texas 78283-1386  
Contact Person: Felix Lopez  
Telephone No. (210) 207-5444

San Antonio Education Facilities Corporation  
P.O. Box 830504  
San Antonio, Texas 78283-0504  
Contact Person: Ramiro Cavazos  
Telephone No. (210) 207-8040

Greater Kelly Development Authority  
143 Billy Mitchell Blvd., Ste 6  
San Antonio, Texas 78226  
Contact Person: Bruce Miller  
Telephone No. (210) 362-7800

San Antonio Housing Trust Foundation, Inc.  
2515 Blanco Rd.  
San Antonio, Texas 78212  
Contact Person: John Kenny  
Telephone No. (210) 735-2772

San Antonio Local Development Company Inc.  
dba South Texas Business Fund  
P.O. Box 830505  
San Antonio, Texas 78283-0505  
Contact Person: Ramiro Cavazos  
Telephone No. (210) 207-8040

Brooks Development Authority  
8030 Challenger Drive  
Brooks City-Base, Texas 78235  
Contact Person: Virginia Cobarrubias  
Telephone No. (210) 536-6710

**Blended Component Units**

San Antonio Health Facilities Development Corporation  
P.O. Box 830504  
San Antonio, Texas 78283-0504  
Contact Person: Ramiro Cavazos  
Telephone No. (210) 207-8040

San Antonio Industrial Development Authority  
P.O. Box 830504  
San Antonio, Texas 78283-0504  
Contact Person: Ramiro Cavazos  
Telephone No. (210) 207-8040

San Antonio Fire and Police Retiree Health Care Fund  
300 Convent Street, Suite 2500  
San Antonio, Texas 78205  
Contact Person: Paul Villarreal  
Telephone No. (210) 220-1385

San Antonio Fire and Police Pension Fund  
311 Roosevelt  
San Antonio, Texas 78210-2700  
Contact Person: Warren Schott  
Telephone No. (210) 534-3262

San Antonio Texas Municipal  
Facilities Corporation  
P.O. Box 839966  
San Antonio, Texas 78283  
Contact Person: Milo Nitschke  
Telephone No. (210) 207-8620

San Antonio Texas Starbright Industrial  
Development Corp.  
P.O. Box 839966  
San Antonio, TX 78283  
Contact Person: Milo Nitschke  
Telephone No. (210) 207-8620

(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**A. Reporting Entity (Continued)**

It is management's belief that to exclude essential disclosures from the City's financial statements as they pertain to CPS and SAWS would be misleading. CPS and SAWS have been identified as major discretely presented component units both as they relate to total component units and to the primary government. Therefore, relevant disclosures have been included in the City's financial statements. Discretely presented component units with different fiscal year ends from the City are the San Antonio Water System with a fiscal year-end of December 31, and City Public Service with a fiscal year-end of January 31.

**Related Organizations**

The City Council appoints the members to the Board of Directors for the San Antonio Housing Authority. However, the City's accountability for this entity does not extend beyond making appointments to the Board of Directors and the coordination and approval of strategic plans.

**B. Basic Financial Statements – GASB Statement No. 34**

Effective October 1, 2001, the City implemented the provisions of GASB Statement No. 34, "Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments". In fiscal year 2003, the City implemented the portion of GASB Statement No. 38, "Certain Financial Statement Note Disclosures" relating to the disaggregation of receivable and payable balances. These statements comply with the requirements of the new reporting model.

**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. Management's discussion and analysis introduces the basic financial statements and provides an analytical overview of the City's financial activities. As part of the implementation of GASB Statement No. 34, the City has early implemented requirements for infrastructure reporting. GASB Statement No. 34 requires the historical cost of infrastructure assets, retroactive to 1980, to be included as part of the capital assets, as well as the related depreciation, to be reported in the government-wide financial statements. In addition, for the most part, the effect of interfund activity has been removed from the statements.

**The Statement of Net Assets** reflects both short-term and long-term assets and liabilities. In the Government-wide Statement of Net Assets 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 fees and charges for services. Long-term assets, such as capital assets, infrastructure assets, and long-term obligations are now reported with the assets of governmental activity. The components of net assets, previously shown as fund balances, are presented in three separate components; 1) Invested in Capital Assets, net of related debt, 2) Restricted, and 3) Unrestricted. Interfund receivables and payables between governmental and business-type activities have been eliminated in the government-wide Statement of Net Assets, which minimizes the duplicating of assets and liabilities within the governmental and business-type activities. Component units are reported in the Statement of Net Assets as well.

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(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. Basic Financial Statements – GASB Statement No. 34 (Continued)**

**Government-wide and Fund Financial Statements (Continued)**

**The Statement of Activities** reflects both the gross and net cost format. The net cost (by function or business-type activity) is usually covered by general revenues (property tax, sales tax, intergovernmental revenues, etc.). Direct (gross) expenses of a given function or segment are offset by program revenues, and operating and capital grants. Program revenues must be directly associated with the function of business-type 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.

A reconciliation detailing the change in net assets 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 Assets and Statement of Revenues, Expenses, and Changes in Fund Net Assets. The only reconciling item is the internal service fund allocation.

**C. Fund Accounting**

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 equity and other credits, revenues and expenditures, or expenses, as appropriate. 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. The City has three types of Funds: Governmental Funds, Proprietary Funds, and Fiduciary Funds. The Fund Financial Statements provide more detailed information about the City's most significant funds, but not on the City as a whole. Major individual governmental funds and major enterprise funds are reported separately in the Fund Financial Statements. Nonmajor funds are independently presented in the combining statements.

The criteria used to determine if a governmental or enterprise fund should be reported as a major fund is as follows: The total assets, liabilities, revenues or expenditure/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type (that is, total governmental or total enterprise funds), and total assets and liabilities, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 5% of the corresponding total for all governmental and enterprise funds combined.

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(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Fund Accounting (Continued)**

The following is a brief description of the major governmental funds that are each presented in a separate column 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 that which is accounted for in proprietary type funds.

The following is a brief description of the major enterprise funds that are each presented in a separate column 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 operations is provided by user fees.

The Parking System accounts for the operations of the City’s parking facilities. Financing for the Parking Facilities Operations is provided by user fees.

**1. Governmental Funds**

**General Fund** - The General Fund of the City is the primary operating fund, which accounts for all financial resources of the general government except those required to be accounted for in another fund.

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than private-purpose trusts and major capital projects) that are legally restricted to expenditures for specified purposes.

**Debt Service Funds** - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

**Capital Projects Funds** - Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

**Permanent Funds** - Permanent Funds are used to report resources that are legally restricted to the extent that only earnings, and 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.

**2. Proprietary Funds**

**Enterprise Funds** - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost (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.

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(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Fund Accounting (Continued)**

**2. Proprietary Funds (Continued)**

**Internal Service Funds** - Internal Service Funds are used to account for 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, and other internal service programs are accounted for in this fund.

**3. Fiduciary Funds**

**Trust and Agency Funds** - Trust and Agency Funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governmental units, or other funds. These include Pension Trust, Retiree Health Care Trust, Private Purpose Trust Funds, and Agency Funds. Pension Trust, Retiree Health Care Trust, and Private Purpose Trust Funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**D. Measurement Focus and Basis of Accounting**

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 assets 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 when collected and those taxes expected to be collected within 60 days after the period end, along with related interest and penalties. For additional disclosure related to property taxes see Note 2. Other taxes and fees are recognized as revenue in the year they are earned. Revenue 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 into three categories: 1) Charges for services, 2) Operating grants and contributions and 3) Capital grants and contributions. (Further descriptions of these three categories follow.) 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 transactions with outside parties 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 funds to specific programs. Investment earnings that are legally restricted to specific programs are also reported as program revenues.

1) Charges for services are revenues that are 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, vacant lot clean up, golf course fees, and food establishment licenses. Fines and forfeitures 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 - either for operations of a particular program or to purchase a capital asset for a particular program.

3) Capital grants and contributions are also restricted revenues; the funds may only be spent to purchase capital assets for specified programs.

(amounts are expressed in thousands)

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Measurement Focus and Basis of Accounting (Continued)

All governmental funds are accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. This means that only current assets and current liabilities are generally included on their balance sheets. Revenues are recognized in the accounting period in which they become available and measurable. For this purpose, the City considers revenues, other than grants, to be available if the revenues are collected within sixty days after year-end. Grant revenues are recognized when reimbursable expenditures are made and all other eligibility requirements imposed by the provider are met. Grant funds received in advance and delinquent property taxes are recorded as deferred revenue until earned and available. Gross receipts and sales taxes are considered available when in the hands of 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. Expenditures are recognized in the accounting period in which the fund liability is incurred. However, compensated absences, debt service expenditures, claims and judgments and arbitrage rebate are recorded only when the liability is matured.

The reported fund balance (net current assets) 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 net current assets. 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 inventories and prepaid expenditures to indicate that they do not represent "current financial resources," since they do not represent net current assets. Such amounts are generally offset by fund balance reserve accounts.

Proprietary, Pension Trust, Private Purpose Trust, and Retiree Health Care Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses and related liabilities, including claims, judgments, and compensated absences, 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) associated with their activity are included on their balance sheets. The reported Proprietary Fund net assets are segregated into three components: 1) invested in capital assets, net of related debt, 2) restricted net assets and 3) unrestricted net assets. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net assets.

Proprietary funds report both operating and nonoperating revenues and expenses in the Statement of Revenues, Expenses, and Changes in Fund Net Assets. The City defines operating revenues as those receipts generated by a specified program offering either a good or service. For example, parking garage and street lot fees are operating revenues of the Parking Fund. This definition is consistent with GASB Statement No. 9, 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, non-capital financing or investing activities. Operating expenses include personnel services, contractual services, commodities, other expenses (such as insurance), and depreciation. Revenues and expenses not fitting the above definitions are considered nonoperating.

The City's enterprise funds, pension trust, private purpose trust and retiree health care funds and business-type activities, as well as its discretely presented component units apply all applicable GASB Statements as well as FASB Statements and Interpretations, APB Opinions, and ARBs issued on or before November 30, 1989, in accordance with GASB Statement No. 20, "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting." The City and its discretely presented major proprietary component units, CPS and SAWS, have elected not to apply any FASB Statements and Interpretations issued after November 30, 1989.

(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Measurement Focus and Basis of Accounting (Continued)**

CPS' operating revenue includes receipts from energy sales and miscellaneous revenue related to the electric and gas systems operations. Miscellaneous revenue includes late payment fees, rental income, jobbing and contract work, ancillary services, and merchandise sales. Operating expenses include those expenses that result from the ongoing operations of the electric and gas systems. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Nonoperating revenues consist primarily of investment income, including the changes in fair value of investments. The amortization of net gains from the lease-leaseback and the sale of water rights in prior years are also included. Some miscellaneous income from renting general property and miscellaneous service is also recorded in nonoperating when it's not directly identified with the electric or gas systems.

SAWS' principal operating revenues are charges to customers for water and wastewater services. Operating expenses include the cost of service, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Nonoperating revenues consist primarily of investment income, including the changes in fair value of investments. Some miscellaneous income from renting general property and miscellaneous service is also recorded in nonoperating when it's not directly identified with the water or wastewater services.

**E. Future GASB Implementations**

GASB Statement No. 40, "Deposit and Investment Risk Disclosures, an amendment to GASB Statement No. 3", addresses deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. The provisions of this Statement are effective for fiscal years beginning after June 15, 2004.

GASB Statement No. 42, "Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries", establishes accounting and financial reporting standards for the service utility of an asset which has declined significantly and unexpectedly. The provisions of this Statement are effective for fiscal periods beginning after December 15, 2004.

GASB Statement No. 43, "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans", establishes uniform financial reporting standards for other postemployment benefits (OPEB) plans and supersedes the interim guidance included in Statement No. 26. GASB Statement No. 43 follows a similar approach to GASB Statement No. 25 with modifications to reflect differences between pension plans and OPEB plans. The provisions of this Statement are effective for fiscal periods beginning after December 15, 2005.

GASB Statement No. 44, "Economic Condition Reporting: The Statistical Section", an amendment of NCGA Statement 1, addresses new standards to improve the understandability and usefulness of the information that state and local governments present as supplementary information in the statistical section. The provisions of this Statement are effective for fiscal periods beginning after June 15, 2005.

GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions", establishes standards for the measurement, recognition, and display of OPEB expense/expenditures and related liabilities (assets), note disclosures, and, if applicable, required supplementary information (RSI) in the financial reports of state and local governmental employers. The provisions of this Statement are effective for fiscal periods beginning after December 15, 2006.

(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Future GASB Implementations (Continued)**

GASB Statement No. 46, "Net Assets Restricted by Enabling Legislation", helps governments determine when net assets have been restricted to a particular use by the passage of enabling legislation, and specifies how those net assets should be reported in financial statements when there are changes in the circumstances surrounding such legislation. The provisions of this Statement are effective for fiscal periods beginning after June 15, 2005.

The City has not fully determined the effect that implementation of Statements No. 40 and 42-46 will have on the City's financial statements.

**F. Cash and Cash Equivalents and Investments**

The City's investment practices are governed by state statutes and by the City's Investment Policy. City cash is required to be deposited in 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 pro rata basis. In addition, the City may purchase certain investments with the available balance of a specific fund for the sole benefit of such fund. As of September 30, 2004, the City's investment portfolio did not contain any derivative products nor is it leveraged in any way, except as noted in the Fire and Police Pension Fund. For a listing of authorized investments, see Note 3.

The City, CPS, and SAWS account for and report investments in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." The Fire and Police Pension Plan and the Fire and Police Health Care Fund report investments at fair value in accordance with GASB Statement No. 25 "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans." The City's policy with respect to money market investments, which had 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.

For purposes of the statement of cash flows, the City, SAWS, and CPS consider all highly liquid investments with an original maturity of approximately ninety days or less to be cash equivalents.

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(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**G. Inventories and Prepaid Items**

Inventories of 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 inventories. Under the consumption method, inventory acquisitions are recorded in inventory accounts and charged as expenditures (governmental fund types) or expenses (proprietary fund types) when used.

Prepaid items are goods and services that are paid for 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.

**H. Capital Assets and Depreciation**

**1. 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 are valued at their estimated fair value on the date donated. Capital assets recorded under capital leases are recorded at the present value of future minimum lease payments. Depreciation on all exhaustible capital assets of the City is charged as an expense with accumulated depreciation being reported on the Statement of Net Assets. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. With the implementation of GASB Statement No. 34, the City has established capitalization thresholds for infrastructure and machinery and equipment that include computer equipment. All infrastructure assets are reported in the financial statements and the estimated useful lives and capitalization thresholds applied are as follows:

<b>Assets</b>	<b>Useful Life Years</b>	<b>Capitalization Threshold</b>
Buildings	15-40	\$100
Improvements (Other than buildings)	20-40	\$100
Machinery and Equipment	2-20	\$5
Furniture and Office Equipment	5-10	\$5
Infrastructure	15-100	\$250

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(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Capital Assets and Depreciation (Continued)**

**2. City Public Service (CPS)**

The CPS utility plant is stated at the cost of construction, including costs of contracted services, direct equipment, material and labor, indirect costs, including general engineering, labor, equipment, and material overheads, and an allowance for funds used during construction (AFUDC). CPS computes AFUDC using rates that approximate the cost of borrowed funds, or the short-term investment rate for other funds used for construction. AFUDC is applied to projects estimated to require 30 days or more to complete.

CPS computes depreciation using the straight-line method over the estimated service lives of the depreciable property using specifically identified service lives for each asset type. In 2003, a depreciation study was conducted to determine if existing depreciation rates remained applicable to the depreciable property groups. New rates were applied beginning in 2003. Total depreciation and depletion as a percentage of total depreciable assets net of nuclear fuel was 3.40% in 2004.

CPS amortizes its share of nuclear fuel for the South Texas Project (STP) to fuel expense on a unit-of-production method. Under the Nuclear Waste Policy Act of 1982, the federal government assumed responsibility for the permanent disposal of spent nuclear fuel. CPS is charged a fee for disposal of spent nuclear fuel, which is based upon CPS' share of the STP generation that is available for sale to CPS customers. The charge is included in fuel expense monthly. For further discussion regarding the STP, see Note 10.

The estimated useful lives of capital assets are as follows:

Buildings and structures	15-60 years
Systems and improvements:	
Generation	8-45 years
Transmission and distribution	20-55 years
Gas	50-65 years
Machinery and equipment	4-30 years
Lignite mineral rights and other	20-40 years
Nuclear fuel	1-2 years

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(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**H. Capital Assets and Depreciation (Continued)**

**3. San Antonio Water System (SAWS)**

The SAWS’ capital assets in service are recorded on the unit cost equal to or greater than \$1. Assets acquired through capital leases are recorded on the cost basis and are included in utility plant in service. Assets acquired through contributions, such as those from land developers, are capitalized and recorded in the plant accounts at estimated fair value at date of donation. SAWS capitalizes certain interest costs on revenue bonds and commercial paper associated with newly constructed utility plant additions. Maintenance, repairs, and minor renewals are charged to operating expense, while major plant replacements are capitalized.

SAWS’ capital assets are depreciated and property under capital lease is amortized on the straight-line method. This method is applied to all individual assets except distribution mains. Groups of mains are depreciated on the straight-line method using rates estimated to fully depreciate the costs of the asset group over their estimated average useful lives. The table below shows estimated average useful lives used in providing for depreciation of the SAWS’ capital assets:

Structures and improvements	50 years
Pumping and purification equipment	10 - 50 years
Distribution and transmission system	25 - 50 years
Collection system	50 years
Treatment facilities	25 years
Equipment and machinery	5 - 20 years
Furniture and fixtures	10 years
Computer equipment	5 years
Software	3 years

**I. General Bonded Debt Service**

The ad valorem tax rate is allocated each year between the General Fund and the Debt Service Fund. Amounts estimated to be required for debt service on general bonded debt are provided by allocated property taxes, interest earned within the Debt Service Fund, and transfers from other funds.

**J. Compensated Absences**

In the governmental fund financial statements, the City accrues annual leave and associated employee related costs when matured (payable from available resources) for City non-uniformed employees and uniformed fire and police employees. In addition, the City accrues the matured portion of the City’s uniformed fire and police employees accrued sick leave pay, holiday pay, and bonus pay. Compensatory time is also accrued for the matured portion of the City’s non-uniformed non-exempt employees as well as uniformed police officers.

For governmental fund types, the matured current portion of the liability resulting from the accrual of these compensated absences is recorded in the respective governmental fund and reported in the fund financial statements, while the entire vested 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 fund.

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(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**K. Insurance**

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, extended sick leave, and employee wellness are included.

The City is insured for property and casualty liability. As of the fiscal year end, Allianz Insurance Company and RSUI Indemnity Company insured the City’s property, while the State National Insurance Company provided excess liability coverage. 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 also provides employee health, workers’ compensation, and unemployment benefits under its self-insured programs. 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 for employees that occurred prior to September 30, 1986. Workers’ compensation claims that occurred after October 1, 1986 are administered by third party administrators. In addition, the City has excess workers’ compensation coverage through the State National Insurance Company as of September 30, 2004. The City records all workers’ compensation loss contingencies, including claims incurred but not reported.

Employee health benefit liabilities are determined and accrued based upon the City’s estimates of aggregate liabilities for unpaid benefits. 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 a more detailed explanation of the City’s self-insurance programs, see Note 12.

**L. Fund Equity**

Reservations of fund equity represent amounts that are not appropriable or are legally segregated for a specific purpose. Designations of fund equity represent tentative plans identified by management and are subject to change. Designations are utilized in the City’s governmental funds for amounts that have been designated for subsequent year’s expenditures and amounts allocated to making future improvements and replacements. Such designations will be reflected on the fund financial statements.

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(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**M. Revenue Recognition**

Governmental fund types record revenues on the modified accrual basis of accounting and are reported as such in the fund financial statements. That is, revenues are recorded when they are both measurable and available to finance current operations or when they are considered susceptible to accrual. Revenues from property taxes, sales taxes, municipal court fines and fees, licenses, interest revenue and charges for services are recorded on the modified accrual basis of accounting, and therefore, are considered susceptible to accrual. The City's availability period is no more than 60 days beyond the end of the fiscal year. When collections are delayed beyond the normal time of receipt due to unusual circumstances, the amounts involved are still recognized as revenues of the current period. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Grant revenues are recognized when reimbursable expenditures are made and all other eligibility requirements imposed by the provider have been met. Proprietary-type funds record revenues when earned. In the government-wide financial statements, all revenues are recorded when earned.

CPS revenues are recorded when earned. Customers' meters are read and bills are rendered monthly. Rate schedules include fuel and gas cost adjustment clauses that permit recovery of fuel and gas costs in the month incurred. CPS reports fuel and distribution gas costs on the same basis as it recognizes revenue. SAWS revenues are recognized when earned under the accrual basis.

**N. Allocation of Indirect Expenses**

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 2004, general government expenditures were reduced by \$7,062, resulting in increased expenditures in other governmental functions and in business-type activities in the amounts of \$4,115 and \$2,947, respectively.

**O. Nuclear Decommissioning**

CPS, together with the other owners of the STP, filed with the Nuclear Regulatory Commission (NRC) a certificate of financial assurance for the decommissioning of the nuclear power plant. The certificate assures that CPS will meet the minimum decommissioning funding requirements mandated by the NRC. The STP owners agreed in the financial assurance plan that their estimate of decommissioning costs would be reviewed and updated periodically. In 1995, the owners conducted a review of decommissioning costs. The results estimated CPS' share of decommissioning costs at approximately \$270,000 in 1994 dollars. In 1999, the owners conducted an additional review of decommissioning, and results showed that CPS' share of decommissioning costs are now approximately \$311,000 in 1998 dollars.

In 1991, CPS started accumulating the decommissioning funds in an external trust, in accordance with the NRC regulations. The Decommissioning Trust assets and related liabilities are included in CPS' financial statements as a component unit. At January 31, 2004, CPS had accumulated approximately \$211,100 of decommissioning funds in the external trust. Based on the annual calculation of financial assurance required by the NRC, CPS' trust balance exceeded the calculated financial assurance amount of \$70,400 at December 31, 2003. Based upon the 1998 and 1994 decommissioning cost studies, the annual level funding into the trust of \$15,900 for 2004 was expensed by CPS.

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(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**P. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts as well as bond issuance costs during the current period. 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 and debt issuance costs are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures of the funds in which proceeds of debt issuances are recorded.

**Q. Elimination of Internal Activity**

Eliminations of internal activity, particularly those related to internal service fund transactions, are 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. 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 pro rata reduction in the charges made to the participating funds/functions. Conversely, an internal service fund net loss would require a pro rata 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 assets 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 pro rata share of the amounts charged to the participating funds/functions.

The City has three internal service funds: Other Internal Services, Information Technology Services, and Self-Insurance Funds. Other Internal Services and Information Technology Services charges users fees for requested goods or services. Building maintenance charges, a component of the Other Internal Services Fund, are based on the space occupied by departments. Through the tracking of these charges to the applicable departments, the net income or loss will be allocated back to the user department based on actual charges incurred.

The Self-Insurance Funds generate their revenues through fixed assessments charged to the various funds each year. The net income or loss generated by the Self-Insurance Funds is allocated back based on the same allocation by which the revenues are received.

**R. Application of Restricted and Unrestricted Net Assets**

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

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(amounts are expressed in thousands)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**S. Other Budget Disclosures**

Excess of expenditures, transfers, and encumbrances over appropriations occurred as follows:

Excess of Expenditures, Transfers, and Encumbrances Over Appropriations			
Fund/Expenditures	Appropriations	Expenditures, Transfers, and Encumbrances	Excess of Expenditures, Transfers, and Encumbrances over Appropriations
General Fund:			
Public Works	\$ 10,638	\$ 10,657	\$ 19
Health Services	12,911	13,410	499
Transfers	76,111	76,441	330
Debt Service Fund:	\$ 127,012	\$ 127,579	\$ 567
Special Revenue Funds:			
Hotel/Motel 2%	\$ 10,614	\$ 13,627	\$ 3,013
Project Management Office	4	263	259
Public Health Support	3,466	3,532	66
Brooks City Base	0	163	163

The excess expenditures over appropriations were fully offset by excess actual revenues or fund balances.

**T. Prior Period Adjustments**

SAWS' prior year net assets have been restated due to a change in the estimate of future claims to be paid with regards to the self-insured health plan in the amount of \$3,236, change in the capitalization policy in the amount of (\$1,528), recalculation of bond issuance costs in the amount of (\$273), and the reclassification of a liability in the amount of (\$14).

San Antonio Development Agency's (SADA) prior year net assets have been restated by \$790 due to two errors in prior years. An increase of \$685 was due to an error of property developed in fiscal year 1995 but accounted for as agency expenditures at that time. The remaining \$105 increase to governmental fund equity was for a parcel of land acquired in fiscal 2002, where the offset was originally made to investment in general fixed assets rather than governmental fund equity. The corrections had no effect on SADA fiscal year 2004 activity.

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(amounts are expressed in thousands)

## 2. PROPERTY TAXES

Property taxes are levied and due upon receipt on October 1, attached as an enforceable lien on property as of January 1, and becomes delinquent the following February 1. In fiscal year 1999, the City executed an inter-local agreement with the Bexar County Tax Assessor/Collector's Office to provide property tax billing and collection services at the same level of service to its citizens as previously provided by the City.

Property tax revenues are recognized when they become available which means when due, or past due and receivable within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property tax receivables, including related interest and penalty receivable, net of allowances for uncollectible amounts, represent amounts the City believes will ultimately be collected. Property tax receivable, net of allowances for uncollectible amounts, are offset by deferred revenues. 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. The tax rate approved by City ordinance for the year ended September 30, 2004, was \$0.57854 per \$100 taxable valuation, which means that the City has a tax margin of \$1.92146 per \$100 taxable valuation and could raise an additional \$856,647 per year based on the net taxable valuation of \$44,583,139 before the limit is reached.

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(amounts are expressed in thousands)

### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

City monies are deposited in demand accounts at the City's approved depository. The City utilizes a pooled cash and investment strategy with each fund's cash balance and pro rata share of highly liquid investments, including U.S. Treasury securities, U.S. Government Agency securities, and repurchase agreements with original maturities of ninety days or less, summarized by fund type and included in the combined statement of net assets as Cash and Cash Equivalents. Overdrafts that result from a fund overdrawing its share of pooled cash are reported as interfund payables by the overdrawn fund and as interfund receivables of the contributing funds.

Collateral is required for demand deposits and certificates of deposit at 100% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities, school districts, and district corporations. Collateral pledged for demand deposits and certificates of deposit is required to be held in the City's name by the trust or safekeeping department of a bank other than the pledging bank.

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 and that the collateral has been segregated either physically or by book entry. At fiscal year-end, cash deposits for the City were entirely collateralized by the City's depository or federal depository insurance.

The City entered into repurchase agreements in connection with the investment of certain bond proceeds. Although these repurchase agreements are considered securities for purposes of credit risk classification, due to their 100% overnight liquidity, they are included with Cash and Cash Equivalents in the combined statement of net assets.

The investment policy of the City is governed by state statute and by its own written investment policy. Authorized investments include: demand accounts, certificates of deposit, obligations of the U.S. Treasury and U.S. Government Agencies, commercial paper, and repurchase agreements. The City maintains in its investment portfolio U.S. Treasury securities and U.S. Government Agency securities with original maturities of more than ninety days. Each funds' pro rata share of these longer-term investments are combined with similar non-pooled 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 assets, as of September 30, 2004.

The City accounts for and reports investments in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools". The City's policy with respect to money market investments that have a remaining maturity of one year or less at the time of purchase is to report these investments at amortized cost. Amortized cost approximates fair value for these investments. There was not a decrease in fair value for investments of the City with a remaining maturity of greater than one year for the year ended September 30, 2004. The City does not participate in external investment pools.

Investments of the Fire and Police Pension Fund (Pension Fund), a blended component unit, are administered by the Fire and Police Pension Fund Board of Trustees. Investments of the Pension Fund are reported at fair value and include: corporate bonds; common stock; preferred stock; U.S. Treasury securities; U.S. Government Agency securities; notes, mortgages and contracts; and real estate. Equity and fixed income securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Notes, mortgages, and contracts are valued on the basis of future principal and interest payments discounted at prevailing interest rates. The fair value of real estate investments are based on independent appraisals and on the equity position of real estate partnerships in which the Pension Fund has invested. Gains and losses on sales and exchange of securities are recognized on the trade date. Investments that do not have an established fair value are reported at estimated fair value. No investments in any one organization (other than those issued by the U.S. Government) represent 5% or more in plan net assets.

(amounts are expressed in thousands)

### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

The Pension Fund has entered into an agreement with its custodial 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 custodial bank to require that collateral equal to 102% and 105% for domestic and international securities, respectively, of the loaned securities are maintained by the custodial bank. Collateral may be in the form of cash, U.S. government securities and irrevocable letters of credit. Until 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.

As of September 30, 2004, the Pension Fund had lending arrangements outstanding with a total fair value of \$135,425, which were fully collateralized with cash and securities. Related to these loaned securities, cash collateral of \$138,722 is recorded in the Pension Fund's statements of plan net assets. Net income for the year ended September 30, 2004, under the securities lending arrangement was \$255.

The Pension Fund has only limited involvement with derivative and other structured financial instruments (as defined in GASB Technical Bulletin No. 94-1) and does not use them for trading purposes. The Pension Fund's investment philosophy in bond portfolios has centered on using derivatives and other structured financial instruments only when comparable cash alternatives are not available. Specifically, the Pension Fund has used the following basic guidelines when entering into such transactions: (1) small allocations, (2) no use of leverage, (3) price floors, (4) short maturities to mitigate potential problems with liquidity, and (5) attention to credit risk of the issuer. The fair value of structured financial instruments held for the Pension Fund at September 30, 2004, was approximately \$35,846.

The Pension Fund periodically participates in options and futures to hedge the value of a portion of its investments. Financial options and futures are agreements that give one party the right, but not the obligation, to buy or sell a specific amount of an asset for a specified price on or before a specified expiration date. Total exposure on these options and futures of approximately \$5,460 is included in the fair value of investments at September 30, 2004.

The Fire and Police Retiree Health Care Fund Board of Trustees administers investments of the Fire and Police Retiree Health Care Fund (Health Care Fund), a blended component unit. Investments are reported at fair value and short-term investments are reported at amortized cost, which approximates fair value. Securities traded on national or international exchanges are valued at the last reported sales price at current exchange rates. Investments that do not have an established fair value are reported at estimated fair value. All investment income, including changes in fair value of investments, is reported as additions in the statement of changes in postemployment healthcare plan net assets. No investments in any one organization (other than those issued by the U.S. Government) represent 5% or more in plan net assets.

The Health Care Fund entered into an agreement with its custodian bank in June 2003 to lend the Health Care Fund's securities to one or more borrowers for a fee. It is the policy of the Fund and the custodian bank to require that collateral equal 100% of the loaned security's market value plus accrued interest for domestic government or agency securities loaned and 102% of the loaned security's market value plus accrued interest for approved, domestic non-government or agency securities loaned be maintained by the custodian bank. Collateral may be in the form of cash, U.S. government securities, or irrevocable letters of credit. Until the loan is terminated, the borrower retains all incidents of ownership with respect to the collateral. If the borrower fails to repay the borrowed securities when due and the value of the collateral is insufficient to replace the borrowed securities, the Fund may suffer a loss. Management of the Fund considers the possibility of such a loss to be remote. Cash collateral is invested in money market funds at September 30, 2004.

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(amounts are expressed in thousands)

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)**

The Health Care Fund’s investment policy limits investment in derivative instruments to securities meeting the standards dictated by the Federal Financial Institutions Examinations Council.

As of September 30, 2004, the Health Care Fund held a CMO position and mortgage-backed securities in the form of GNMA, FNMA, FHLMC, and similar pass through obligations. The fair value of the CMO and mortgage-backed securities held by the Fund was approximately \$5,279, as of September 30, 2004. The overall return or yield on CMO’s and asset-backed securities depends on the amount of interest collected over the life of the security and the change in the market value. Although the Fund will receive the full amount of principal, if prepaid, the interest income that would have been collected during the remaining period to maturity, net of any market adjustment, is lost.

The Health Care Fund’s Hedge Funds are held through investments in unregulated limited partnerships that invest in other hedge funds.

The investment policies of SAWS and CPS, the City’s major discretely presented component units, are governed by state statute, local ordinance, and their own respective written investment policies. Authorized investments include: demand accounts, certificates of deposit, obligations of the U.S. Treasury and U.S. Government Agencies, commercial paper, and repurchase agreements.

SAWS is permitted by City Ordinance No. 75686 to invest in time deposits or certificates of deposit secured in the manner required by law for public funds, or to invest in direct obligations of, including obligations for which the principal and interest are unconditionally guaranteed by, the United States of America, in obligations of any agencies or instrumentalities of the United States of America or as otherwise permitted by SAWS’ investment policy, which is governed by state statutes. SAWS’ general depository agreement does not require SAWS to maintain an average monthly balance.

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(amounts are expressed in thousands)

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Under the provisions of GASB Statement No. 31, SAWS reports money market investments with a remaining maturity at time of purchase of one year or less at amortized cost, which approximates fair values. The net decrease during fiscal year 2003 in the fair value of the money market investments with an original maturity of greater than one year was \$1,300. The unrealized gain on investments held at year-end was \$598.

CPS cash deposits at January 31, 2004, were entirely insured by federal depository insurance or collateralized by banks for the account of CPS. For deposits that were collateralized, the securities were U.S. Government or Government Agency or U.S. Government guaranteed obligations held in book entry form by the Federal Reserve Bank in CPS' name.

CPS' allowable investments as defined by CPS Board Resolution and Policy, Bond Ordinances, Tax-Exempt Commercial Paper Ordinance, and State law include U.S. Government or Government Agency or U.S. Government guaranteed obligations, collateralized mortgage obligations issued by the U.S., fully secured certificates of deposit issued by a state, national bank, 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, and other types of specific secured or guaranteed investments.

CPS' investments in the STP Decommissioning Master Trust are held by an independent trustee. Trust investments are limited to U.S. Government or Government Agency or U.S. Government guaranteed obligations by CPS Board Resolution and Policy, Trust Agreement, and State law. These investments are subject to market risk, and their fair value will vary as interest rates fluctuate. This could affect the value at which these securities are recorded.

CPS' 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 that mature within one year. CPS investments with a maturity date of one year or longer from the purchase date are accounted for using fair value. Fair value is determined by using generally accepted financial reporting services and publications and approved dealers and brokers as necessary. The specific identification method is used to determine costs in computing gain or loss on sales of securities.

CPS reports all STP Decommissioning Master Trust investments and employee health and welfare investments at fair value.

Investments in the employee health and welfare plans are held by an independent trustee. These investments are limited to those authorized by the plans' Administrative Committees, the Trust Agreements, and State law. These investments are subject to market risk and their fair value will vary as interest rates fluctuate. This could affect the value at which these securities are recorded. These investment policies follow the "prudent man" concept.

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(amounts are expressed in thousands)

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Combined cash and cash equivalents and investments are presented below as of year-end for the City, and its significant discretely presented Component Units, SAWS and CPS. The information is provided to give an indication of the proportionate amount of cash and investments held by each respective entity.

<b>Combined Cash, Cash Equivalents, and Investments</b>			
	<u>City<sup>1</sup></u>	<u>SAWS<sup>2</sup></u>	<u>CPS<sup>3</sup></u>
Cash and Cash Equivalents	\$ 272,697	\$ 38,397	\$ 68,476
Security Lending Collateral			
Cash and Cash Equivalents	159,835		
Investments	2,216,564	320,401	1,290,513
Less: Investments with original maturities of less than ninety days included in cash equivalents	<u>(94,217)</u>	<u>(31,849)</u>	<u>(65,016)</u>
<b>Total</b>	<u><u>\$ 2,554,879</u></u>	<u><u>\$ 326,949</u></u>	<u><u>\$ 1,293,973</u></u>
<p><sup>1</sup> The following amounts were held by the City in a fiduciary capacity and are excluded from the primary government statement of net assets: Cash and Cash Equivalents of \$150,666; Security Lending Collateral-Cash and Cash Equivalents of \$159,835; Investments of \$1,513,285.</p> <p><sup>2</sup> For the fiscal year ended December 31, 2003</p> <p><sup>3</sup> For the fiscal year ended January 31, 2004</p>			

	<u>City<sup>1</sup></u>	<u>SAWS<sup>2</sup></u>	<u>CPS<sup>3</sup></u>
<b>Totals from Statement of Net Assets and Fiduciary Fund Statements</b>			
Cash and Cash Equivalents	\$ 262,149	\$ 0	\$ 51,532
Security Lending Collateral			
Cash and Cash Equivalents	159,835		
Investments	1,951,944	24,136	238,813
Restricted Cash and Cash Equivalents	10,548	38,397	16,944
Restricted Investments	<u>170,403</u>	<u>264,416</u>	<u>986,684</u>
<b>Total Cash, Cash Equivalents and Investments</b>	<u><u>\$ 2,554,879</u></u>	<u><u>\$ 326,949</u></u>	<u><u>\$ 1,293,973</u></u>
<p><sup>1</sup> The following amounts were held by the City in a fiduciary capacity and are excluded from the primary government statement of net assets: Cash and Cash Equivalents of \$150,666; Security Lending Collateral-Cash and Cash Equivalents of \$159,835; Investments of \$1,513,285.</p> <p><sup>2</sup> For the fiscal year ended December 31, 2003</p> <p><sup>3</sup> For the fiscal year ended January 31, 2004</p>			

(amounts are expressed in thousands)

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)**

The composition of Cash and Cash Equivalents included in the financial statements for the City and its major discretely presented Component Units as of the respective year-ends is presented below.

	<u>City</u>	<u>SAWS<sup>1</sup></u>	<u>CPS<sup>2</sup></u>
Deposits with Financial Institutions	\$35,762	\$10,939	\$3,312
Less: Deposits with Original Maturities of Greater than Ninety Days		(4,500)	
Investments with Original Maturities of Less than Ninety Days	94,217	31,849	65,016
Cash with Pension/Retiree Healthcare Fiscal Agents	142,492		
Cash with Other Financial Agents	27		13
Petty Cash Funds	198	109	135
Cash Over and Short	1		
Total Cash and Cash Equivalents	<u>\$272,697</u>	<u>\$38,397</u>	<u>\$68,476</u>
<sup>1</sup> For the fiscal year ended December 31, 2003 <sup>2</sup> For the fiscal year ended January 31, 2004			

Cash with fiscal agents of the Fire and Police Pension Fund of the City of San Antonio have been approved by the Funds' Board of Directors and are invested as authorized by Texas State Statutes. Cash with fiscal agents of the Fire and Police Retiree Healthcare Fund of San Antonio have been approved by the Funds' Board of Directors and are invested as authorized by the Investment Policy Statement and Guidelines of the San Antonio Fire and Police Retiree Health Care Fund, San Antonio.

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(amounts are expressed in thousands)

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)**

Deposits with financial institutions are classified into three categories of custodial credit risk based upon the following:

Category	Description
1	Deposits insured by the FDIC or collateralized with securities held by the City or the City's agent in the City's name.
2	Deposits collateralized by securities held by the pledging bank's agent in the City's name.
3	Deposits uncollateralized which include deposits collateralized by securities held by the pledging financial institution or by its trust department or agent but not in the City's name.

Accordingly, deposits of the City, SAWS, and CPS are categorized by custodial credit risk:

Units	Carrying Amount	Bank Balance	Category		
			1	2	3
City Deposits:					
With Financial Institutions	\$ 35,762	\$ 46,395	\$ 46,395	\$ 0	\$ 0
Deposits with Agents	142,519	142,519	142,519		
SAWS Deposits:					
Demand and Savings Accounts	6,439	11,285	11,285		
Certificates of Deposits	4,500	4,500	4,500		
CPS Deposits:					
With Financial Institutions	3,312	11,720	11,720		

Cash with fiscal agents of the Fire and Police Pension Fund and the Fire and Police Retiree Health Care Fund of the City of San Antonio is classified as Category 1. The Fire and Police Pension Fund also had securities lending collateral - cash and cash equivalents in the amount of \$138,722, which is not categorized for credit risk as it had been invested in a securities lending collateral investment pool. The Fire and Police Retiree Health Care Fund had securities lending collateral cash and cash equivalents in the amount of \$21,113, which is not categorized for credit risk as it had not been invested in money market funds at September 30, 2004.

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(amounts are expressed in thousands)

### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Investments are classified into three categories of custodial credit risk based upon the following:

Category	Description
1	Includes investments that are insured or registered, or for which the securities are held by the City or its agent in the City's name.
2	Includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the City's name.
3	Includes uninsured and unregistered investments for which the securities are held by the counterparty or by its trust department or agent but not in the City's name.

Accordingly, the investments of the City, SAWS, and CPS are categorized below to give an indication of the level of custodial credit risk assumed:

Total Investments By Category					
	Category			Carrying Amount	Fair Value
	1	2	3		
City:					
Corporate Bonds	\$ 187,848	\$ 0	\$ 0	\$ 187,848	\$ 33,374
Preferred Stock	1,659			1,659	1,659
Common Stock	845,234			845,234	845,234
U.S. Treasury & Government Agency Securities	750,475			750,475	751,984
Repurchase Agreements		8,500		8,500	8,500
Total Categorized Investments	1,785,216	8,500	0	1,793,716	1,640,751
Investments not Categorized:					
Money Market Mutual Fund				116,594	116,594
Notes, Mortgages, Contracts				129,377	129,377
Real Estate Investments				55,200	55,200
Hedge Fund				11,700	11,700
Venture Capital Partnerships and Other Alternative Investments				109,977	109,977
Total City	<u>\$ 1,785,216</u>	<u>\$ 8,500</u>	<u>\$ 0</u>	<u>\$ 2,216,564</u>	<u>\$ 2,063,599</u>
SAWS:					
Wachovia Held in Escrow	\$ 0	\$ 5,095	\$ 0	\$ 5,095	\$ 5,095
Bank One Held in Escrow		9,138		9,138	9,138
U.S. Treasury & Government Agency Securities	301,668			301,668	301,700
Total SAWS	<u>\$ 301,668</u>	<u>\$ 14,233</u>	<u>\$ 0</u>	<u>\$ 315,901</u>	<u>\$ 315,933</u>
CPS:					
U.S. Treasury & Government Agency Securities	\$ 924,789	\$ 0	\$ 0	\$ 924,789	\$ 925,228
South Texas Nuclear Project Decommissioning Master Trust:					
U.S. Treasury & Government Agency Securities	\$ 208,848			\$ 208,848	\$ 208,848
Employee Health and Welfare:					
Corporate bonds	\$ 19,817			\$ 19,817	\$ 19,817
Common stock	88,841			88,841	88,841
U.S. Treasury & Government Agency Securities	22,729			22,729	22,729
Global Bonds	8,961			8,961	8,961
Foreign equities					
Total Health and Welfare Investments Categorized	140,348			140,348	140,348
Investments not Categorized:					
Money Market Mutual Fund				16,528	16,528
Total Employee Health and Welfare Funds	<u>\$ 140,348</u>			<u>\$ 156,876</u>	<u>\$ 156,876</u>
Total CPS	<u>\$ 1,273,985</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 1,290,513</u>	<u>\$ 1,290,952</u>

(amounts are expressed in thousands)

**4. CAPITAL ASSETS**

Capital asset activity for governmental activities, to include Internal Service Funds, for the year ended September 30, 2004, was as follows:

<b>Capital Assets - Governmental Activities</b>					
<b>Governmental Activities:</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Transfers</b>	<b>Ending Balance</b>
<b>Non-Depreciable Assets</b>					
Land	\$ 1,238,908	\$ 20,454	\$ 0	\$ 0	\$ 1,259,362
Construction in Progress	585,958	99,901		(40,338)	645,521
<b>Total Non-Depreciable Assets</b>	<u>1,824,866</u>	<u>120,355</u>	<u>0</u>	<u>(40,338)</u>	<u>1,904,883</u>
<b>Depreciable Assets</b>					
Buildings	385,133			2,693	387,826
Improvements	69,914			7,818	77,732
Infrastructure	1,949,975			29,143	1,979,118
Machinery and Equipment	176,961	33,916	(13,460)	684	198,101
<b>Total Depreciable Assets</b>	<u>2,581,983</u>	<u>33,916</u>	<u>(13,460)</u>	<u>40,338</u>	<u>2,642,777</u>
<b>Accumulated Depreciation</b>					
Buildings	(146,114)	(21,062)			(167,176)
Improvements	(34,940)	(2,413)			(37,353)
Infrastructure	(1,144,648)	(45,576)			(1,190,224)
Machinery and Equipment	(80,105)	(34,178)	9,005		(105,278)
<b>Total Accumulated Depreciation</b>	<u>(1,405,807)</u>	<u>(103,229) <sup>(1)</sup></u>	<u>9,005 <sup>(1)</sup></u>	<u>0</u>	<u>(1,500,031)</u>
<b>Total Depreciable Assets, net</b>	<u>1,176,176</u>	<u>(69,313)</u>	<u>(4,455)</u>	<u>40,338</u>	<u>1,142,746</u>
<b>Total Capital Assets, net <sup>1</sup></b>	<u>\$ 3,001,042</u>	<u>\$ 51,042</u>	<u>\$ (4,455)</u>	<u>\$ 0</u>	<u>\$ 3,047,629</u>
<b><sup>1</sup> Depreciation expense was charged to governmental functions as follows:</b>					
General Government			\$ 434		
Public Safety			20,633		
Public Works			57,788		
Health Services			325		
Welfare			451		
Culture and Recreation			4,359		
Convention and Tourism			4,704		
Urban Redevelopment and Housing			44		
Depreciation on capital assets held by the City's internal service funds are charged to various functions based on asset usage			14,491		
<b>Total Depreciation Expense for Governmental Activities</b>			<u>\$ 103,229</u>		
<sup>1</sup> The capital assets of internal service funds are included in governmental activities. In fiscal year 2004, internal service funds capital assets increased by \$14,405, decreased by \$11,496, resulting in an ending balance of \$109,759. Depreciation expense of \$14,491 resulted in an ending accumulated depreciation balance of \$69,506, to arrive at a net book value of \$40,253.					

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(amounts are expressed in thousands)

#### 4. CAPITAL ASSETS (Continued)

Capital asset activity for business-type activities for the year ended September 30, 2004, was as follows:

<b>Capital Assets - Business-type Activities</b>				
	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>Non-Depreciable Assets</b>				
Land				
Aviation Fund	\$ 2,970	\$ 0	\$ 0	\$ 2,970
Parking Fund	8,125			8,125
Non-Major Funds	893			893
Total	<u>11,988</u>			<u>11,988</u>
Construction in Progress				
Aviation Fund	97,477	10,273		107,750
Parking Fund	11,591	843		12,434
Non-Major Funds	500		(64)	436
Total	<u>109,568</u>	<u>11,116</u>	<u>(64)</u>	<u>120,620</u>
<b>Total Non-Depreciable Assets</b>	<u>121,556</u>	<u>11,116</u>	<u>(64)</u>	<u>132,608</u>
<b>Depreciable Assets</b>				
Buildings				
Aviation Fund	115,657		(1)	115,656
Parking Fund	18,985			18,985
Non-Major Funds	46			46
Total	<u>134,688</u>		<u>(1)</u>	<u>134,687</u>
Improvements				
Aviation Fund	156,110			156,110
Parking Fund	1,639		(356)	1,283
Non-Major Funds	3,025			3,025
Total	<u>160,774</u>		<u>(356)</u>	<u>160,418</u>
Machinery and Equipment				
Aviation Fund	10,232	294	(227)	10,299
Parking Fund	759		(188)	571
Non-Major Funds	3,774	66	(97)	3,743
Total	<u>14,765</u>	<u>360</u>	<u>(512)</u>	<u>14,613</u>
<b>Total Depreciable Assets</b>	<u>310,227</u>	<u>360</u>	<u>(869)</u>	<u>309,718</u>
<b>Accumulated Depreciation</b>				
Buildings				
Aviation Fund	(51,147)	(2,760)		(53,907)
Parking Fund	(7,933)	(479)		(8,412)
Non-Major Funds	(228)			(228)
Total	<u>(59,308)</u>	<u>(3,239)</u>		<u>(62,547)</u>
Improvements				
Aviation Fund	(67,283)	(4,286)		(71,569)
Parking Fund	(576)	(59)	157	(478)
Non-Major Funds	(233)	(86)		(319)
Total	<u>(68,092)</u>	<u>(4,431)</u>	<u>157</u>	<u>(72,366)</u>
Machinery and Equipment				
Aviation Fund	(6,908)	(950)	140	(7,718)
Parking Fund	(734)	(18)	187	(565)
Non-Major Funds	(2,433)	(333)	30	(2,736)
Total	<u>(10,075)</u>	<u>(1,301)</u>	<u>357</u>	<u>(11,019)</u>
<b>Total Accumulated Depreciation</b>	<u>(137,475)</u>	<u>(8,971)</u>	<u>514</u>	<u>(145,932)</u>
<b>Total Depreciable Assets, net</b>	<u>172,752</u>	<u>(8,611)</u>	<u>(355)</u>	<u>163,786</u>
<b>Total Capital Assets, net</b>	<u>\$ 294,308</u>	<u>\$ 2,505</u>	<u>\$ (419)</u>	<u>\$ 296,394</u>

(amounts are expressed in thousands)

**4. CAPITAL ASSETS (Continued)**

CPS and SAWS capitalize interest incurred on construction projects, in accordance with Statement of Accounting Standard No. 62 issued by the Financial Accounting Standards Board. CPS and SAWS capitalized construction period interest in the amount of \$3,073 and \$13,714, respectively. Capital asset activity for CPS and SAWS was as follows:

<b>Capital Assets - City Public Service <sup>1</sup></b>				
	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>City Public Service</b>				
<b>Non-Depreciable Assets</b>				
Land	\$ 54,928	\$ 268	\$ 0	\$ 55,196
Land held for future use	12,599		(12,599)	
Nonutility property - land		12,599		12,599
Construction in Progress	330,672	230,420	(312,507)	248,585
<b>Total Non-Depreciable Assets</b>	<u>398,199</u>	<u>243,287</u>	<u>(325,106)</u>	<u>316,380</u>
<b>Depreciable Capital Assets</b>				
Utility Plant in Service	6,432,122	347,340	(69,959)	6,709,503
Utility Property Leased	18,785			18,785
Nuclear Fuel	291,439	10,940		302,379
<b>Total Depreciable Assets</b>	<u>6,742,346</u>	<u>358,280</u>	<u>(69,959)</u>	<u>7,030,667</u>
<b>Accumulated Depreciation</b>				
Utility Plant in Service	(2,302,023)	(228,875)	72,644	(2,458,254)
Utility Property Leased	(270)	(66)		(336)
Nuclear Fuel	(252,943)	(13,950)		(266,893)
<b>Total Accumulated Depreciation</b>	<u>(2,555,236)</u>	<u>(242,891)</u>	<u>72,644</u>	<u>(2,725,483)</u>
<b>Total Depreciable Assets, net</b>	<u>4,187,110</u>	<u>115,389</u>	<u>2,685</u>	<u>4,305,184</u>
<b>Total Capital Assets, net</b>	<u>\$ 4,585,309</u>	<u>\$ 358,676</u>	<u>\$ (322,421)</u>	<u>\$ 4,621,564</u>

<b>Capital Assets - San Antonio Water System <sup>2</sup></b>				
	<b>(Restated) Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>
<b>San Antonio Water System</b>				
<b>Non-Depreciable Assets</b>				
Land	\$ 73,623	\$ 13,430	\$ (295)	\$ 86,758
Construction in Progress	305,235	299,341	(176,350)	428,226
<b>Total Non-Depreciable Assets</b>	<u>378,858</u>	<u>312,771</u>	<u>(176,645)</u>	<u>514,984</u>
<b>Depreciable Assets</b>				
Utility Plant in Service	1,989,056	157,288	(1,029)	2,145,315
Machinery and Equipment	91,724	8,310	(798)	99,236
<b>Total Depreciable Assets</b>	<u>2,080,780</u>	<u>165,598</u>	<u>(1,827)</u>	<u>2,244,551</u>
<b>Accumulated Depreciation</b>				
Utility Plant in Service	(635,025)	(49,528)	959	(683,594)
Machinery and Equipment	(53,057)	(7,477)	436	(60,098)
<b>Total Accumulated Depreciation</b>	<u>(688,082)</u>	<u>(57,005)</u>	<u>1,395</u>	<u>(743,692)</u>
<b>Total Depreciable Assets, net</b>	<u>1,392,698</u>	<u>108,593</u>	<u>(432)</u>	<u>1,500,859</u>
<b>Total Capital Assets, net</b>	<u>\$ 1,771,556</u>	<u>\$ 421,364</u>	<u>\$ (177,077)</u>	<u>\$ 2,015,843</u>

Beginning balances have been restated per SAWS December 31, 2003, CAFR

<sup>1</sup> For the fiscal year ended January 31, 2004

<sup>2</sup> For the fiscal year ended December 31, 2003

(amounts are expressed in thousands)

4. CAPITAL ASSETS (Continued)

Construction-in-progress relating to the Capital Assets is comprised of the following:

<b>Construction-In-Progress: Assets-Governmental Activities</b>				
	<u>Project Authorization</u>	<u>Expended to Sept. 30, 2004</u>	<u>Committed</u>	<u>Required Future Financing</u>
Buildings	\$ 219,737	\$ 172,070	\$ 47,667	None
Streets and Bridges	339,646	145,500	194,146	None
Storm Drainage and Flood Prevention	235,960	118,552	117,408	None
Improvements Other Than Buildings	434,658	209,399	225,259	None
Total	<u>\$ 1,230,001</u>	<u>\$ 645,521</u>	<u>\$ 584,480</u>	

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(amounts are expressed in thousands)

**5. RECEIVABLES AND PAYABLES**

**A. Disaggregation of Receivables and Payables**

**Receivables**

Net receivables at September 30, 2004, were as follows:

	<u>Accounts</u>	<u>Taxes</u>	<u>Notes and Loans</u>	<u>Accrued Interest</u>	<u>Other</u>	<u>Total Net Receivables</u>
<u>Governmental Activities:</u>						
General Government	\$ 26,572	\$ 55,396	\$ 0	\$ 557	\$ 799	\$ 83,324
Public Safety	7			6		13
Public Works	8,129			571		8,700
Health Services	16,561			2		16,563
Environmental Protection and Control	220					220
Culture and Recreation	874			42		916
Convention and Tourism	5,561			33		5,594
Urban Redevelopment and Housing	5		5,952	157		6,114
Economic Development Opportunity				8		8
Total - Governmental Activities	<u>\$ 57,929</u>	<u>\$ 55,396</u>	<u>\$ 5,952</u>	<u>\$ 1,376</u>	<u>\$ 799</u>	<u>\$ 121,452</u>
<u>Business-type Activities:</u>						
Airport System	\$ 1,961	\$ 0	\$ 0	\$ 27	\$ 0	\$ 1,988
Parking Facilities	2			7		9
Environmental Services	4,096			9		4,105
Total - Business-type Activities	<u>\$ 6,059</u>	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 43</u>	<u>\$ 0</u>	<u>\$ 6,102</u>

The receivable balances for General Government, Health Services, Environmental Protection and Control, Convention and Tourism, and Public Works Accounts have been reduced by the estimated allowance for doubtful accounts of \$3,126, \$50,456, \$30, \$76, and \$20, respectively, and General Government Taxes of \$15,054. The receivable balance for Business-type Activities has been reduced by the estimated allowance for doubtful accounts of \$494.

The only receivables not expected to be collected within one year are \$5,773 of notes and loans receivable in Urban Redevelopment and Housing.

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(amounts are expressed in thousands)

**5. RECEIVABLES AND PAYABLES (Continued)****A. Disaggregation of Receivables and Payables (Continued)****Payables**

Payables at September 30, 2004, were as follows:

	<u>Accounts</u>	<u>Accrued Payroll</u>	<u>Total Payables</u>
Governmental Activities:			
General Government	\$ 69,563	\$ 1,517	\$ 71,080
Public Safety	6,548	5,670	12,218
Public Works	3,542	571	4,113
Health Services	321	879	1,200
Environmental Protection and Control		36	36
Culture and Recreation	1,355	723	2,078
Convention and Tourism	6,914	491	7,405
Urban Redevelopment and Housing	1,603	57	1,660
Welfare	1,218	354	1,572
Economic Development Opportunity	335	171	506
Total - Governmental Activities	<u>\$ 91,399</u>	<u>\$ 10,469</u>	<u>\$ 101,868</u>
Business-type Activities:			
Airport System	\$ 4,213	\$ 421	\$ 4,634
Parking Facilities	75	80	155
Environmental Services	2,749	543	3,292
Total - Business-type Activities	<u>\$ 7,037</u>	<u>\$ 1,044</u>	<u>\$ 8,081</u>

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(amounts are expressed in thousands)

**5. RECEIVABLES AND PAYABLES (Continued)**

**B. Interfund Receivable and Payable Balances**

The following is a summary of interfund receivables and payables for the City as of September 30, 2004:

<b>Summary Table of Interfund Receivables and Payables</b>		
<b>As of September 30, 2004</b>		
	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<b>General Fund:</b>		
Airport System Fund	\$ 192	\$ 26
Fiduciary Funds	52	
Internal Service Funds	1,457	2,924
Nonmajor Governmental Funds	38,119	637
Parking Fund	68	
<b>Total General Fund</b>	<b>39,888</b>	<b>3,587</b>
<b>Debt Service Funds:</b>		
Nonmajor Governmental Funds	339	
Parking Fund	715	
<b>Total Debt Service Funds</b>	<b>1,054</b>	
<b>Airport System Fund:</b>		
General Fund	26	
Airport Operating Fund from the Airport I&C Fund	255	
Airport Debt Service Fund from the Airport Operating Fund	66	
Airport Debt Service Fund from the Airport I&C Fund	1	
Airport Operating Fund to the Airport Debt Service Fund		66
Airport I&C Fund to the Airport Debt Service Fund		1
Airport Construction Fund to the General Fund		191
Airport I&C Fund to the Airport Operating Fund		255
Airport I&C Fund to the General Fund		1
Nonmajor Governmental Funds	1,150	
Internal Service Funds		7
<b>Total Airport System Fund</b>	<b>1,498</b>	<b>521</b>
<b>Parking Fund:</b>		
General Fund		68
Debt Service Fund		715
Internal Service Funds		2
<b>Total Parking Fund</b>		<b>785</b>
<b>Fiduciary Agency Funds:</b>		
General Fund		52
<b>Total Fiduciary Agency Funds</b>		<b>52</b>
<b>Internal Service Funds:</b>		
General Fund	2,924	1,457
Airport Fund	7	
Internal Service Funds	20,878	20,878
Nonmajor Governmental Funds	37	
Parking Fund	2	
<b>Total Internal Service Funds</b>	<b>23,848</b>	<b>22,335</b>
<b>Nonmajor Governmental Funds:</b>		
General Fund	637	38,119
Airport Fund		1,150
Debt Service Fund		339
Internal Service Funds		37
Nonmajor Governmental Funds	3,354	3,354
<b>Total Nonmajor Governmental Funds</b>	<b>3,991</b>	<b>42,999</b>
<b>Total</b>	<b>\$ 70,279</b>	<b>\$ 70,279</b>

(amounts are expressed in thousands)

**5. RECEIVABLES AND PAYABLES (Continued)**

**B. Interfund Receivable and Payable Balances (Continued)**

As of September 30, 2004, the balances represent short-term loans resulting from (1) timing differences between the dates that transactions are recorded in the accounting system and (2) short-term borrowings at year end. Of the \$39,888 due from other funds in the General Fund, \$33,424 is a result of overdraws of pooled cash.

**6. LONG-TERM DEBT**

**A. Primary Government (City)**

**1. Governmental Activity Long-Term Debt**

The City’s on-going capital improvement financing for infrastructure and “quality of life” purposes resulted in the issuance of additional indebtedness during fiscal year 2004. In April 2004, the City issued the following: \$33,570 in General Improvement Bonds, Series 2004 and \$29,525 Combination Tax and Revenue Certificates of Obligation, Series 2004. The 2004 Obligations are payable from ad valorem taxes. The 2004 Certificates are additionally secured by a lien on and pledge of certain Pledged Revenues (defined below) of the City’s municipal parks system, not to exceed \$1 during the entire period the 2004 Certificates or interest thereon remain outstanding.

In June 2004, the City issued \$10,390 of Hotel Occupancy Tax Subordinate Lien Revenue Refunding Bonds, Series 2004A. Delivery of the bonds occurred on June 29, 2004, and, along with the 2004B Bonds, they are payable from and are equally and ratably secured by a lien on the Pledged Revenues. “Pledged Revenues” consist of (i) a subordinate lien on the revenues from the 1.75% HOT (described below), plus, (ii) a subordinate lien on the revenues from the 5.25% HOT (described below), plus (iii) a subordinate lien on the earnings of the investment of the 1.75% HOT Fund and the 5.25% HOT Fund, and earnings on the Debt Service Fund, and the Debt Service Reserve Fund. The above liens are subordinate and inferior to the liens in favor of the Prior Lien Bonds (described below) and on a parity with the 2004B Bonds.

The net proceeds from the sale of the 2004A Hotel Occupancy Tax Subordinate Lien Revenue and Refunding Bonds, less \$346 of the original issue discount, were applied to fund an escrow fund for the redemption, discharge, and defeasance of the refunded obligations. As a result of the 2004 refunding, the City will realize a total increase of \$6,865 in debt service payments. Through the transaction, the City obtained a total economic loss (difference between the present values of the debt service payments on the old and new debt) of \$280.

Concurrently, in June 2004, the City issued \$111,425 of Hotel Occupancy Tax Subordinate Lien Revenue and Refunding Bonds, Series 2004B. Delivery of the bonds occurred on June 29, 2004, and, together with the 2004A Bonds, are payable from and are equally and ratably secured by a lien on the Pledged Revenues, as defined above.

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**A. Primary Government (City) (Continued)**

**1. Governmental Activity Long-Term Debt (Continued)**

The net proceeds from the sale of the 2004B Hotel Occupancy Tax Subordinate Lien Revenue and Refunding Bonds, less \$346 of the original issue discount, together with a cash contribution from the City, was applied to fund an escrow fund for the redemption, discharge, and defeasance of the refunded obligations. As a result of the 2004B refunding, the City will realize a total decrease of \$2,627 in debt service payments. Through the transaction, the City obtained a total economic gain (difference between the present values of the debt service payments on the old and new debt) of \$12,281.

The hotel occupancy tax permitted to be imposed by the City pursuant to the HOT Act and Ordinance Number 78834 adopted by the City Council on September 30, 1993, is currently levied at 9%, effective January 1, 1994 (the "Hotel Occupancy Tax" or "HOT"). Of the Hotel Occupancy Tax, 2% is designated as the "Expansion Hotel Occupancy Tax" and can only be used for expansion of existing Convention Center facilities or the payment of obligations issued for such purpose pursuant to the Hotel Tax Act. The Expansion Hotel Occupancy Tax is currently pledged to the Prior Lien Bonds and is not part of the Pledged Revenues for the bonds similarly secured; however, the City may, in its discretion, and intends to, make certain debt service payments on the Bonds and the 2004B Bonds from the Expansion Hotel Occupancy Tax. The pledged 5.25% HOT is equal to three quarters of the remaining 7% Municipal Hotel Occupancy Tax which is 5.25%. The pledged 1.75% HOT is equal to the remaining one quarter of the remaining 7% Municipal Hotel Occupancy Tax which is 1.75%.

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## 6. LONG-TERM DEBT (Continued)

### A. Primary Government (City) (Continued)

#### 1. Governmental Activity Long-Term Debt (Continued)

The following table is a summary of changes for the year ended September 30, 2004, for Governmental Activity Debt:

Governmental Activity Long-Term Debt (Ad Valorem Tax Pledge)							
Issue	Original Amount	Final Principal Payment <sup>1</sup>	Interest Rates (%) <sup>1</sup>	Balance Outstanding October 1, 2003	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2004
<b>General Obligation Bonds<sup>1</sup></b>							
1988 Refunding	\$ 132,978	2006	7.250-7.400	\$ 4,008	\$	\$ 327	\$ 3,681
1994	30,450	2004	6.000	1,350		1,350	
1996	35,330	2004	5.100	3,175		1,590	1,585
1996A Refunding	82,235	2016	4.650-6.000	51,155		1,405	49,750
1996B Refunding	6,030	2008	6.700	3,370		580	2,790
1998 Refunding	30,855	2018	4.500-5.000	27,785		1,070	26,715
1998 Forward Refunding	53,950	2008	5.500-6.000	29,130		8,375	20,755
1998A Refunding	47,955	2019	4.000-5.250	43,110		2,485	40,625
1999	12,000	2020	5.500-6.000	11,260		400	10,860
2000	27,565	2020	4.500-5.000	25,705		990	24,715
2000A	15,615	2021	5.250-5.375	15,160		480	14,680
2001	84,945	2022	3.000-5.250	84,030		660	83,370
2002 Forward Refunding	239,910	2013	4.500-5.250	215,880		15,355	200,525
2002	55,850	2023	3.000-5.500	55,250		3,685	51,565
2003	40,905	2014	2.750-5.000	40,905		6,615	34,290
2003A	55,710	2016	2.000-5.000	55,710		45	55,665
2004	33,570	2024	2.375-4.750		33,570		33,570
Subtotal	\$ 985,853			\$ 666,983	\$ 33,570	\$ 45,412	\$ 655,141
<b>Tax -Exempt Commercial Paper</b>							
Series 2001	\$ 32,700	2004	0.750-3.500	\$ 10,500	\$	\$ 10,500	\$
Subtotal	\$ 32,700			\$ 10,500	\$	\$ 10,500	\$
<b>Tax -Exempt Certificates of Obligation</b>							
Series 1994	\$ 9,900	2004	6.000	\$ 465	\$	\$ 465	\$
Series 1996	8,415	2005	5.100-5.200	775		335	440
Series 1996A	12,515	2006	4.600-4.750	1,665		540	1,125
Series 1998	4,315	2018	4.700-5.000	3,085		370	2,715
Series 1998A	36,535	2019	4.000-5.250	30,405		1,850	28,555
Series 1999	4,230	2020	5.750-6.000	3,970		140	3,830
Series 2000	8,490	2020	4.500-5.000	7,915		305	7,610
Series 2000A	8,810	2021	5.250-5.375	8,555		270	8,285
Series 2000C	6,415	2020	5.000-5.500	6,415		105	6,310
Series 2001	65,195	2014	4.000-5.250	63,100		4,610	58,490
Series 2002	69,930	2023	3.000-5.500	69,930		2,345	67,585
Series 2004	29,525	2024	2.000-5.000		29,525		29,525
Subtotal	\$ 264,275			\$ 196,280	\$ 29,525	\$ 11,335	\$ 214,470
<b>Taxable Certificates of Obligation</b>							
Series 1996	\$ 6,160	2009	6.550-6.050	\$ 1,825	\$	\$ 250	\$ 1,575
Series 1996B	7,375	2008	6.550-6.800	1,630		285	1,345
Series 2000B	1,755	2021	7.450-7.550	1,710		50	1,660
Subtotal	\$ 15,290			\$ 5,165	\$	\$ 585	\$ 4,580
<b>Revenue Bonds<sup>2</sup></b>							
Series 1996 Occupancy Tax	\$ 182,012	2026	4.900-6.000	\$ 177,348	\$	\$ 90,451	\$ 86,897
2003 Drainage	44,150	2028	2.000-5.000	44,150		1,035	43,115
Series 2001 Municipal Facility Corp.	14,465	2020	3.625-5.200	13,420		550	12,870
Series 2004A	10,390	2029	5.000		10,390		10,390
Series 2004B	111,425	2020	2.000-5.000		111,425		111,425
Subtotal	\$ 362,442			\$ 234,918	\$ 121,815	\$ 92,036	\$ 264,697
Total	\$ 1,660,560			\$ 1,113,846	\$ 184,910	\$ 159,868	\$ 1,138,888

<sup>1</sup> Accretion of interest on 1988 General Improvement Refunding Bonds for Fiscal Year 2004 has resulted in an increase of \$7,837 in General Obligation Bonds Payable. This increase is reflected on the Combined Statement of Net Assets but is not shown on above table.

<sup>2</sup> A portion of the Hotel Occupancy Tax Revenue Bonds, Series 1996 was sold as Capital Appreciation Bonds (CABS). Interest on the CABS will accrete from date of delivery and will be payable only at maturity or redemption. Interest accreted through Fiscal Year 2004 has resulted in an increase of \$11,796 in Revenue Bonds Payable. This increase is reflected on the Combined Statement of Net Assets but is not shown on above table.

(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**A. Primary Government (City) (Continued)**

**1. Governmental Activity Long-Term Debt (Continued)**

**Annual Requirements**

The annual requirements to amortize all General Obligation Bonds, Tax Exempt Commercial Paper, Certificates of Obligation, and Hotel Occupancy Tax Revenue Bonds outstanding as of September 30, 2004, are as follows:

<b>Principal and Interest Requirements</b>							
Year Ending September 30,	General Obligation Bonds		Certificates of Obligation		Revenue Bonds Hotel Occupancy Tax		Total Annual Requirements
	Principal	Interest	Principal	Interest	Principal	Interest	
2005	\$ 44,051	\$ 36,951	\$ 11,665	\$ 10,457	\$ 2,435	\$ 12,446	\$ 118,005
2006	44,850	34,692	11,900	9,942	3,075	12,371	116,830
2007	49,875	28,097	14,185	9,352	4,050	12,266	117,825
2008	53,370	25,584	16,370	8,645	4,725	12,123	120,817
2009	55,015	22,615	16,445	7,866	7,500	9,770	119,211
2010-2014	231,860	74,072	89,335	26,511	30,662	65,096	517,536
2015-2019	111,740	30,026	36,190	10,608	39,900	59,250	287,714
2020-2024	64,380	5,658	22,960	2,308	68,870	29,713	193,889
2025-2029					60,455	13,007	73,462
2030-2034					43,025	3,883	46,908
Total	<u>\$ 655,141</u>	<u>\$ 257,695</u> <sup>1</sup>	<u>\$ 219,050</u>	<u>\$ 85,689</u>	<u>\$ 264,697</u> <sup>2</sup>	<u>\$ 229,925</u>	<u>\$ 1,712,197</u>
<b>Total Principal &amp; Interest Payable Within One Year</b>							
Principal	\$ 44,051		\$ 11,665		\$ 2,435		\$ 58,151
Interest	<u>36,951</u>		<u>10,457</u>		<u>12,446</u>		<u>59,854</u>
Total	<u>\$ 81,002</u>		<u>\$ 22,122</u>		<u>\$ 14,881</u>		<u>\$ 118,005</u>
<p><sup>1</sup> Accretion of interest on the 1998 General Improvement Bonds through the year ended September 30, 2004, has resulted in an increase of \$7,837 in General Obligation Bonds Payable. Total interest to be accreted is reflected in the interest portion of the above table.</p> <p><sup>2</sup> A portion of the Hotel Motel Occupancy Tax Revenue Bonds (Series 1996) was sold as Capital Appreciation Bonds (CABS). Interest on the CABS accretes from the date of delivery and will be payable only at maturity or redemption. The interest accreted through September 30, 2004, has resulted in an increase of \$11,796 in Revenue Bonds Payable. Total interest to be accreted is reflected in the interest portion of the above table.</p>							

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**A. Primary Government (City) (Continued)**

**1. Governmental Activity Long-Term Debt (Continued)**

<b>Authorized But Unissued General Obligation Debt</b>				
Authorization Date	Purpose	Amount Authorized	Bonds Previously Issued	Bonds Authorized But Unissued
1-26-80 <sup>1</sup>	Drainage and Flood Control	\$ 21,637	\$ 17,413	\$ 4,224
1-26-80 <sup>1</sup>	Fire Protection	4,257	2,125	2,132
1-26-80 <sup>1</sup>	Libraries	4,978	3,926	1,052
1-26-80 <sup>1</sup>	Street, Bridge, and Related Improvements	43,287	34,035	9,252
5-07-94	Street Improvements	25,600	25,600	
5-07-94	Drainage Improvements	34,400	34,400	
5-07-94	Parks and Recreation	41,600	41,600	
5-01-99	Streets and Pedestrian Improvements	41,300	41,300	
5-01-99	Drainage	19,000	19,000	
5-01-99	Flood Control	12,200	12,200	
5-01-99	Parks and Recreation	24,200	24,200	
5-01-99	Library System	13,200	13,200	
5-01-99	Public Safety	30,300	30,300	
11-04-03	Street & Pedestrian	29,398	14,231	15,167
11-04-03	Drainage	18,913	6,728	12,185
11-04-03	Parks and Recreation	27,224	10,967	16,257
11-04-03	Library System	3,965	354	3,611
11-04-03	Public Health & Safety	35,500	2,405	33,095
Total		<u>\$ 430,959</u>	<u>\$ 333,984</u>	<u>\$ 96,975</u>

<sup>1</sup> In addition to the debt authorized on May 1, 1999, and November 2003, the City has authority pursuant to an election held on January 26, 1980, to issue \$16,660 in bonds. The City does not currently intend to issue the bonds authorized in 1980. An additional \$115,000 was authorized November 4, 2003, of which \$80,315 remains to be issued.

**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% of the total assessed valuation. The total assessed valuation for the fiscal year ending 2004 was \$49,723,286, which provides a debt ceiling of \$4,972,328. The total outstanding debt that is secured by an ad valorem tax pledge is \$883,755.

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 one hundred dollars 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% collections.

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**A. Primary Government (City) (Continued)**

**1. Governmental Activity Long-Term Debt (Continued)**

**Leases**

The City leases property and equipment from others. Leased property having elements of ownership are recorded in the government-wide financial statements. The related obligations, in amounts equal to the present value of minimum lease payments payable during the remaining term of the leases, are also recorded in the government-wide financial statements. Other leased property, not having elements of ownership, are classified as operating leases. Both capital and operating lease payments are recorded as expenditures when matured in the governmental fund financial statements. Total expenditures for operating leases for the fiscal year ended September 30, 2004, were approximately \$3,085.

The City has entered into various lease purchase agreements for the acquisition of computers, copiers, fire trucks, golf equipment, public works equipment, a high capacity trailer, and a hazardous materials vehicle. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the date of inception. Payments on each of the lease purchases will be made from budgeted annual appropriations to be approved by the City Council.

The assets acquired through capital leases for governmental activities are as follows:

Asset:	
Machinery and Equipment	\$ 17,839
Less: Accumulated Depreciation	<u>(5,705)</u>
Total	<u><u>\$ 12,134</u></u>

As of September 30, 2004, the City (excluding discretely presented component units) had future minimum lease payments under capital and operating leases with a remaining term in excess of one year for governmental activities as follows:

<b>Leases - Governmental Activities</b>			
	<b>Capital Leases</b>	<b>Operating Leases</b>	<b>Total</b>
<b>Governmental Activities:</b>			
Fiscal year ending September 30:			
2005	\$ 3,210	\$ 2,483	\$ 5,693
2006	1,864	2,271	4,135
2007	1,490	1,147	2,637
2008	869	652	1,521
2009	69	655	724
2010-2014		3,431	3,431
2015-2019		3,236	3,236
2020-2024		1,736	1,736
2025-2029		91	91
Future Minimum Lease Payments	<u>7,502</u>	<u>\$ 15,702</u>	<u>\$ 23,204</u>
Less: Interest	<u>(376)</u>		
Present Value of Future Minimum Lease Payments	7,126		
Less: Current Portion	<u>(3,009)</u>		
Capital Leases, net of current portion	<u><u>\$ 4,117</u></u>		

(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**A. Primary Government (City) (Continued)**

**2. Business-Type Long-Term Debt**

Business-Type long-term debt applies to those City operations that relate to business and quasi-business activities where net income and capital maintenance are measured (Enterprise and Internal Service Funds). Long-term debt, which is to be repaid from proprietary funds 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.

Airport System: The Airport System includes the City of San Antonio International Airport and Stinson Municipal Airport and all land, buildings, structures, equipment, and facilities pertaining thereto. The Airport System’s long-term debt is equally and ratably secured solely by a 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 System and its facilities.

Parking System: The Parking System operation includes the ownership and operation of parking facilities, parking lots, parking meters, and retail/office space. Long-term debt is allocated to the Parking System on a pro-rata basis from proceeds received from the issuance of general obligation and certificate of obligation debt and is paid from revenues derived from the operation of the Parking System. This allocated debt is additionally secured by an ad valorem tax pledge. The bonds are payable from and secured by a first lien on and a pledge of the gross revenues derived from the ownership and operation of the City's Parking system. The bonds are retired serially in years 2004 to 2024 and bear interest rates from ranging from 5.000% to 5.750%.

In April 2004, the City issued \$13,245 of General Improvement Refunding Bonds, Series 2004. Delivery of the bonds occurred on April 13, 2004. The obligations bear interest ranging from 2.000% to 5.000% and will be retired serially in the years 2006 through 2016. The bonds are secured by a pledge of ad valorem taxes and revenues from certain revenue generating operations. These obligations were issued to refund \$11,747 of outstanding long-term debt, which was reported in proprietary funds.

The General Improvement and Refunding Bonds, Series 2004 were utilized to finance or refinance certain parking facilities owned and operated by the City. The Series 2004 Taxable General Improvement and Refunding Bonds are retired serially in the years 2005 through 2016 and bear interest rates ranging from 1.400% to 4.650%.

The net proceeds from the sale of the 2004 Taxable General Improvement and Refunding Bonds, less \$11 of the original issue discount, was applied to fund an escrow fund for the redemption, discharge, and defeasance of the refunded obligations. As a result of the 2004 refunding, the City will realize a total increase of \$584 in debt service payments. Through the transaction, the City obtained a total economic gain (difference between the present values of the debt service payments on the old and new debt) of \$28.

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**A. Primary Government (City) (Continued)**

**2. Business-Type Long-Term Debt (Continued)**

The following table is a summary of changes in revenue bonds, general obligation bonds, and tax-exempt certificates of obligation for the fiscal year ended September 30, 2004.

<b>Business-type Long-Term Debt</b>							
Issues	Original Amount	Final Principal Payment	Interest Rates (%)	Balance Outstanding October 1, 2003	Additions During Year	Deletions During Year	Balance Outstanding September 30, 2004
<u>Airport System</u>							
Revenue Bonds:							
Series 1996	\$ 38,000	2014	5.700-5.750	\$ 18,625	\$ 0	\$ 300	\$ 18,325
Series 2001	17,795	2016	5.375	17,795			17,795
Series 2002	92,470	2027	5.000-5.750	92,470			92,470
Series 2002 PFC	37,575	2027	4.000-5.750	36,800		805	35,995
Series 2003 Refunding	50,230	2013	5.500-6.000	50,230		3,870	46,360
Series 2003-A	8,175	2006	2.000-2.250	6,245		2,035	4,210
Series 2003-B	3,255	2009	2.300-3.000	3,255			3,255
Subtotal	<u>\$ 247,500</u>			<u>\$ 225,420</u>	<u>\$ 0</u>	<u>\$ 7,010</u>	<u>\$ 218,410</u>
<u>Parking System</u>							
Revenue Bonds:							
Series 2000	\$ 24,845	2024	5.000-5.750	\$ 24,845	\$ 0	\$ 400	\$ 24,445
General Obligation Bonds:							
Series 1996A Refunding	495	2014	4.650-6.000	375		375	
Series 1998A Refunding	1,155	2013	4.000-5.250	1,050		1,050	
Series 2002 Refunding	11,370	2013	4.000-5.250	10,245		10,245	
Series 2003A Refunding	805	2016	2.000-5.000	805		805	
Series 2004A Refunding	13,245	2016	1.400-4.650		13,245		13,245
Tax Exempt Certificates of Obligation							
Series 1994	700	2004	6.000	35		35	
Series 1996	1,105	2005	5.100-5.200	100		100	
Subtotal	<u>\$ 53,720</u>			<u>\$ 37,455</u>	<u>\$ 13,245</u>	<u>\$ 13,010</u>	<u>\$ 37,690</u>
Total	<u>\$ 301,220</u>			<u>\$ 262,875</u>	<u>\$ 13,245</u>	<u>\$ 20,020</u>	<u>\$ 256,100</u>

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**A. Primary Government (City) (Continued)**

**2. Business-Type Long-Term Debt (Continued)**

The annual requirements to amortize long-term debt for the City’s Enterprise Funds related to revenue bonds, general obligations, and certificates of obligation outstanding at September 30, 2004, are as follows:

<b>Business-Type Long-Term Debt</b>						
Year End Sept. 30:	Airport System			Parking System		
	Principal	Interest	Total	Principal	Interest	Total
2005	\$ 8,390	\$ 11,754	\$ 20,144	\$ 1,580	\$ 1,790	\$ 3,370
2006	8,790	11,381	20,171	1,930	1,747	3,677
2007	8,750	10,987	19,737	1,720	1,692	3,412
2008	9,265	10,545	19,810	1,790	1,632	3,422
2009	10,670	10,069	20,739	1,950	1,565	3,515
2010-2014	62,290	40,458	102,748	9,890	6,724	16,614
2015-2019	43,865	23,645	67,510	9,275	4,099	13,374
2020-2024	38,170	13,631	51,801	9,555	1,710	11,265
2025-2029	28,220	3,016	31,236			
Total	<u>\$ 218,410</u>	<u>\$ 135,486</u>	<u>\$ 353,896</u>	<u>\$ 37,690</u>	<u>\$ 20,959</u>	<u>\$ 58,649</u>

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**A. Primary Government (City) (Continued)**

**2. Business-Type Long-Term Debt (Continued)**

**Leases**

The City has entered into various lease purchase agreements for the acquisition of computers, copiers, fire trucks, golf equipment, public works equipment, a high capacity trailer, and a hazardous materials vehicle. These lease agreements qualify as capital leases for accounting purposes and have been recorded at the present value of their future minimum lease payments as of the date of inception. Payments on each of the lease purchases will be made from budgeted annual appropriations to be approved by the City Council.

The assets acquired through capital leases for business-type activities are as follows:

Asset:	
Machinery and Equipment	\$ 709
Less: Accumulated Depreciation	<u>(286)</u>
Total	<u><u>\$ 423</u></u>

As of September 30, 2004, the City (excluding discretely presented component units) had future minimum payments under capital leases with a remaining term in excess of one year for business-type activities as follows:

<b>Leases - Business-type Activities: Nonmajor Enterprise Fund</b>	
	<b>Capital Leases</b>
<b>Proprietary Activities</b>	
Fiscal year ending September 30:	
2005	\$ 156
2006	156
2007	<u>117</u>
Future Minimum Lease Payments	<u>429</u>
Less: Interest	<u>(23)</u>
Present Value of Future Minimum Lease Payments	406
Less: Current Portion	<u>(143)</u>
Capital Leases, net of current portion	<u><u>\$ 263</u></u>

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(amounts are expressed in thousands)

## 6. LONG-TERM DEBT (Continued)

### A. Primary Government (City) (Continued)

#### 3. Governmental and Business-Type Long-Term Debt

#### Long-Term Obligations and Amounts Due Within One Year

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General Obligation Bonds	\$ 666,983	\$ 33,570	\$ 45,412	\$ 655,141	\$ 44,051
Tax-Exempt Commercial Paper	10,500		10,500		
Tax-Exempt Certificates of Obligation	196,280	29,525	11,335	214,470	11,665
Taxable Certificates of Obligation	5,165		585	4,580	
Revenue Bonds	234,918	121,815	92,036	264,697	2,435
	<u>1,113,846</u>	<u>184,910</u>	<u>159,868</u>	<u>1,138,888</u>	<u>58,151</u>
Unamortized (Discount)/Premium	33,836	9,488	2,981	40,343	2,968
Deferred Amount on Refunding	(7,913)	(11,805)	(3,855)	(15,863)	(6,714)
Total Bonds Payable	<u>1,139,769</u>	<u>182,593</u>	<u>158,994</u>	<u>1,163,368</u>	<u>54,405</u>
Other Liabilities:					
Accrued Arbitrage Rebate Payable	1,344	151	527	968	344
Capital Leases	9,796	665	3,335	7,126	3,009
Compensated Absences	115,826	53,119	47,409	121,536	44,547
Total Other Liabilities	<u>126,966</u>	<u>53,935</u>	<u>51,271</u>	<u>129,630</u>	<u>47,900</u>
Total Governmental Activities					
Long-term Liabilities	<u>\$ 1,266,735</u>	<u>\$ 236,528</u>	<u>\$ 210,265</u>	<u>\$ 1,292,998</u>	<u>\$ 102,305</u>
<b>Business-type Activities:</b>					
Bond Payable:					
General Obligation Bonds	\$ 12,475	\$ 13,245	\$ 12,475	\$ 13,245	\$ 450
Revenue Bonds	250,265		7,410	242,855	9,520
Tax-Exempt Certificates of Obligation	135		135		
	<u>262,875</u>	<u>13,245</u>	<u>20,020</u>	<u>256,100</u>	<u>9,970</u>
Unamortized (Discount)/Premium	3,545	3	1,564	1,984	
Deferred Amount on Refunding	(5,151)	(1,144)	(610)	(5,685)	
Total Bonds Payable	<u>261,269</u>	<u>12,104</u>	<u>20,974</u>	<u>252,399</u>	<u>9,970</u>
Other Payables:					
Aviation	1,595	2,783	1,294	3,084	3,084
Parking	357	286	124	519	519
Nonmajor Fund	1,061		10	1,051	1,051
Total Other Payables	<u>3,013</u>	<u>3,069</u>	<u>1,428</u>	<u>4,654</u>	<u>4,654</u>
Capital Leases-Nonmajor Fund	543		137	406	143
Compensated Absences	1,955	1,591	1,572	1,974	329
Total Other Liabilities	<u>5,511</u>	<u>4,660</u>	<u>3,137</u>	<u>7,034</u>	<u>5,126</u>
Total Business-type Activities					
Long-term Liabilities	<u>\$ 266,780</u>	<u>\$ 16,764</u>	<u>\$ 24,111</u>	<u>\$ 259,433</u>	<u>\$ 15,096</u>

The accreted interest through Fiscal Year 2004 has resulted in an increase of \$11,796 in Hotel Tax Revenue Bonds Payable in governmental activities and an increase of \$7,837 in General Obligation Bonds Payable. The accreted interest in the amount of \$19,633 is reflected on the Statement of Net Assets but is not reflected in this table.

(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**A. Primary Government (City) (Continued)**

**3. Governmental and Business-type Long-Term Debt (Continued)**

**Compensated Absences**

The following is a summary of compensated absences for the year ended September 30, 2004:

<b>Governmental Activities</b>					
<u>Fund Type</u>	<u>Short-Term Available</u>	<u>Short-Term Remaining</u>	<u>Total</u>		<u>Total</u>
			<u>Short-Term</u>	<u>Long-Term</u>	
Governmental Funds	\$ 5,773	\$ 38,576	\$ 44,349	\$ 75,999	\$ 120,348
Internal Service Funds		198	198	990	1,188
Total Governmental Activities	<u>\$ 5,773</u>	<u>\$ 38,774</u>	<u>\$ 44,547</u>	<u>\$ 76,989</u>	<u>\$ 121,536</u>

<b>Business-Type Activities</b>			
<u>Fund</u>	<u>Short-Term</u>	<u>Long-Term</u>	<u>Total</u>
Airport	\$ 174	\$ 872	\$ 1,046
Parking	18	89	107
Non-Major Fund	137	684	821
Total Business-Type Activities	<u>\$ 329</u>	<u>\$ 1,645</u>	<u>\$ 1,974</u>

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**A. Primary Government (City) (Continued)**

**3. Governmental and Business-type Long-Term Debt (Continued)**

**Conduit Debt Obligations**

The City facilitates the issuance of bonds to enable the San Antonio Industrial Development Authority, Health Facilities Development Corporation and the Education Facilities Corporation (formerly known as Higher Education Authority), component units of the City, to provide financial assistance to various entities for the acquisition, construction, or renovation of facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired property transfers to the entity served by the bond issuance. As of September 30, 2004, there were thirty-five series of Industrial Revenue Bonds, fifteen series of Health Facilities Development Bonds, and thirteen series of Education Facility Revenue Bonds outstanding. The aggregate principal amount payable for the one series of Industrial Revenue Bonds, the one series of Health Facilities Development Bonds, and the four series Education Facility Revenue Bonds issued after October 1, 1997 was \$5,500, \$9,200, and \$65,057, respectively.

The City also facilitates the issuance of tax-exempt revenue bonds to enable the San Antonio Housing Finance Corporation to provide financing of residential developments for persons of low and moderate income. The bonds are secured by the property financed and are payable solely from and secured by a pledge of rental receipts. As of June 30, 2004, twenty-three (23) series of tax-exempt revenue bonds were outstanding, with an aggregate principal amount payable of \$131,255 and an aggregate principal amount issued of \$164,320.

To provide for the acquisition and construction of certain airport facilities, the City has issued Special Facilities Airport Revenue Bonds, Series 1995 and Special Airport Facilities Revenue Refunding Bonds, Series 1999. The bonds are payable pursuant to lease agreements, which stipulate that various commercial entities are obligated to pay amounts to a third party trustee in-lieu of lease payments to the City. These payments are sufficient to pay when due the principal, premium, interest on, and purchase price of the bonds. The aggregate principal amount payable for the Special Facilities Airport Revenue Bonds, Series 1995 and for the Special Airport Facilities Revenue Refunding Bonds, Series 1999 at September 30, 2004, was \$0 and \$4,200, respectively.

The Starbright Industrial Development Corporation was created to act on behalf of the City in the promotion and development of commercial, industrial and manufacturing enterprises to promote and encourage employment and the public welfare, including but not limited to the acquisition of land. The City of San Antonio, Starbright Industrial Development Corporation Contract Revenue Bonds, Series 2003 were issued to finance the acquisition and conveyance of land to Toyota Motor Manufacturing North America, Inc. for the construction of a training facility. The bonds are secured by pledged revenues and property and are payable solely from payments made by the City sufficient to pay principal and interest on the bonds and are subject to annual budget appropriations. The bonds are not reported as liabilities in the accompanying financial statements. As of September 30, 2004, the Starbright Industrial Development Corporation Contract Revenue Bonds outstanding totaled \$24,685.

Neither the City, the State of Texas, nor any political subdivision is obligated in any manner for repayment of the aforementioned bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**B. City Public Service (CPS)**

As of January 31, 2004, the Bond Ordinances for New Series Bonds issued on and after August 6, 1992, contain, among others, the following provisions:

Funds in CPS's General Account shall be pledged and appropriated to be used in the following priority: (a) for maintenance and operating expenses of the systems, (b) for payments of the New Series Bonds, (c) for the payment of any obligations inferior in lien to the New Series Bonds which may be issued, (d) for an amount equal to 6% of the gross revenues of the systems to be deposited in the Repair and Replacement Account, (e) for cash payments and benefits to the City not to exceed 14% of the gross revenues of the systems, and (f) any remaining net revenues in the General Account to the Repair and Replacement Account.

The maximum amount in cash to be transferred or credited to the General Fund of the City from the net revenues of the systems during any fiscal year shall not exceed 14% of the gross revenues of the systems less the value of gas and electric services of the systems used by the City for municipal purposes and the amounts expended during the fiscal year for additions to the street lighting system. The percentage of gross revenues of the systems to be paid over or credited to the General Fund of the City each fiscal year shall be determined (within the 14% limitation) by the governing body of the City.

The net revenues of the systems are pledged to the payment of principal and interest on the New Series Bonds. All New Series Bonds and the interest thereon shall have a first lien upon the net revenues of the systems.

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

- (a) all maintenance and operating expenses, depreciation, replacement and betterment expenses, and other costs as may be required by Chapter 1502, as amended, Texas Government Code;
- (b) the interest on and principal of all New Series Bonds, 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 New Series Bonds;
- (c) 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;
- (d) 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
- (e) a legal debt or obligation of the systems as and when the same shall become due.

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**B. City Public Service (CPS) (Continued)**

**Revenue Bonds**

A summary of revenue bonds is as follows:

<b>City Public Service Revenue Bonds</b>		
Bond Series	Weighted-Average Interest Rate on Outstanding Bonds	2004
Tax Exempt New Series Bonds, 1992-2003; 2005-2021	4.996%	\$ 2,234,160
Taxable New Series Taxable New Series Bonds, 1998 & 2000; 2005-2021	6.696%	138,310
	5.109%	2,372,470
Tax-exempt Variable Rate Series Bonds, 2003, 2029-2033		250,000
Total revenue bonds outstanding		2,622,470
Less: Current maturities of bonds		121,245
Total Revenue Bonds, net of current maturities		<u>\$ 2,501,225</u>

Principal and interest amounts due for the next five years and thereafter to maturity are:

<b>City Public Service Principal and Interest Requirements</b>			
Year	Principal	Interest	Total
2005	\$ 121,245	\$ 127,214	\$ 248,459
2006	127,255	121,264	248,519
2007	135,155	114,642	249,797
2008	142,155	107,662	249,817
2009	148,570	100,422	248,992
2010-2014	862,080	377,503	1,239,583
2015-2019	616,925	170,485	787,410
2020-2024	219,085	26,413	245,498
2025-2029	50,000	12,375	62,375
2030-2033	200,000	4,950	204,950
Totals	<u>\$ 2,622,470</u>	<u>\$ 1,162,930</u>	<u>\$ 3,785,400</u>

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**B. City Public Service (CPS) (Continued)**

In May 2003, CPS issued \$250,000 of variable rate Junior Lien Revenue Bonds. The bonds were issued initially in a weekly interest mode at par value. Of the proceeds, approximately \$100,000 was issued to reimburse the Repair and Replacement account for prior capital improvements. The mode for Junior Lien Revenue Bonds or any portion thereof may be converted to a different mode, or to an auction rate with an interest rate period of different duration, at the direction of the City. Following such a conversion, the Junior Lien Revenue Bonds or portion thereof, will bear interest at the corresponding daily rate, weekly rate auction rate, commercial paper rate, term rate, or fixed rate.

In June 2003, CPS entered into a Forward Delivery Bond Purchase Agreement to issue \$350,500 of New Series Refunding Bonds in November 2003. The bonds sold at a premium of \$37,600 were issued to refund \$375,500 of 1994-A New Series Bonds. The refunding transaction resulted in cash flow savings of \$32,900, which equated to a present value savings of \$24,000, or 6.39% of the par amount of refunded bonds. This transaction resulted in a loss for accounting purposes of \$10,600, which has been deferred and will be amortized over the shorter of the life of the refunded or refunding bonds.

In July 2003, CPS issued \$93,900 of New Series 2003A Revenue Refunding Bonds. The bonds were sold at a premium of \$11,000 and were issued to advance refund \$24,400 of 1994-A New Series Bonds, and \$71,600 of 1995 New Series bonds. The refunding transaction resulted in a cash flow savings of \$15,900, which equated to a present value savings of \$5,800, or 6.09% of the par amount of the refunded bonds. This transaction resulted in a loss for accounting purposes of \$7,900, which has been deferred and will be amortized over the shorter of the life of the refunded or refunding bonds.

In August 2002, \$144,200 par value of 1997 Revenue and Refunding Bonds were legally defeased with cash. The net accounting loss of \$7,100 reported included \$149,700 paid for the actual defeasance, less the par value of the debt, plus unamortized reacquisition and bond issue costs net of float forward agreement proceeds of \$1,600.

In September 2002, CPS issued \$576,700 of Revenue and Refunding Bonds to refund \$445,100 in certain outstanding New Series Bonds and to reimburse prior construction expenditures of \$150,000. The bonds were sold at a combined net premium of \$56,800.

The refunding bonds were issued to current refund \$48,700 of 1992 New Series Bonds and advance refund \$396,300 of other New Series Bonds. The refunding transaction resulted in cash flow savings of \$24,100, which equated to a present value savings of \$18,100, or 4.06% of the par amount of refunded bonds. This transaction resulted in a loss for accounting purposes of \$34,400, which has been deferred and will be amortized over the shorter of life of the refunded or refunding bonds.

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(amounts are expressed in thousands)

6. LONG-TERM DEBT (Continued)

C. City Public Service (CPS) (Continued)

Long-Term Debt Activity							
Issue	Original Amount	Final Principal Payment	Interest Rates (%)	Balance Outstanding February 1, 2003	Additions During Year	Decreases During Year	Balance Outstanding January 31, 2004
<b>Revenue and Refunding Bonds</b>							
1992 Tax-exempt	\$ 700,805	2017	6.048	\$ 68,860	\$	\$	\$ 68,860
1994-A Tax-exempt	684,700	2014	5.008	505,150		436,185	68,965
1994-C Tax-exempt	56,000	2006	5.008	42,710			42,710
1995 Tax-exempt	125,000	2018	5.500	90,200		75,400	14,800
1997 Tax-exempt	350,000	2020	5.738	169,715			169,715
1997 Tax-exempt	311,170	2014	5.509	115,090		12,035	103,055
1998A Tax-exempt	785,515	2021	4.918	650,400		31,370	619,030
1998B Taxable	99,615	2020	6.343	93,650		1,835	91,815
2000A Tax-exempt	170,770	2017	5.374	23,875		4,410	19,465
2000B Taxable	50,425	2021	7.403	47,890		1,395	46,495
2001 Tax-exempt	115,280	2011	3.843	115,280		8,850	106,430
2002 Tax-exempt	436,090	2017	4.055	436,090			436,090
2002 Tax-exempt	140,615	2020	4.751	140,615			140,615
2003 Tax-exempt Junior Lien	250,000	2033	Variable		250,000		250,000
2003A Tax-exempt	93,935	2014	3.675		93,935		93,935
2003 Tax-exempt	350,490	2013	3.081		350,490		350,490
				<u>2,499,525</u>	<u>694,425</u>	<u>571,480</u>	<u>2,622,470</u>
Less Bond current maturities				100,015	21,230		121,245
Less Bond discount/(premium)				(62,490)	(48,645)	(7,179)	(103,956)
Less Bond acquisition costs				<u>159,744</u>	<u>43,157</u>	<u>44,180</u>	<u>158,721</u>
Revenue Bonds, Net				<u>2,302,256</u>	<u>678,683</u>	<u>534,479</u>	<u>2,446,460</u>
Tax-Exempt Commercial Paper (TECP)				<u>350,000</u>			<u>350,000</u>
Long-term Debt, Net				<u>\$ 2,652,256</u>	<u>\$ 678,683</u>	<u>\$ 534,479</u>	<u>\$ 2,796,460</u>

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**C. San Antonio Water System (SAWS)**

On April 30, 1992, City Ordinance No. 75686 was adopted. This ordinance authorized the issuance of \$635,925 Water System Revenue Refunding Bonds, Series 1992, dated April 15, 1992. These bonds were issued to refund in advance of maturity \$253,065 Water Revenue Bonds authorized and outstanding under terms of City Ordinance No. 52091, \$330,125 of Sewer Revenue Bonds authorized and outstanding under terms of City Ordinance No. 51975, \$14,500 of other bonded debt of annexed water districts, and \$49,200 of Sewer System Commercial Paper. The purpose of this advance refunding was to release and discharge the covenants contained in City Ordinance No. 52091 and No. 51975 in order to permit the City to consolidate the operations of the water related utilities.

**The System:** City Ordinance No. 75686 defines SAWS as all properties, facilities, plants owned, operated and maintained by the City and/or the Board of Trustees, for the supply, treatment, transmission, and distribution of treated potable water, chilled water and steam, for the collection and treatment of wastewater and for water reuse, together with all future extensions, improvements, purchases, repairs, replacements and additions thereto, and any other projects and programs of SAWS; however, the City retains the right to incorporate a stormwater system as provided by the Texas Local Government Code. See “Stormwater” below.

**Funds Flow:** City Ordinance No. 75686 requires that Gross Revenues of SAWS be applied in sequence to: (1) current maintenance and operating expenses including a two-month reserve 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 the Renewal and Replacement Fund.

**Reuse Contract:** SAWS has a contract with City Public Service, the City owned electricity and gas utility, for the provision of reuse water. The revenues derived from the contract have been restricted in use to only reuse activities, and are excluded from the calculation of Gross Revenues, and are not included in any transfers to the City’s General Fund. Revenues derived from this contract were \$2,000 during the twelve months ended December 31, 2003.

SAWS is developing a recycled water system that will provide non-potable water to various customers now using Edwards Aquifer water. During the twelve months ended December 31, 2003, SAWS generated an additional \$2,456 in revenue from sales of recycled water. Revenue from recycled water sales is recorded as revenue of SAWS and has the same restrictions as the reuse contract.

**Stormwater:** In addition to the water related utilities which the Board has under its control, the City Council approved Ordinance No. 77949 on May 13, 1993, which established initial responsibilities over the Stormwater Program with the System and adopts a schedule of rates to be charged for stormwater services and programs. The Stormwater Program is deemed to not be a part of SAWS as the term is defined in City Ordinance No. 75686. Accordingly, operations of the Stormwater Program are not considered when determining compliance with debt covenants contained in City Ordinance 75686 or in calculating payments to be made to the City. In fiscal year 1997, the City Council placed the administrative responsibility with its own staff and entered into an interlocal agreement with SAWS for the provision of services related to certain water quality monitoring functions.

**No Free Service:** City Ordinance No. 75686 also provides for no free services except for municipal fire-fighting purposes.

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(amounts are expressed in thousands)

## 6. LONG-TERM DEBT (Continued)

### C. San Antonio Water System (SAWS) (Continued)

#### Revenue Bonds

On March 27, 2003, SAWS issued \$72,500 of City of San Antonio Water System Subordinate Lien Revenue and Refunding Bonds Series 2003-A, and \$50,000 City of San Antonio Water System Subordinate Lien Revenue and Refunding Bonds Series 2003-B for a total principal amount of \$122,500 in the variable rate bond market. The proceeds of the bonds were used (i) to provide funds for the purposes of acquiring, purchasing, constructing, improving, renovating, enlarging, and equipping the System, (ii) refund \$76,000 in outstanding commercial paper notes, and (iii) pay the costs of issuing the Bonds. Since the proceeds were used to convert debt from short-term to long-term, there is no economic gain or loss associated with the refunding.

The City of San Antonio Water System Subordinate Lien Revenue and Refunding Bonds Series 2003-A and Series 2003-B were issued in the variable rate bond market and SAWS entered into an interest rate hedge agreement, which fixed the interest rate and realized a savings in comparison to a traditional fixed rate financing. This synthetic fixed rate, as obtained with the interest rate hedge agreement, provides a more favorable cost of capital to SAWS.

On August 26, 2003, SAWS issued \$34,000 City of San Antonio Water System Junior Lien Revenue Bonds Series 2003 with the Texas Water Development Board. The bonds were sold under the Federal Cross Cutter Program with interest rates ranging from 0% - 3.10%. The proceeds from the sale of the Bonds were used to (i) finance capital improvement projects which qualify under the Texas Water Development Board Program and (ii) pay the cost of issuance. The bonds are secured together with other currently outstanding Junior Lien Obligations solely by a lien on a pledge of net revenues and are subordinate to outstanding Senior Lien Obligations.

Senior Lien Water System Revenue Bonds, comprised of Series 1996, Series 1997, Series 1999, Series 2001, Series 2002, and Series 2002-A outstanding in the amounts of \$739,115 are collateralized by a senior lien and pledge of Gross Revenues of SAWS after deducting and paying the current expenses of operation and maintenance of SAWS and maintaining an operating reserve for operating and maintenance expenses. At December 31, 2003, these bonds are due in varying amounts, from a low of \$955 in 2004 to a high of \$58,405 in 2028.

Junior Lien Water System Revenue Bonds, comprised of Series 1999, Series 1999-A, Series 2001, and Series 2001-A, Series 2002, Series 2002-A and Series 2003 outstanding in the amount of \$186,830 at December 31, 2003, and are collateralized by a junior lien and pledge of the gross revenues of SAWS after deducting and paying the current expenses of operation and maintenance of SAWS, maintaining an operating reserve for operating and maintenance expenses, and debt service on senior lien debt. At December 31, 2003, the Junior Lien bonds were due in varying amounts, from a low of \$2,720 in 2023 to a high of \$15,295 in 2019.

Subordinate Lien Water System Revenue Bonds, comprised of Series 2003-A and 2003-B outstanding in the amount of \$122,500 at December 31, 2003, are collateralized by a subordinate lien and pledge of the Gross Revenues of SAWS after deducting and paying the current expenses of operation and maintenance expenses, and debt service on senior lien and junior lien debt. At December 31, 2003, the Subordinate Lien Bonds are due in varying amounts, from a low of \$1,985 in 2004 to a high of \$7,240 in 2033.

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**C. San Antonio Water System (SAWS) (Continued)**

**Revenue Bonds (Continued)**

Revenue bonds currently outstanding are as follows:

<b>San Antonio Water System</b>					
<u>Purpose</u>	<u>Interest Rates</u>			<u>Amount</u>	
Build, improve, extend, enlarge, and repair the System	0.00-6.25%			\$ 1,048,445	
The following summarizes transactions of the revenue bonds for the year ended December 31, 2003:					
	<b>Beginning Balance Jan. 1, 2003</b>	<b>Additions</b>	<b>Reductions</b>	<b>Ending Balance Dec. 31, 2003</b>	<b>Due Within One Year</b>
Bonds Payable	\$ 897,460	\$ 156,500	\$ (5,515)	\$ 1,048,445	\$ 7,735
Deferred Amounts					
For issuance discounts/ premiums/losses	(30,746)	(270)	1,214	\$ (29,802)	
<b>Total Bonds Payable, Net</b>	<u>\$ 866,714</u>	<u>\$ 156,230</u>	<u>\$ (4,301)</u>	<u>\$ 1,018,643</u>	<u>\$ 7,735</u>

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**C. San Antonio Water System (SAWS) (Continued)**

Annual debt service requirements are shown as follows:

<b>San Antonio Water System Annual Debt Service Requirements Revenue Bonds</b>						
Year Ended December 31,	Subordinate Lien Revenue and Refunding Bonds		Junior Lien Revenue and Refunding Bonds		Senior Lien Revenue and Refunding Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2004	\$ 1,985	\$ 5,120	\$ 4,795	\$ 6,318	\$ 955	\$ 38,773
2005	2,080	5,038	4,935	6,168	9,480	38,538
2006	2,170	4,951	5,090	6,008	15,145	37,908
2007	2,275	4,860	7,840	5,806	13,310	37,113
2008	2,375	4,764	8,075	5,558	17,210	36,274
2009-2013	13,615	22,240	54,855	23,058	93,670	167,236
2014-2018	17,005	19,123	65,210	12,729	118,310	139,379
2019-2023	21,250	15,231	36,030	2,174	178,825	101,060
2024-2028	26,560	10,365			259,285	42,680
2029-2033	33,185	4,285			32,925	3,395
Total	<u>\$ 122,500</u>	<u>\$ 95,977</u>	<u>\$ 186,830</u>	<u>\$ 67,819</u>	<u>\$ 739,115</u>	<u>\$ 642,356</u>

**Capitalized Interest Costs**

Interest costs incurred on revenue bonds and short-term commercial paper debt totaled \$50,688 during the twelve months ended December 31, 2003, of which \$13,714 was capitalized as part of the cost of SAWS' utility plant additions.

**Leases**

SAWS entered into various lease agreements for financing the acquisition of computer equipment and heavy equipment. These lease agreements meet the requirements of capital leases for accounting purposes and therefore, are recorded at the present value of the future minimum lease payments as of the inception date. The terms of the leases are from two to five years with payments of \$29,097 monthly and \$341,430 annually. The annual percentage rate of the leases ranges from 5.5% to 7.5%. At the end of the respective lease terms, the ownership of the equipment transfers to SAWS or SAWS has the option to purchase the equipment. SAWS recorded capital leases related to computer equipment and heavy equipment in the amount of \$401,654 and \$570,487, respectively. Please note the amounts in this paragraph are not stated in thousands.

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(amounts are expressed in thousands)

**6. LONG-TERM DEBT (Continued)**

**C. San Antonio Water System (SAWS) (Continued)**

The future minimum lease obligations as of December 31, 2003, are as follows:

<b>San Antonio Water System Minimum Lease Obligation</b>			
Year Ending December 31,	Principal	Interest	Total Annual Requirements
2004	\$ 311	\$ 30	\$ 341
2005	262	12	274
2006	8		8
Total	<u>\$ 581</u>	<u>\$ 42</u>	<u>\$ 623</u>

**Note Payable**

During fiscal year 2000, a contract was entered into between SAWS and CPS whereby SAWS acquired water rights from certain CPS properties. A note was signed for 116 payments of \$40 at an interest rate of 7.5%. Total payments on this note are \$4,640 including interest. The liability as of December 31, 2003, is included in the statement of net assets for both the current portion of \$336 and long-term amount of \$1,742. The annual principal and interest requirements are as follows:

<b>San Antonio Water System Principal and Interest Requirements</b>			
Year Ending December 31,	Principal	Interest	Total Annual Requirements
2004	\$ 336	\$ 144	\$ 480
2005	362	118	480
2006	390	90	480
2007	420	60	480
2008	452	28	480
2009	118	2	120
Total	<u>\$ 2,078</u>	<u>\$ 442</u>	<u>\$ 2,520</u>

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(amounts are expressed in thousands)

7. COMMERCIAL PAPER PROGRAMS AND OTHER BORROWINGS

A. Primary Government (City)

Commercial Paper

On November 9, 2000, the City Council approved issuance of \$35,000 Sales Tax Commercial Paper Notes, Series A. The proceeds from the sale of the Notes are to provide for the planning, acquisition, establishment, development, construction, and renovation of the "Parks Development and Expansion Venue Project" authorized at an election held on May 6, 2000 which includes the acquisition of open space over the Edwards Aquifer Recharge Zone and linear parks along Leon Creek and Salado Creek, and the construction of improvements or additions to such Open Space Parks and Linear Parks. The Notes were supported by an irrevocable direct-pay Letter of Credit, dated as of December 5, 2000, issued by Landesbank Hessen-Thuringen Girozentrale, acting through its New York Bank (Helaba or the Bank). The Letter of Credit in an amount equal to \$37,589 enabled the City to pay at maturity the principal amount of the Notes plus up to 270 days interest.

The City sold \$32,700 in Sales Tax Revenue Commercial Paper Notes in fiscal year 2001.

The City made the determination that it would not renew the existing Letter of Credit and Reimbursement Agreement, which was due to, expire on November 30, 2003, pertaining to the City's existing Sales Tax Commercial Paper Program (the "Program"). The City made the determination that it would not take the actions at that point in time to secure a substitute credit provider for the Program, it paid from lawfully available funds on hand all outstanding notes at maturity (outstanding in the principal amount of \$10,500 scheduled to mature on November 3, 2003, November 5, 2003, and November 7, 2003), and it will not issue any additional Commercial Paper Notes.

Revolving Line of Credit

The City uses a revolving line of credit for the Housing Asset Recovery Program. The line of credit is used to preserve housing stock and to revitalize neighborhoods by renovating and rehabilitating property owned by the City that is acquired through various programs (i.e. flood buyouts, facilities expansion, etc.). The City intends to finance their repayment with the proceeds received from the sale of the renovated houses. The amount of the line of credit is \$1,250, of which \$301 was outstanding as of September 30, 2004.

Revolving Line of Credit			
Beginning Balance	Increases	Decreases	Ending Balance
\$ 331	\$ 8	\$ 38	\$ 301

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(amounts are expressed in thousands)

**7. COMMERCIAL PAPER PROGRAMS AND OTHER BORROWINGS (Continued)**

**B. City Public Service (CPS)**

**Commercial Paper**

In 1988, the City Council adopted an ordinance authorizing the issuance of up to \$300,000 in Tax-Exempt Commercial Paper (TECP). This ordinance, as amended in June 1997, provides for funding to assist in the financing of eligible projects, in an aggregate amount not to exceed \$450,000. Eligible projects include fuel acquisition, capital improvements to the utility systems (the Systems), and refinancing or refunding any outstanding obligations that are secured by and payable from a lien on and/or a pledge of net revenues of the Systems. The program’s scheduled maximum maturities will not extend beyond November 1, 2028.

The TECP has been classified as long-term in accordance with the refinancing terms under a revolving credit agreement with a consortium of banks, which supports the commercial paper. Under the terms of the agreement, CPS may borrow up to an aggregate amount not to exceed \$350,000 for the purpose of paying principal due under the TECP. The credit agreement has a term of two years, currently extended until November 1, 2005, and may be renewed for additional periods.

To date, there have been no borrowings under the credit agreement. The TECP is secured by the net revenues of the Systems. Such pledge of net revenues is subordinate and inferior to the pledge securing payment of existing New Series Bonds and any to be issued in the future.

As of January 31, 2004, a summary of TECP is as follows:

TECP Outstanding	\$ 350,000
Weighted-average interest rate of outstanding TECP, approximate	1.01%
Average life of outstanding TECP (approximate number of days)	86

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(amounts are expressed in thousands)

**7. COMMERCIAL PAPER PROGRAMS AND OTHER BORROWINGS (Continued)**

**C. San Antonio Water System (SAWS)**

**Commercial Paper**

SAWS maintains a Commercial Paper Program that is used to provide funds for the interim financing of a portion of capital improvements to the System.

On January 11, 2001, the City Council approved the expansion of the TECP Program (Tax Exempt Commercial Paper) from \$175,000 to \$350,000. The increase in the program provides interim financing for the increased level of future expenditures on water resource projects. Notes payable under the program cannot exceed maturities of 270 days and scheduled maturities of the short-term borrowing under the Commercial Paper Program may not extend past May 14, 2032.

The City has covenanted in the ordinance authorizing the Commercial Paper Program (the “Note Ordinance”) to maintain at all times credit facilities with banks or other financial institutions which would provide available borrowing sufficient to pay the principal of the Commercial Paper Program. The credit facility is maintained under the terms of a revolving credit agreement.

To further support the issuance of the Commercial Paper Program, on June 2, 2001, the City entered into the agreements with the following:

- Dealer Agreements with Goldman, Sachs & Co., J.P. Morgan Securities Inc., and Ramirez & Co., Inc.
- Revolving Credit Agreement with Westdeutsche Landesbank Girozentrale and Landesbank Baden Wurttemberg.
- Issuing and Paying Agency Agreement with Bank One, National Association Chicago, Illinois.

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.

Commercial paper notes of \$269,000 are outstanding as of December 31, 2003. The proceeds of the notes have been used solely for financing of capital improvements of SAWS. The tax exempt commercial paper notes have been classified as long-term in accordance with the refinancing terms of the Credit Agreement and since management intends to continue the remarketing of the tax exempt commercial paper notes to maintain a portion of its debt in variable rates. Interest rates on the notes outstanding at year-end range from .90% to 1.20% and from 10 to 132 days in maturity. (The outstanding notes at December 31, 2003, had an average rate of 1.05% and averaged 55 days to maturity.)

The following summarizes transactions of the commercial paper program for the year ended December 31, 2003.

	Beginning Balance			Ending Balance	
	Jan. 1, 2003	Additions	Reductions	Dec. 31, 2003	Due Within One Year
Commercial Paper Notes	\$255,000	\$90,000	\$76,000	\$269,000	\$0

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(amounts are expressed in thousands)

**8. PENSION AND RETIREMENT PLANS**

**A. General Plan Information**

The City of San Antonio, SAWS, and CPS participate in several contributory retirement plans. These are funded plans covering substantial full-time employees. Payroll and contribution information as of the year-end for each entity is presented below:

<b>Contributory Pension and Retirement Plans</b>						
<u>Entity</u>	<u>Title</u>	<u>Type of Plan</u>	<u>Covered Payroll</u>	<u>Employee Contribution</u>	<u>Employer Contribution</u>	<u>Total Contributions</u>
City	Fire and Police Pension Fund	Single Employer Defined Benefit Plan	\$ 194,647	\$ 24,129	\$ 48,038	\$ 72,167
	Texas Municipal Retirement System (TMRS)	Non Traditional Hybrid Defined Benefit Agent Plan	\$ 199,180	11,952	23,062	35,014
Component Units:						
SAWS	<sup>1</sup> Texas Municipal Retirement System (TMRS)	Non Traditional Defined Contribution Agent Plan	Not Available	1,736	1,905	3,641
	<sup>2</sup> PMLIC Contract	Agent Multiple Employer Defined Benefit Plan	\$ 55,364		3,324	3,324
CPS	<sup>3</sup> CPS All Employees Plan	Single Employer Defined Benefit Plan	\$ 186,732	9,032	7,959	16,991
<sup>1</sup> Plan year ended December 31, 2003						
<sup>2</sup> Plan year ended December 31, 2003						
<sup>3</sup> Fiscal year ended January 31, 2004						

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(amounts are expressed in thousands)

## 8. PENSION AND RETIREMENT PLANS (Continued)

### B. Primary Government (City)

#### Fire and Police Pension Plan

The Pension Fund is a single-employer defined benefit retirement plan established in accordance with the laws of the State of Texas. The City provides retirement benefits for all eligible full-time Fire and Police employees through the Pension Fund. Employees who terminate, having five to twenty years of service, may apply to receive a refund of their original contribution. Employees retiring who have served and contributed for twenty years or more shall, upon application to the Board of Trustees of the Pension Fund, receive a retirement pension based on the average of the employee's total salary, excluding overtime pay, for the highest three years of pay of the last five years of service. The retirement annuity for employees retiring after September 30, 2001, is computed at the rate of 2.25% of this average for each of the first twenty years of service, plus 4.5% of the member's average total salary for each of the next seven years, plus 3% of the member's average total salary for each of the next three years of service, plus 0.5% of the member's average total salary for each of the next four years of service, with fractional years of service prorated based on full months served as a contributing member. 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, 87.5% of the member's average total salary.

An employee with twenty years and one month of actual service credit may at the time of retirement elect a Backward Deferred Retirement Option Plan (Back DROP). The Back DROP election results in a lump sum payment equal to the number of full months of service elected by an employee that does not exceed the lesser of the number of months of service credit the employee had in excess of twenty years or thirty-six months and a reduced annuity payment.

There is also a provision for a 13<sup>th</sup> and a 14<sup>th</sup> pension check. The Board may authorize the disbursement of a 13<sup>th</sup> monthly pension check if the yield on the Pension Fund's investments exceeds the actuarial projections for the preceding five year period by at least 100 basis points. The Board may authorize a 14<sup>th</sup> monthly pension check if the yield on the Pension Fund's investments exceeds the actuarial projections for the preceding five year period by at least 300 basis points. The 13<sup>th</sup> and 14<sup>th</sup> pension checks are paid to each retiree and beneficiary receiving a pension at the time of the disbursement 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).

If service is terminated by reason of death or disability, the employee's beneficiary or the employee shall be entitled to one-half of the average of the employee's total salary, excluding overtime pay, based on the same number of years of the member's pay as used to compute normal retirement benefits. If a member is killed in the line of duty, the member's surviving spouse and dependent children are entitled to a pension based upon actual base salary at time of death.

The Pension Fund issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to the Fire and Police Pension Fund of San Antonio, 311 Roosevelt, San Antonio, Texas 78210-2700 or by calling (210) 534-3262.

Contribution requirements of plan members and the City are established and may be amended by State statute. In the current year, the City contributed 24.64% of covered payroll and employees contributed 12.32% of covered payroll. The employer's required contribution of \$48,038 and the employee's required contribution of \$24,129 were made to the Pension Fund. (See summary of contribution information at Part A of this footnote).

(amounts are expressed in thousands)

**8. PENSION AND RETIREMENT PLANS (Continued)**

**B. Primary Government (City) (Continued)**

**Fire and Police Pension Plan (Continued)**

Effective October 1, 2001, in addition to the changes for credited service and the 14<sup>th</sup> check as mentioned previously, other new provisions include allowing the surviving spouse of an active member to elect to receive benefits in the form of a lump-sum payment and reduced annuity, similar to a Back DROP election made by a retiring member, increasing the maximum benefit for surviving spouses and dependent children equal to a 27 year pension, and increasing cost-of-living increases for all retirees who retired between August 30, 1971 and October 1, 1991.

For the year ended September 30, 2004, the City's annual pension cost of \$48,038 for the Pension Fund was equal to the City's required and actual contributions. The annual required contribution was determined as part of the October 2003 actuarial valuation using the entry-age actuarial cost method. The actuarial assumptions included (a) 8% investment rate of return, and (b) projected salary increase of 5.5% per year. Both (a) and (b) included an inflation component of 4.5%. The actuarial value of assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The Pension Fund's unfunded actuarial liability is being amortized as a level percentage of projected payroll on an open basis. The remaining amortization period at October 1, 2003, was 28.0 years.

**Texas Municipal Retirement System (TMRS)**

The City provides benefits for all eligible employees (excluding firefighters and police officers) through a nontraditional, joint contributory, hybrid defined benefit plan in the TMRS. The TMRS is a statewide agent multiple-employer public employee retirement system created by law in 1948 to provide retirement and disability benefits to city employees. It is the opinion of the TMRS management that the plans in TMRS are substantially defined benefit plans, but they have elected to provide additional voluntary disclosure to help foster a better understanding of some of the nontraditional characteristics of the plan.

TMRS issues a publicly available financial report that includes financial information related to participating municipalities. The report may be obtained by writing to the TMRS, P.O. Box 149153, Austin, Texas 78714-9153 or calling (512) 476-7577.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percentage of the employee's accumulated contributions. In addition, the City may grant, as often as annually, another type of monetary credit referred to as an updated service credit. This is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence and if the employee's salary had always been the average salary for the last three years. 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.

Members are eligible to retire upon attaining the normal retirement age of 60 and above with 5 or more years of service or with 20 years of service regardless of age. The plan also provides death and disability benefits. A member is vested after 5 years, but must leave accumulated contributions in the plan. If a member withdraws the contributions with interest, the member would not be entitled to the City-financed monetary credits, even if vested.

(amounts are expressed in thousands)

**8. PENSION AND RETIREMENT PLANS (Continued)**

**B. Primary Government (City) (Continued)**

**Texas Municipal Retirement System (TMRS) (Continued)**

The plan provisions and contribution requirements are adopted by the governing body of the City within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Contribution requirements are actuarially determined by TMRS’s actuary (See summary of TMRS Actuarial Assumptions and Methods in Part F of this footnote). The contribution rate for the City’s employees is 6% and the matching percent is currently 11.63%, both as adopted by the governing body of the City. (See summary of contribution information in Part A of this footnote). Under the state law governing TMRS, the Employer’s Contribution rates are annually determined by the actuary. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee’s retirement date, not at the time the employee’s contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time the employee’s retirement becomes effective. The prior service contribution rate amortizes the unfunded actuarial liability over the remainder of the plan’s twenty-five year amortization period. When the City periodically adopts updated service credits and increases annuities in effect, the increased unfunded actuarial liability is being amortized over a new twenty-five year period. Currently, the unfunded actuarial liability is being amortized over a constant twenty-five year period as a level percent of payroll. Contributions are made monthly by both the employees and the City. All current year required contributions of the employees and the City were made to TMRS. Due to the fact that the City requires the contribution rates in advance for budget purposes, there is a one-year lag between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect.

**C. San Antonio Water System (SAWS)**

SAWS’ retirement program includes benefits provided by the Texas Municipal Retirement System, a contract with Principal Mutual Life Insurance Company, and Social Security.

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:

- 1. 20 Years of credited service regardless of age, or
- 2. 25 Years of credited service and at least age 50, or
- 3. 10 Years of credited service and at least age 60.

The normal retirement benefit is based upon two factors, average compensation and years of credited service. Average Compensation is defined as the monthly average of total compensation received for the three consecutive years ending December 31, out of the latest ten compensation years prior to normal retirement date which gives the highest average.

The normal retirement benefit under the Principal Mutual contract is equal to:

- 1. 1.2% of the Average Compensation, times years of credited service not in excess of 25 years, plus
- 2. 0.75% of the Average Compensation, times years of credited service in excess of 25 years but not in excess of 35 years, plus
- 3. 0.375% of the Average Compensation, times years of credited service in excess of 35 years.

(amounts are expressed in thousands)

**8. PENSION AND RETIREMENT PLANS (Continued)**

**C. San Antonio Water System (SAWS) (Continued)**

Upon retirement, an employee must select from one of seven 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 death and disability benefits. The following information related to the Texas Municipal Retirement System and Principal Mutual Life Insurance has been prepared as of January 1, 2002.

**Texas Municipal Retirement System (TMRS)**

SAWS provides pension benefits for all of its full-time employees through a nontraditional, joint contributory, defined benefit plan in the Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The TMRS was established in 1948 as a retirement and disability pension system for municipal employees in the State of Texas, and is administered in accordance with the Texas Municipal Retirement System Act. It is the opinion of the TMRS management that the plans in the TMRS are substantially defined benefit plans, but they have elected to provide additional voluntary disclosure to help foster a better understanding of some of the nontraditional characteristics of the plan.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the SAWS-financed monetary credits, with interest. At the date the plan began, SAWS granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are a percent (100%, 150%, and 200%) of the employee's accumulated contributions. In addition, SAWS may grant, as often as annually, another type of monetary credit referred to as an updated service credit which is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and SAWS matching percent had always been in existence and if the employee's salary had always been the average salary for the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Members can retire at age 60 and above with 5 or more years of service or with 20 years of service regardless of age. A member is vested after 5 years. The plan provisions and contribution requirements are adopted by SAWS within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

Contribution requirements are actuarially determined by TMRS's Actuary (See Summary of TMRS's Actuarial Assumptions and Methods in Part F of this footnote). The contribution rate for the employees is 3% of salary, and SAWS matching rate approximates 100% of the employee rate, both as adopted by the SAWS. Under the state law governing TMRS, SAWS' contribution rate is annually determined by the actuary. This rate consists of the normal cost contribution rate and the prior service cost contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to SAWS' matching percent, which are the obligation of SAWS as of an employee's retirement date not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of SAWS to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period.

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(amounts are expressed in thousands)

**8. PENSION AND RETIREMENT PLANS (Continued)**

**C. San Antonio Water System (SAWS) (Continued)**

**Texas Municipal Retirement System (TMRS) (Continued)**

When SAWS periodically adopts updated service credits and increases the annuities in effect, the increased unfunded actuarial liability is to be amortized over a new twenty-five year period. Currently, the unfunded actuarial liability is to be amortized over the twenty-five year period. The unit credit actuarial cost method is used for determining SAWS contribution rate.

Contributions are made monthly by both the employees and SAWS. Since SAWS needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect. Significant assumptions used in the actuarial valuation of annual required contributions include a rate of return on the investment of present and future assets of 8.0% per year. Additionally, there is no need to project salary increases since the benefit credits earned for service to date are not dependent on future salaries. Likewise, inflation and cost-of-living adjustments are not accounted for in the actuarial study. Assets are valued at amortized cost.

**Principal Mutual Life Insurance Company**

The contract with Principal Mutual Life Insurance Company (PMLIC) serves as a supplement to the TMRS and Social Security benefits. SAWS' covered payroll at January 1, 2003, under this contract was \$55,364.

SAWS provides supplemental pension benefits for all persons customarily employed at least 20 hours per week and five months per year through this defined benefit plan. Employees are eligible to participate in the plan on January 1 of the calendar year following date of hire. An employee covered by the plan may vest a portion of the plan benefits if termination occurs after sufficient years of service have been credited. The plan allows an employee to accrue vesting benefits as follows:

<u>Years of Service</u>	<u>Vested Percentage</u>
Less than 5	0%
5	50%
6	60%
7	70%
8	80%
9	90%
10 or more	100%

An employee is automatically 100% vested upon attainment of age 65 or upon becoming totally and permanently disabled.

Benefits for retired employees are fully guaranteed at retirement. The pension plans unallocated insurance contracts are valued at contract value. Contract value represents contributions made under the contract, plus interest at the contract rate, less funds used to purchase annuities or pay administrative expenses charged by Principal Life Insurance Co. The plan provisions and contribution requirements are governed by SAWS, which may amend plan provisions and is responsible for the management of plan assets.

Significant assumptions used by PMLIC's actuary to compute the actuarially determined contribution requirements include: (a) a rate of return on the investment of present and future assets of 8.25% per year, and (b) salary scale from Table S-5 of the Actuary's Pension Handbook, plus 3.4%.

(amounts are expressed in thousands)

**8. PENSION AND RETIREMENT PLANS (Continued)**

**C. San Antonio Water System (SAWS) (Continued)**

**Principal Mutual Life Insurance Company (Continued)**

The PMLIC contract funding policy provides for actuarially determined periodic contributions so that sufficient assets will be available to pay benefits when due. The actuarial cost method is known as the Entry Age Normal-Frozen Initial Liability Method. This method spreads the total cost of the projected pension benefits for each employee evenly from the date the employee is first eligible for the plan to the employee's assumed retirement date. As plan benefits are related to compensation, the cost is spread as a level percentage of compensation. The total of annual amounts for all employees combined is called the Normal Cost. The employee's Entry Age is determined as if the plan had always been in existence. Thus, as of the plan effective date, there are some accumulated Normal Costs for past years that have not been paid. The value of these costs is called the Frozen Initial Liability.

In subsequent years the Frozen Initial Liability is reduced by employer deposits to the plan in excess of employer Normal Cost and interest requirements. This reduced amount is known as the Unfunded Frozen Initial Liability. Contribution requirements are established and may be amended by SAWS. Active members are not required to contribute to the plan. Any obligation with respect to the pension plan shall be paid by SAWS. The actuarial valuation, which was performed for the plan year, ended December 31, 2002 reflects an unfunded frozen initial liability of \$10,692.

The PMLIC issues a publicly available financial report that includes financial statements and required supplemental information. That report may be obtained by writing to Principal Life Insurance Company, Pension Diversified Retirement Services, Des Moines, Iowa 50392-0001 or by calling (515) 247-5111.

**D. City Public Service (CPS)**

**All Employee Plan**

The CPS Pension Plan is a self-administered, single-employer, defined-benefit contributory pension plan (Plan) covering substantially all employees who have completed one year of service. Normal retirement is age 65; however, early retirement is available with 25 years of benefit service and to those employees who are ages 55 or older with at least 10 years of benefit service. Retirement benefits are based on length of service and compensation, and benefits are reduced for retirement before age 55 with 25 years or more of benefit service, or age 62 with less than 25 years of service.

The Plan and contribution requirements are sponsored by and may be amended by CPS, acting by and through the General Manager and Chief Executive Officer of CPS. The Plan assets are held in a separate trust that is annually audited and which financial statements include historical trend information. Additional information may be obtained by writing the Employee Benefits Division of CPS, P.O. Box 1771, San Antonio, Texas 78296 or by calling (210) 978-2484.

Funding levels are established through annual actuarial evaluations and recommendations of an Administrative/Investment Committee, using both employee and employer contributions. Participating employees contribute 5% of their total compensation and are fully vested after completing 7 years of credited service or at age 40. The balance of contributions made amounted to 4.3% and is the responsibility of CPS, considering actuarial information, budgetary compliance, and the need to amend the Plan with legal requirements. (See Summary of Contribution Information at Part A of this footnote).

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(amounts are expressed in thousands)

**8. PENSION AND RETIREMENT PLANS (Continued)**

**D. City Public Service (CPS) (Continued)**

**All Employee Plan (Continued)**

As calculated under GASB Statement No. 27, CPS' annual pension cost and net pension obligation for the fiscal year ended January 31, 2004, was \$7,651. The annual required contribution was determined as part of the January 1, 2003, actuarial valuation using (a) the five-year smoothed market method for asset valuation, (b) the projected unit credit for pension cost, and (c) the level dollar open for amortization. The remaining amortization period is 10.16 years and is calculated using the level dollar open amortization method.

Significant actuarial assumptions used for the January 1, 2003, actuarial valuation include (a) a rate of return on the investment of present and future assets of 8.5% per year compounded annually, (b) projected salary increases averaging 5.0%, and (c) post-retirement cost-of-living increases of 2.0%. The projected salary increases include an inflation rate of 4.0%.

**E. Three Year Trend Information**

Trend information compares the annual required contribution to annual pension cost and the resultant net pension obligation as required by GASB Statement No. 27.

Three Year Trend Information										
Pension Plan	Fiscal Year	Annual Required Contribution (ARC)	Interest on Net Pension Obligation (NPO)	Adjustment To ARC	Annual Pension Cost (APC)	Contributions In relation to ARC	Increase (Decrease) in NPO	Net Pension Obligation at Beginning of Year	Net Pension Obligation at End of Year	Percentage of APC Contributed
Fire and Police	2002	43,615			43,615	(43,615)				100%
Pension-City of San Antonio	2003	45,008			45,008	(45,008)				100%
	2004	48,038			48,038	(48,038)				100%
TMRS-City of San Antonio	2002	23,147			23,147	(23,147)				100%
	2003	22,684			22,684	(22,684)				100%
	2004	23,062			23,062	(23,062)				100%
CPS All Employee Plan <sup>1</sup>	2002	660	8	(14)	654	(753)	(99)	99		115%
	2003	4,921			4,921	(4,921)				100%
	2004	7,651			7,651	(7,651)				100%
TMRS-SAWS <sup>2</sup>	2001	1,044			1,044	(1,044)				100%
	2002	1,772			1,772	(1,772)				100%
	2003	1,905			1,905	(1,905)				100%
PMLIC-SAWS <sup>3</sup>	2001	2,969			2,969	(2,969)				100%
	2002	2,857			2,857	(2,857)				100%
	2003	3,324			3,324	(3,324)				100%

1 Fiscal year ended January 31, 2004  
 2 Plan year ended December 31, 2003  
 3 Plan year ended December 31, 2003

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(amounts are expressed in thousands)

**8. PENSION AND RETIREMENT PLANS (Continued)**

**F. Significant TMRS Actuarial Assumptions and Methods**

Significant assumptions used in the actuarial valuation by the Texas Municipal Retirement System's (TMRS) actuary are provided in the table below for both the City and SAWS:

<b>TMRS Actuarial Assumptions and Methods</b>	
Investment Return-City	7%
Investment Return-SAWS	8%
Inflation Rate	None
Projected Salary Increases	None
Post Retirement Benefit Increases	None
Actuarial Cost Method	Unit Credit
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	25 Years – Open Period
Asset Valuation Method	Amortized Cost

**Location of Schedules of Funding Progress**

The Schedule of Funding Progress is located in the "Required Supplementary Information" section of this report. The schedules are designed to provide information about each entity's progress in accumulating sufficient assets to pay benefits due.

**9. POSTEMPLOYMENT RETIREMENT BENEFITS**

**A. Primary Government (City)**

In addition to the pension benefits discussed in Note 8, the City provides all their retired employees with certain health benefits under two postemployment benefit programs. The first program is a health insurance plan, which provides benefits for all non-uniformed City retirees and for all, pre-October 1, 1989, uniformed (fire and police) retirees. Currently, there are 6,067 active civilian employees who may become eligible in the future. Employees become eligible for the program when they reach eligibility for the TMRS Pension Plan, discussed in Note 8. At September 30, 2004, there were 1,512 retirees participating in the program which covers eligible expenses at 80% after a deductible of \$250 (single)/\$500 (family) for non-Medicare and \$125/\$250 for Medicare retirees. The cost of the program is reviewed annually, and actuarially determined costs of medical claims are funded jointly by the City and retirees on a pay-as-you-go basis shared on a targeted 67% City - 33% retiree cost allocation. Please note that the number of employees, retirees, and deductible amounts in this paragraph are not expressed in thousands. For retirees, total expenses for the year were \$7,268. For the year ended September 30, 2004, total contributions were as follows:

City	\$ 3,509
Employees	<u>2,279</u>
<b>TOTAL</b>	<u><b>\$ 5,788</b></u>

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(amounts are expressed in thousands)

**9. POSTEMPLOYMENT RETIREMENT BENEFITS (Continued)**

**A. Primary Government (City) (Continued)**

The second postemployment benefit program of the City provides retirement health care benefits for eligible Fire and Police retirees under the Fire and Police Retiree Healthcare Fund (“Fund”). The Fund was originally established as a fund of the City pursuant to the respective Fire and Police collective bargaining agreements to provide postemployment health benefits for San Antonio Fire Fighters and Police Officers who retired on or after October 1, 1989. Effective October 1, 1997, the Fund was created as a separate and distinct statutory trust. The Fund is governed by a nine member Board of Trustees comprised of the Mayor, two City Council members, two active police officers, two active fire fighters, a retiree representative of the Fire Department, and a retiree representative of the Police Department. The Board of Trustees is responsible for the investment of the assets of the Fund. Contribution and benefit levels are determined by the respective collective bargaining agreements with the Fire and Police Associations.

The benefits of this plan are financed on a prefunded basis. The City currently makes contributions on behalf of 3,417 active Fire Fighters and Police Officers who may be eligible for benefits under this plan in the future. The benefits of the plan are not available until the employee has completed twenty years of service and the plan is currently providing benefits to 1,086 eligible retirees. The Program reimburses 80% of the amount of eligible claims for standard medical costs and 100% for hospitalization costs incurred by the retiree and their eligible dependents for Prefund II retirees. Please note the number of firefighters, police officers, and retirees in this section are not expressed in thousands. For the year ended September 30, 2004, total expenses for retired employees was \$10,223. Contribution levels from the current collective bargaining agreements between the City and the Fire and Police Associations, respectively, and total contributions to the Fund are summarized in the following tables. Additionally, for FY 2004, the City did not reduce its contribution to the Fund under the Fire Agreement to 8.51% of base pay plus longevity but rather maintained its contribution at 8.71 % of base plus longevity.

Fire Agreement Contribution Levels		
Effective Date	City % of Base Pay Plus Longevity	Firefighter Per Month
June 1, 2002	8.92%	\$40
October 1, 2002	8.71%	\$50
October 1, 2003	8.51%	\$60
October 1, 2004	8.33%	\$70

Police Agreement Contribution Levels		
Effective Date	City % of Base Pay Plus Longevity	Police Officer Per Month
November 1, 2003	9.4%+\$20/member monthly	\$40
April 1, 2004	9.4%+\$20/member monthly	\$50
October 1, 2004	9.4%+\$20/member monthly	\$60
April 1, 2005	9.4%+\$20/member monthly	\$70

Total Contributions to the Fund	
City	\$ 16,563
Employees and Retiree Dependent Premiums	2,502
<b>Total Contributions</b>	<b>\$ 19,065</b>

(amounts are expressed in thousands)

**9. POSTEMPLOYMENT RETIREMENT BENEFITS (Continued)**

**A. Primary Government (City) (Continued)**

Historically, actuarial valuations have been performed periodically to determine the actuarial position of the Fund and whether the existing financing of the Fund can be reasonably expected to be adequate over a long period of time. Actuarial valuations over the past several years have indicated that contribution levels are not sufficient to amortize the unfunded liability. At the request of the Board of Trustees, the Fund's consulting actuaries performed an actuarial valuation dated February 20, 2004, as of October 1, 2003. The results of the actuarial valuation were that, in the opinion of the actuary, the Fund will have a long-term inadequate financing arrangement if present health benefits are left unchanged and if the monthly contributions remain at the amounts of \$20 per month per active participant for police employees and \$70 per month for active fire fighters after September 30, 2004. The actuary has also recommended that the contribution be increased to 21.41% of covered payroll in addition to the continuation of the specified monthly contributions. The City also had an actuarial valuation of the Fund conducted with a valuation date of April 1, 2003. This valuation also indicated that current contribution rates were not sufficient to the fund the benefits and retire the unfunded actuarial accrued liability.

While the results of the studies reflect significant changes would be required in contribution levels if benefits remain unchanged, the actuarial reports also state that the Fund does not have a short term financing problem. As of September 30, 2004, net assets available for postemployment benefits were \$127,603 while benefits payments for the fiscal year ended September 30, 2004, were \$10,223. As noted above, contribution and benefit levels are established pursuant to the collective bargaining agreements. The current agreement with the Fire Association will expire September 30, 2005, and has an evergreen clause through September 30, 2015. This agreement was negotiated prior to the issuance of the actuarial valuation indicating that contribution levels could not sufficiently amortize the unfunded liability, however, the agreement does contain a limited re-opener related to contributions to the Fund. The City is in discussions with the Fire Association regarding the limited re-opener under the current agreement.

The City approved an agreement in November of 2003 with the Police Association that will expire on September 30, 2006, and has an evergreen clause through September 30, 2016. This agreement with the Police Association increases both contributions by the City and active police officers over the term of the agreement. The agreement makes certain changes in benefits such as expanding the list of preventive services and for in-network and out-of-network pharmacy benefits with increased co-payments for drugs purchased at out-of-network pharmacies, which also became effective simultaneously under the Fire Contract. To coincide with the expiration of the City's current agreement with the Fire Association in September of 2005, the agreement with the Police Association also includes a re-opener on the benefits article in fiscal year 2005 which will allow the City to simultaneously work with both the Police and Fire Associations to continue to develop a comprehensive long-term solution for the Fund. The plan is based on a dual-track strategy of restructuring and redesigning the health benefits program and increasing City and employee contributions. Negotiations with both the Fire and Police Associations regarding health benefits issues are anticipated to begin in the summer of 2005.

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(amounts are expressed in thousands)

**9. POSTEMPLOYMENT RETIREMENT BENEFITS (Continued)**

**B. City Public Service (CPS)**

CPS provides certain health care and life insurance benefits for retired employees. Most former CPS employees are eligible for these benefits upon retirement from CPS. Plan assets are held as part of CPS' Group Health and Life Insurance Plans and funding is from both participant and employer contributions determined by annual actuarial and in-house calculations. Retired employees contribute to the health plan in varying amounts depending upon an equity formula that considers age and years of service. The Plans may be amended by CPS. The annual cost of retiree health care and life insurance benefits funded by CPS is recognized as an expense of CPS as employer contributions are made to the programs.

These costs approximated \$4,400 for 2004. CPS reimbursed certain retirees and their spouses enrolled in Medicare Part B a percentage of the monthly premium, which totaled \$256 for fiscal year 2004.

Retired employees and covered dependents contributed \$1,900 for their health care and life insurance benefits in fiscal year 2004. There were approximately 2,261 retirees and covered dependents eligible for health care and life insurance benefits. Please note the number of retirees is not stated in thousands.

In view of the potential economic significance of these benefits, CPS has reviewed the present value of the postemployment benefit obligations for current retirees. The January 1, 2003, valuations are \$74,400 for health and \$19,800 for life insurance benefits. The actuarial analysis of the present value of postemployment benefit obligations for other participants fully eligible for benefits are estimated to be \$45,900 for health, \$5,600 for life insurance, and \$3,000 for disability benefits. CPS began partial accrual and funding of projected future benefits in 1992. Funding totaled \$4,300 in 2004. For the health care plan, the actuarial cost method used is the Projected Unit Credit Actuarial Cost Method. For the life insurance and disability plans, CPS uses a present value method to determine the cost of benefits.

Significant actuarial assumptions used in the calculations for the January 1, 2003, actuarial valuations include (a) a rate of return on the investment of present and future assets of 8.5% per year for the health, life, and disability plans, (b) projected salary increases for the plans ranging from 4.5% to 12.0% depending on age for base and other salaries, and (c) medical cost increases projected at 10.0% for 2003 decreasing to 6.0% in 2011 and thereafter.

**C. San Antonio Water System (SAWS)**

SAWS provides certain health care and life insurance benefits for retired employees. Substantially all full-time employees who retire from SAWS may become eligible for those benefits. On December 31, 2003, there were 442 retirees with life insurance and 283 retirees with medical coverage. Please note the numbers of retirees are not stated in thousands.

SAWS provides medical and life insurance for retirees and recognizes the cost of providing these benefits on a pay-as-you-go basis by expensing the annual insurance. Premiums for medical insurance and life insurance amounted to \$3,956 and \$70, respectively for January 1, 2003, through December 31, 2003. Those and similar benefits for active employees are provided through insurance companies.

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(amounts are expressed in thousands)

## 10. CPS SOUTH TEXAS PROJECT (STP)

### Joint Operations

CPS is one of four participants in the STP, which consists of two 1,250-megawatt nuclear generating units in Matagorda County, Texas. The other participants in the project are Texas Genco, L.P., formerly known as Houston Lighting & Power and Reliant Energy, American Electric Power - Central Power and Light Company, and the City of Austin. In-service dates for STP were August 1988 for Unit 1 and June 1989 for Unit 2. CPS' 28% ownership in the STP represents 700 megawatts of plant capacity. At January 31, 2004, CPS' investment in the STP utility plant was approximately \$1,700,000, net of accumulated depreciation. Effective November 17, 1997, the Participation Agreement among the owners of STP was amended and restated and the STP Nuclear Operating Company (STP OPCO), a Texas non-profit non-member corporation created by the participants, assumed responsibility as the licensed operator of STP. The participants share costs in proportion to ownership interests, including all liabilities and expenses of STP OPCO.

### Nuclear Insurance

The Price-Anderson Act is a comprehensive statutory arrangement for providing limitations on liability and governmental indemnities with respect to nuclear accidents or events. The maximum amount that each licensee may be assessed following a nuclear incident at any insured facility is \$100,600, subject to adjustment for inflation, for the number of operating nuclear units and for each licensed reactor, payable at \$10,000 per year per reactor for each nuclear incident. CPS 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 in STP. For purposes of these assessments, STP 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 Nuclear Regulatory Commission (NRC), in accordance with the financial protection requirements of the Price-Anderson Act.

A Master Worker Nuclear Liability policy, with a maximum limit of \$600,000 for the nuclear industry as a whole, provides protection from nuclear-related claims.

NRC regulations require licensees of nuclear power plants to obtain on-site property damage insurance in a minimum amount of \$1,060,000. 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 currently maintain \$2,750,000 of nuclear property insurance, which is above the legally required amount of \$1,060,000, but is less than the total amount available for such losses. The \$2,750,000 of nuclear property insurance consists of \$500,000 in primary property damage insurance and \$2,025,000 of excess property damage insurance, both subject to a retrospective assessment being paid by all members of Nuclear Electric Insurance Limited (NEIL). In the event that property losses as a result of an accident at the nuclear plant of any utility insured by NEIL exceed the accumulated funds available to NEIL, a retrospective assessment could occur. The maximum aggregate assessment under current policies for both primary and excess property damage insurance is \$25,500 during any one-policy year.

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(amounts are expressed in thousands)

## 10. CPS SOUTH TEXAS PROJECT (STP) (Continued)

### **Nuclear Decommissioning**

CPS, together with the other owners of the STP, files with the NRC a certificate of financial assurance for the decommissioning of the nuclear power plant. The certificate assures that CPS will meet the minimum decommissioning funding requirements mandated by the NRC. The STP owners agreed in the financial assurance plan that their estimate of decommissioning costs would be reviewed and updated periodically. In 1995, the owners conducted a review of decommissioning costs. The results showed that CPS' share of decommissioning costs at approximately \$270,000 in 1994 dollars. In 1999, the owners conducted an additional review of decommissioning, and results estimated CPS' share of decommissioning costs are now approximately \$311,000 in 1998 dollars.

In 1991, CPS started accumulating the decommissioning funds in an external trust, in accordance with the NRC's regulations. The Decommissioning Trust assets and related liabilities are included in CPS' financial statements as a component unit. At January 31, 2004, CPS has accumulated approximately \$211,100 of funds in the external trust. Based on the annual calculation of financial assurance required by the NRC, CPS' trust balance exceeded the calculated financial assurance amounts of \$70,400 at December 31, 2003.

Based upon the 1998 and 1994 decommissioning cost studies, the annual level funding into the trust of \$15,900 for 2004 was expensed by CPS.

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(amounts are expressed in thousands)

## 11. COMMITMENTS AND CONTINGENCIES

### A. 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 is 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, 2004. Grants awarded by federal, state, and other governmental agencies but not yet earned nor received in cash as of September 30, 2004, were \$118,544.

#### Capital Improvement Program

The City will be undertaking various capital improvements to its airport system during fiscal year 2005. The estimated cost of these improvements is \$163,015. Approximately \$25,583 of the total will be funded by federal grants.

#### Litigation

The City is involved in various lawsuits related to alleged personal and property damages, wrongful death, breach of contract, various claims from contractors for additional amounts under construction contracts, property tax assessments, environmental matters, class action and promotional practices, and discrimination cases. The Office of the City Attorney estimates the probable liability for these suits, including those mentioned below, will approximate \$8,995, which is included as a component of the reserve for claims liability in the amount of \$17,271. The estimated liability, including an estimate of incurred but not reported claims, is recorded in the Insurance Reserve Fund. The City makes significant estimates in determining the amounts of unsettled claims under its self-insurance program and believes that the self-insurance reserves recorded in the Self-Insurance Funds are adequate to cover losses for which the City may be liable. It is not determinable whether additional claims or revisions to estimates required for settlement on existing claims could have a material effect on the government-wide financial statements.

*Charles and Tracy Pollock, Individually and as next friend of Sarah Jane Pollock, a minor child v. City of San Antonio.* This is a nuisance case alleging that benzene gas emitted from the West Avenue Landfill caused chromosomal damage to a fetus during the period of gestation, resulting in Plaintiff's contracting acute lymphoblastic leukemia. Although the jury at trial entered against a judgment of more than \$23,000 against the City, the trial court immediately reduced this by \$6,000. On appeal, the Fourth Court subsequently sided with the City and reduced the judgment further by eliminating \$10,000 in exemplary damages. The remaining issue is whether personal injuries are recoverable under the Plaintiff's theory of nuisance. The City believes they are not and that even if they are recoverable, damages are capped at \$250 under the Texas Tort Claims Act. The City is appealing to the Texas Supreme Court.

*Matthew Jackson et. al. v. City of San Antonio.* This is a Fair Labor Standards Act ("FLSA") lawsuit with 175 named plaintiffs who claim that they were required to report for duty 15 minutes prior to their shift and that they were not compensated for the time in violation of the FLSA. There are several other allegations based on the FLSA, as well. The lawsuit has been filed on behalf of all of the police officers similarly situated to the 175 plaintiffs. The Plaintiffs have a motion pending for class certification that could increase the size of the Plaintiff class to include all officers of the San Antonio Police Department, of which there are more than 2,000. Thus, the potential exists for more officers to join the lawsuit. The City expects to win the lawsuit, but the potential liability, if the case were lost, could be an amount well over \$1,000.

**11. COMMITMENTS AND CONTINGENCIES (Continued)**

**A. Primary Government (City) (Continued)**

**Arbitrage**

The City has issued certain tax-exempt obligations that are subject to Internal Revenue Service (IRS) arbitrage regulations. Non-compliance 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.

**Leases**

The City leases City-owned property to others consisting of buildings, real property, and parking spaces. Costs of specific leased components are not readily determinable. Total rental revenue on operating leases for fiscal year ended September 30, 2004, was \$21,564. As of September 30, 2004, the leases provide for the following future minimum rentals:

<b>Leases Receivable</b>					
<b>Governmental</b>					
	<u>Activities</u>	<u>Aviation</u>	<u>Parking</u>	<u>Total</u>	
Fiscal year ending September 30:					
2005	\$ 1,854	\$ 14,479	\$ 102	\$ 16,435	
2006	1,641	13,755	60	15,456	
2007	1,009	2,360		3,369	
2008	844	2,052		2,896	
2009	608	1,481		2,089	
2010-2014	2,530	5,286		7,816	
2015-2019	2,673	3,095		5,768	
2020-2024	975	425		1,400	
2025-2029	750	222		972	
2030-2034	675			675	
2035-2039	500			500	
2040-2042	267			267	
Future Minimum Lease Rentals	<u>\$ 14,326</u>	<u>\$ 43,155</u>	<u>\$ 162</u>	<u>\$ 57,643</u>	

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(amounts are expressed in thousands)

## 11. COMMITMENTS AND CONTINGENCIES (Continued)

### A. 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 thirty years. As of September 30, 1994, the City estimated these costs for postclosure of the Nelson Gardens Landfill at \$3,800. The estimate was based on estimated 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 thirty-year period. In accordance with GASB Statement No. 18, "Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs", the estimated postclosure cost of \$3,800 for the Nelson Gardens Landfill was recorded as a liability and expensed in the Environmental Services Fund in fiscal year 1994. 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, 2004, resulted in an estimated postclosure care liability for the Nelson Gardens Landfill of \$1,051. This represents a decrease of \$10 from the prior fiscal year for expenditures incurred for geotechnical and environmental engineering services.

#### 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), formerly known as the Texas Natural Resource Conservation Commission (TNRCC), 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. As such, financial assurance is required to ensure that funds are available, when needed, to meet costs associated with the closure of the City's North East Transfer Station. Additionally, financial assurance is required to demonstrate financial responsibility for underground storage petroleum facilities. As of September 30, 2001, the permit for the North East Transfer Station has been transferred from the City and the new permittee has provided adequate financial assurance for this facility. 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.

#### Brooks City-Base – Electric and Gas Utilities

The Brooks City-Base Project is a collaborative effort between the U.S. Air Force (the "Air Force") and the City designed to retain the Air Force missions and jobs at Brooks Air Force Base, improve mission effectiveness, assist in reducing operating costs, and promote and enhance economic development at Brooks. On July 22, 2002, the land and improvements were transferred to the Brooks Development Authority (BDA) for the purpose of creating the Brooks Technology & Business Park, a facility that will foster the development of key targeted industries. The Air Force is currently the Park's anchor tenant and is leasing back facilities to perform its missions.

As part of the conveyance, the electric and gas utilities were transferred to City Public Service (CPS), the City's utility. The electric and gas utility systems' infrastructure at Brooks are deficient and require extensive upgrades and improvements. Pursuant to the transfer, the Air Force, BDA, and CPS have committed to make certain improvements and upgrades to the electric and gas utility over a 20-year period. Funding for these improvements include \$3,400 from the City and \$6,300 from BDA and CPS each, respectively for a total of \$16,000.

(amounts are expressed in thousands)

**11. COMMITMENTS AND CONTINGENCIES (Continued)**

**A. Primary Government (City) (Continued)**

**Brooks City-Base – Electric and Gas Utilities (Continued)**

With respect to BDA’s obligation of \$6,300, the City has agreed, under certain circumstances and if necessary, to assist BDA in funding its obligation. The City has agreed to contribute to BDA on an annual basis an amount equivalent to the incremental increase in the City’s payment from CPS derived from Brooks. The City, as the owner of CPS, receives 14% of CPS’ gross revenues and this amount represents additional resources available to the City as a result of its increased payment from CPS derived at Brooks. Over the 20-year period, the City’s annual payments will not exceed \$3,400. In the event BDA has exhausted all of its available resources and has been unable to fulfill its obligation of \$6,300 by the end of the 20-year term, the City has agreed in good faith to utilize all of its funding options to enable BDA to satisfy its obligation.

**Alamodome Soil Remediation**

The City took an aggressive approach to dealing with environmental issues resulting from the construction of the Alamodome, a multi-purpose domed facility. It worked in conjunction with the Texas Commission on Environmental Quality (TCEQ) on the development and implementation of a remediation plan that addressed both on and off-site locations that may have contained contaminated soil. As of September 30, 2004, the City had expended approximately \$13,460 related to Alamodome soil remediation efforts, inclusive of the supplemental environmental projects. In January 1996, TCEQ issued its Executive Director’s Preliminary Report assessing a penalty against the City and VIA Metropolitan Transit (VIA) along with certain technical recommendations for alleged violations in the handling of contaminated soils at the Alamodome site. On February 12, 1997, the City and TCEQ entered into an Agreed Order relating to enforcement actions taken by the Commission against the City and VIA which provided for a reduced penalty amount because of positive actions taken by the City to initiate corrective actions in advance of the Agreed Order.

Under the Agreed Order, the Commission would also defer the remaining portion of the reduced fine upon successful completion, by the City, of certain supplemental environmental projects in the total amount of \$628. The City, under separate agreement with VIA, would assume responsibility for the remediation of the remaining sites, with VIA contributing \$350 towards these efforts.

The City completed the Supplemental Environmental Projects as identified in the Agreed Order and has received concurrence from the TCEQ that these projects were successfully completed. Additionally, the ten sites that required remedial activity under the Agreed Order were completed. The TCEQ has provided closure letters for all of these sites. Remediation was completed in fiscal year 2004 for the final site.

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(amounts are expressed in thousands)

**11. COMMITMENTS AND CONTINGENCIES (Continued)**

**B. City Public Service (CPS)**

**Other**

Purchase and construction commitments amounted to approximately \$1,500,000 at January 31, 2004. This amount includes approximately \$40,300 that is expected to be paid for natural gas purchases to be made under various contracts currently in effect through June 2007; the actual amount to be paid will depend upon CPS' actual requirements during the contract period and the price of gas. Also included is \$79,500 for coal purchases through December 2006, \$246,200 for coal transportation through December 2014, and \$3,000 for treated cooling water through December 2005, based upon the minimum firm commitment under these contracts.

CPS has also committed to purchase \$199,500 in wind power; \$22,500 for generation plant maintenance services, and \$50,000 for distribution system construction and maintenance.

Additional purchase commitments at January 31, 2004, which are related to STP, include approximately \$673,300 for raw uranium, associated fabrication, and conversion services. This amount represents services that will be needed for refueling through the year 2028.

The PUC promulgated new rules in 1996 designed to comply with legislative changes affecting the utility industry. The Transmission Pricing and Access Rule (Rule) mandates that electric utilities charge customers for wholesale open transmission access according to a formula based on the amount of load served by each utility. CPS' cost for calendar year 2003 was approximately \$16,100. The estimated cost for calendar year 2004 is approximately \$13,000.

**Joint Operations Agreement**

A 1997 Joint Operations Agreement (JOA) resulted from the litigation settlement with Texas Genco, L.P., formerly known as Reliant Energy, Inc., and Houston Lighting & Power, over its management of STP during the construction and early operating periods. The JOA is an arrangement to jointly dispatch CPS' and Texas Genco, L.P.'s generating plants to take advantage of the most efficient plants and favorable fuel prices of each utility. Until June 2002, CPS received, in monthly cash payments, 90% of the savings realized from the jointly operated systems. As of June 2002, when Texas Genco, L.P. met the JOA \$200,000 cumulative savings obligation, monthly cash payments were reduced to 50% of the savings realized from the jointly operated systems. As of January 31, 2004, CPS' total cumulative payments from savings realized was \$235,800.

**Litigation**

Additionally, in the normal course of business, CPS is involved in other legal proceedings related to alleged personal and property damages, breach of contract, condemnation appeals, and discrimination cases. Also, CPS power generation activities and other utility operations are subject to extensive state and federal environmental regulation. In the opinion of management of CPS, the outcome of such proceedings will not have a material adverse effect on the financial position or results of operations of CPS.

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(amounts are expressed in thousands)

**11. COMMITMENTS AND CONTINGENCIES (Continued)**

**C. San Antonio Water System (SAWS)**

**Other**

SAWS is committed under various contracts for completion of construction or acquisition of utility plants totaling approximately \$146,100 as of December 31, 2003. Funding of this amount will come from available revenues of SAWS, contributions from developers, and restricted assets.

**Litigation**

SAWS is the subject of various claims and litigation that have risen in the ordinary course of its operations. Management, in consultation with legal counsel, is of the opinion that SAWS' liabilities in these cases, if decided adversely to SAWS, will not be material.

**12. RISK FINANCING**

**A. Primary Government (City)**

**Property and Casualty Liability**

At September 30, 2004, the City has excess insurance coverage through State National Insurance Company for liability. The blanket policy provides general and auto liability along with police professional errors and omissions and EMS Medical Malpractice, and Civil Rights and Employee Benefits Liability Coverage. Allianz Insurance Company provides property coverage on the City's building and contents inventory. The City utilizes a third party administrator for the handling of administration, investigation, and adjustment of liability claims.

Obligations for claims under these programs are accrued in the City's Self-Insurance Reserve Internal Service Fund based on the City's estimates of the aggregate liability for claims made and claims incurred but not reported, and Departments are assessed premiums to cover expenditures. There were no significant reductions in insurance coverage. Claims settlements did not exceed insurance coverage for each of the past three years.

**Employee Health Benefits**

The City provides its current employees with a comprehensive employee benefit program including coverage for medical, dental and life insurance, vision, dependent care reimbursement accounts and additional life insurance for its employees and their dependents. The City's self-insured medical programs are provided to all City employees. Obligations for benefits are accrued in the City's Self-Insurance Employee Benefits Insurance Internal Service Fund based upon the City's estimates of the aggregate liability for unpaid benefits.

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(amounts are expressed in thousands)

**12. RISK FINANCING (Continued)**

**A. Primary Government (City) (Continued)**

**Workers' Compensation**

The City self-insures for Workers' Compensation. The City is a member of the Texas Municipal League (TML) Workers' Compensation Joint Insurance Fund, an unincorporated association of political subdivisions of the State of Texas. The TML Workers' Compensation Joint Insurance Fund is not intended to operate as an insurance company, but rather is intended to be a contracting mechanism, which the City as a member utilizes to administer self-insurance workers' compensation benefits to its employees for claims that occurred prior to September 30, 1986. The City also utilizes third party administrators for the handling of administration, investigation, and adjustment of workers' compensation claims that occurred after October 1, 1986. All loss contingencies, including claims incurred but not reported, if any, are recorded in the City's Self-Insurance Workers' Compensation Internal Service Fund and City departments are assessed premiums to cover expenditures. As of September 30, 2004, the City has excess workers' compensation coverage through the State National Insurance Company. Claims settlements did not exceed insurance coverage for each of the past three years.

**Unemployment Compensation Program**

The Unemployment Compensation Program of the Self-Insurance Internal Service Fund provides a central account for payment of unemployment compensation claims. As of the fiscal year end, claims were being administered internally by the City and are paid to the Texas Workforce Commission on a reimbursement basis. All costs incurred are recorded on a claim paid basis.

**Extended Sick Leave Program**

The Extended Sick Leave Program of the Self-Insurance Internal Service Fund is used to pay benefits associated with the City's employee long-term disability plan. Benefits are administered by the City. Actual costs are incurred when extended leave is taken.

**Employee Wellness Program**

The Self-Insurance Employee Wellness Program Internal Service Fund is used to account for revenues and operating expenses of the City Occupational Health Clinic operated by the San Antonio Metropolitan Health District. The clinic's operation is supported by transfers from the Workers' Compensation Fund and the Employee Health Benefits Fund as expenses are incurred. In fiscal year 1999, the Employee Assistance Program was established to offer City employees short-term mental health, marital, and financial counseling, as well as substance abuse intake and assessment. The Program was funded by a transfer from the Workers' Compensation Fund.

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(amounts are expressed in thousands)

**12. RISK FINANCING (Continued)**

**A. Primary Government (City) (Continued)**

Claims Liability

The liability for the Employees Benefits Program is based on the estimated aggregate amount outstanding at the statement of net assets date for unpaid benefits. Liabilities for the Insurance Reserve and Workers' Compensation Programs are reported when it is probable that a loss has occurred as of the statement of net assets 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 feel 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 the Insurance Reserve Program is based on a 3% discounted rate.

The following is a summary of changes in claims liability for the City's Insurance Reserve, Employee Benefits, and Workers' Compensation Programs for the year ended September 30, 2004.

<b>Schedule of Changes In Claims Liability</b>					
Fund	Liability Balance October 1,	Change in Estimates	Claims & Adjustments	Claims Payments	Liability Balance September 30, <sup>1</sup>
<u>Insurance Reserve</u>					
Fiscal Year 2003	\$ 16,179	\$	\$ 4,836	\$ (4,836)	\$ 16,179
Fiscal Year 2004	16,179	1,092	3,370	(3,370)	17,271
<u>Employee Benefits</u>					
Fiscal Year 2003	\$ 5,366	\$ 3,182	\$ 36,997	\$ (36,997)	\$ 8,548
Fiscal Year 2004	8,548		48,266	(48,266)	8,548
<u>Workers' Compensation<sup>1</sup></u>					
Fiscal Year 2003	\$ 23,205	\$	\$ 10,035	\$ (10,035)	\$ 23,205
Fiscal Year 2004	23,205		9,635	(9,635)	23,205
<sup>1</sup> The Workers' Compensation Liability Balance of \$23,205 is comprised of \$20,879 recorded in the Workers' Compensation Fund and the remaining liability of \$2,326 is recorded in Proprietary Funds.					

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(amounts are expressed in thousands)

**12. RISK FINANCING (Continued)**

**B. City Public Service (CPS)**

CPS is exposed to various risks of loss including those related to torts, theft or destruction of assets, errors and omissions, and natural disasters. CPS purchases commercial liability and property insurance coverages to provide protection in event of large/catastrophic claims. CPS performs actuarial studies periodically to determine its insurance retentions. An actuarial study was last performed in 2004.

In addition, CPS is exposed to risks of loss due to death of, and injuries to, or illness of, its employees. CPS makes payments to external trusts to cover the claims under the related plans. At January 31, 2004, CPS accumulated approximately \$152,800 in these external trusts. The trust accounts and related claims liabilities are included in CPS' financial statements. CPS has recorded \$27,700 of expense related to these plans for the year ended January 31, 2004.

Based upon the guidance of GASB Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, the following information is provided regarding the changes in the insurance reserves for property, and employee and public liability claims for the years ended January 31:

<b>City Public Service Schedule of Changes In Claims Liability</b>				
Fund	Liability Balance February 1,	Claims & Adjustments	Claims Payments	Liability Balance January 31,
<u>Property Insurance</u>				
Fiscal Year 2003	\$ 8,624	\$ (3,019)	\$ (52)	\$ 5,553
Fiscal Year 2004	5,553	377	(95)	5,835
<u>Employee &amp; Public Liability Claims</u>				
Fiscal Year 2003	\$ 5,008	\$ 1,968	\$ (110)	\$ 6,866
Fiscal Year 2004	6,866	1,371	(1,000)	7,237
<u>Employee Health &amp; Welfare Claims</u>				
Fiscal Year 2003	\$ 3,641	\$ 29,425	\$ (28,894)	\$ 4,172
Fiscal Year 2004	4,172	35,939	(35,415)	4,696

The employee health and welfare plan assets are segregated from CPS's assets. They are separately managed by a committee whose members are appointed by the CPS General Manager and CEO. These plans have separate financial statements for calendar year 2003. These separately audited financial statements are available upon request from CPS.

(amounts are expressed in thousands)

**12. RISK FINANCING (Continued)**

**C. San Antonio Water System (SAWS)**

**Risk Management**

SAWS is exposed to various risks of 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 \$500 of each worker’s compensation and \$250 for general liability, automobile liability, public official’s liability and \$100 for pollution legal liability claim whereby any claim exceeding the self-insured retention limit would be covered through SAWS’ comprehensive commercial insurance program. For the year ended December 31, 2003, there were no reductions in insurance coverage from the previous year and there were no claims that exceeded the self-insured retention limit. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

SAWS had recorded a liability in the amount of \$2,317 as of December 31, 2003, which is reported as a current liability. The claims liability, including incurred but not reported claims, is based on the estimated ultimate cost of settling the claims. The claims liability includes medical and rehabilitation costs, which are considered incremental claim adjustment expenses. Changes in the liability amount for the last two fiscal years were:

<b>San Antonio Water System Schedule of Changes In Claims Liability</b>						
Year Ended	Balance at Beginning of Fiscal Year Liability	Claims & Adjustments	Claims Payments	Balance at End of Fiscal Year Liability		
Dec. 31, 2002	\$ 1,729	\$ 1,058	\$ (1,603)	\$	\$	1,184
Dec. 31, 2003	\$ 1,184	\$ 3,029	\$ (1,896)	\$	\$	2,317

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(amounts are expressed in thousands)

**13. INTERFUND TRANSFERS**

The following is a summary of interfund transfers for the City for the year ended September 30, 2004:

<b>Summary Table of Interfund Transfers for the Year Ended September 30, 2004</b>		
	Transfers From Other Funds	Transfers To Other Funds
<b>General Fund:</b>		
Airport System Fund	\$ 153	\$ 0
Parking System	717	411
Internal Service Funds	2,701	3,633
Nonmajor Governmental Funds	10,374	70,897
Nonmajor Enterprise Funds	1,403	
Total General Fund	15,348	74,941
<b>Debt Service Funds:</b>		
Nonmajor Governmental Funds	22,638	
Total Debt Service Funds	22,638	0
<b>Airport System Fund:</b>		
General Fund		153
Internal Service Funds		206
Nonmajor Governmental Funds	761	118
Total Airport System Fund	761	477
<b>Parking Facilities Fund:</b>		
General Fund	411	717
Internal Service Funds	10	701
Nonmajor Governmental Funds		105
Total Parking Facilities Fund	421	1,523
<b>Internal Service Funds:</b>		
General Fund	3,633	2,701
Airport System	206	
Parking System	701	10
Internal Service Funds	1,443	1,443
Nonmajor Governmental Funds	272	314
Nonmajor Enterprise Funds	257	35
Total Internal Service Funds	6,512	4,503
<b>Nonmajor Governmental Funds:</b>		
General Fund	70,897	10,374
Debt Service		22,638
Airport System	118	761
Parking System	105	
Internal Service Funds	314	272
Nonmajor Governmental Funds	72,137	72,137
Total Nonmajor Governmental Funds	143,571	106,182
<b>Nonmajor Enterprise Funds:</b>		
General Fund		1,403
Internal Service Funds	35	257
Total Nonmajor Enterprise Funds	35	1,660
<b>Total</b>	<b>\$ 189,286</b>	<b>\$ 189,286</b>

(amounts are expressed in thousands)

**13. 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. All transfers are in accordance with budgetary authorizations.

Other significant transfers by the General Fund include \$615 set aside for the purchase of additional ladder trucks from fiscal year 2006 through fiscal year 2009. This is the third year that funds have been set aside for that purpose as the Master Plan recommended in fiscal year 2001 that \$615 in funds be set aside each year through fiscal year 2005.

The Enterprise Resource Management Fund was established in fiscal year 2001 to record all operating revenues and expenditures associated with the development and implementation of the new enterprise system. Funding is provided by transfers from the Improvement Projects Fund. This year's support totaled \$1,132.

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(amounts are expressed in thousands)

**14. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between fund balance-total governmental funds and net assets-governmental activities as reported in the Government-wide Statement of Net Assets.

One element of this reconciliation states, “Some of the City’s revenues will be collected after year-end but are not available soon enough to pay for the current period’s expenditures and therefore are not reported in the governmental funds”. The detail of the \$35,154 is as follows:

Revenues previously reported as deferred in the fund financial statements	\$ 45,111
Receivable applicable to governmental activities, which are not available in the current period	565
Deferred revenues previously reported as income in the fund financial statements	<u>(10,522)</u>
Revenues collected after year end but are not available soon enough to pay for the current period's expenditures and therefore are not recognized in governmental funds	<u>\$ 35,154</u>

Another element of this reconciliation states, “Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds”. The detail for the decrease related to capital leases is as follows

Total capital leases reported on the Government-wide Statement of Net Assets	\$ 7,126
Less: Short-term available portion reported in fund financial statements	<u>(581)</u>
Net adjustment to decrease fund balance-total governmental funds to arrive at new assets-governmental activities for capital leases	<u>\$ 6,545</u>

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(amounts are expressed in thousands)

**14. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (Cont'd)**

**B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance and the Government-wide Statement of Activities**

The governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the Government-wide Statement of Activities.

The details of the increase of bond costs are as follows:

Issuance costs expended per fund financial statements	\$ 2,061
Less: amounts expended attributable to current period	<u>(6)</u>
Total bonds costs	<u><u>\$ 2,055</u></u>

The details of the increase of bond premiums and deferred charges are as follows:

Amortization of bond premiums on long-term debt-Debt Service Fund, previously expensed in the fund financial statements	\$ 2,093
Amortization of bond premiums on long-term debt-General Obligation Bonds previously expensed in the fund financial statements	835
Less: premiums on bonds and certificates not previously recorded in the fund financial statements	<u>(4,095)</u>
Total amortization of bond premiums and deferred charges (net)	<u><u>\$ (1,167)</u></u>

Another element of this reconciliation states, “Some expenses reported in the Statement of Activities are not reported as expenditures in governmental funds.” The details of the (\$1,564) are as follows:

Compensated Absences	\$ (6,243)
Interest Expense	(760)
Principal Paid on Leases	5,590
Arbitrage Rebate Expense	<u>(151)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities.	<u><u>\$ (1,564)</u></u>

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(amounts are expressed in thousands)

**15. DEFICITS IN FUND BALANCES / NET ASSETS**

Special Revenue Funds

As of September 30, 2004, deficit fund balance at year-end is reported in the Categorical Grant In-Aid, and Community Development Program in the amounts of \$853 and \$251, respectively. The deficit is attributable to projects for which the Community Development Program Fund Budget needs to be adjusted. Upon reprogramming of funds, the deficit fund balances will be fully funded. The deficit for Categorical Grant-In Aid is attributable to projects that were overspent and for which local funding will be required to clear this deficit.

The Golf Course Fund had a deficit fund balance of \$624 as of September 30, 2004. The deficit is attributable to a decline in revenues in recent years due to increased competition by the private sector and extreme weather patterns. In addition, increased labor, fuel, and equipment maintenance costs have contributed to the deficit.

The Alamodome Fund had a deficit fund balance of \$879 as of September 30, 2004. This deficit is attributed to events programmed but not realized, due in part to the downturn of certain entertainment industries and local venue competition. Additionally, individual spending per event was expected to increase due to an anticipated economic upswing.

Internal Service Funds

As of September 30, 2004, a deficit of \$31,752 in net assets is reported in the Employee Benefits Program. To address specific issues related to the increasing costs of health benefits, the City will seek the services of an outside consultant in 2005 to perform a comprehensive review of the Employee Benefits Programs. Establishing health care medical management programs focused on providing managed care for employees having chronic, high risk ailments involving high costs such as back pain, high risk maternity, heart disease, and depression are some of the areas on which the consultant will be focusing. Programs such as these will be carefully studied as means of providing long term solutions to address rising health care costs and increasing fund balance deficits. In March of 2004, a combined Health and Benefits Request for Proposal (RFP) was released. The purpose of the combined plan was to maximize efficiency, ensure competitive medical pricing, to consolidate plan administration, and to improve provider discounts.

Within the Internal Service Funds, the Workers Compensation Program also reported deficit net assets of \$6,590, at September 30, 2004. The City will fund the deficit through assessments charged to various City funds in future years.

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(amounts are expressed in thousands)

**16. OTHER DISCLOSURES**

**A. Donor Restricted Endowment**

The City of San Antonio has four permanent funds: the San Jose Burial Park Permanent Fund, the Carver Cultural Center Endowment Fund, the San Antonio Housing Trust Fund, and the William C. Morris Endowment Fund. The City is only allowed to spend interest proceeds generated from the principal amount for each of these funds. The net assets from these endowment funds are classified as restricted net assets and are reported in the government-wide financial statements. The principal is required to be retained in perpetuity while the interest is available to cover specific expenditures.

The San Jose Burial Park Permanent Fund generated \$26 in interest 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 Carver's Endowment Fund generated \$3 in interest. 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 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 one-time grant from the National Endowment for the Arts.

The San Antonio Housing Trust Fund generated \$275 in interest. These earnings may be disbursed to projects with particular emphasis on housing programs as grants or secured loans. All distributions or disbursements of this trust shall be made for the primary purpose of providing additional and continuing housing opportunities for low and moderate income families. This trust shall at all times be governed, construed, regulated, and administered in all respects under the laws of the State of Texas.

The William C. Morris Endowment Fund generated \$1 in interest. These earnings are used on an annual basis to enhance the City's Library's Educational Programming and Services for Children. Any net income or net appreciation of the funds not used shall be accumulated and added to the principal of the funds. The earnings of the funds will be expended in accordance with the spending policy of the Library's Board of Directors or Trustees.

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(amounts are expressed in thousands)

**17. SUBSEQUENT EVENTS**

**A. Primary Government (City)**

On December 2, 2004, the City issued \$33,090,000 “City of San Antonio, Texas General Improvement Forward Refunding Bonds, Series 2006,” (the “2006 Bonds”). The 2006 Bonds are anticipated to be delivered on or about May 9, 2006. The 2006 Bonds have maturities from 2009 to 2016, with interest rates ranging from 5.250% to 5.500%.

On March 24, 2005, the City issued \$61,060,000 “City of San Antonio, Texas, Municipal Drainage Utility System Revenue Bonds, Series 2005” (the “Stormwater Bonds”). The Stormwater Bonds were sold to finance the costs of making drainage improvements, including acquisition, construction, and repair of structures, equipment, and facilities for the City’s Municipal Drainage Utility System and are anticipated to be delivered on or about April 20, 2005. The Stormwater Bonds have maturities from 2006 to 2030, with interest rates ranging from 3.500% to 5.250%.

On March 31, 2005, the City issued \$116,170,000 “City of San Antonio, Texas General Improvement and Refunding Bonds, Series 2005,” (the “2005 Bonds”) and \$10,535,000 “City of San Antonio, Texas Combination Tax and Revenue Certificates of Obligation, Series 2005,” (the “2005 Certificates”). The 2005 Bonds and the 2005 Certificates are anticipated to be delivered on or about April 27, 2005. The 2005 Bonds have maturities from 2010 to 2025, with interest rates ranging from 3.500% to 5.250%. The 2005 Certificates have maturities from 2012 to 2025, with interest rates ranging from 4.000% to 5.250%.

The 2005 Bonds were issued to provide funds (1) to finance the construction of general improvements to the City, including (a) streets and pedestrian improvements; (b) drainage improvements; (c) parks and recreation improvements; (d) library improvements; and (e) public health and safety improvements; (2) to refund certain outstanding tax-exempt obligations and to effectuate a present value savings; and (3) to pay the costs of issuance.

The 2005 Certificates will be used for the purpose of providing funds for the payment of contractual obligations to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) constructing public safety improvements, including renovating and improving existing fire stations, (2) constructing drainage improvements, sidewalk improvements, bridge improvements, street improvements and drainage incidental thereto, (3) constructing improvements and renovations to existing municipal facilities, including the Levi Strauss Building and the Witte Museum, (4) acquiring, constructing and renovating park facilities, (5) purchasing materials, supplies, machinery, land, and rights-of-way for authorized needs and purposes relating to public safety, drainage, street and public works purposes, and (6) the payment of professional services related to the construction and financing of the aforementioned projects.

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(amounts are expressed in thousands)





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***City of San Antonio  
Texas***

***Required Supplementary Information Other Than MD&A***

***(Unaudited)***



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***City of San Antonio  
Texas***

***Budgetary Comparison Schedule - General Fund***

CITY OF SAN ANTONIO, TEXAS

**GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	2004			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	BUDGETED AMOUNTS		ACTUAL	
	ORIGINAL	FINAL		
<b>Resources (inflows):</b>				
Taxes	\$ 332,745,965	\$ 332,744,105	\$ 343,707,952	\$ 10,963,847
Licenses and Permits	17,010,019	17,008,539	17,026,379	17,840
Intergovernmental	2,892,200	2,892,200	2,695,842	(196,358)
Revenues from Utilities	184,239,975	184,239,975	196,405,099	12,165,124
Charges for Services	26,794,096	26,795,577	30,029,118	3,233,541
Fines and Forfeits	12,171,665	12,171,664	11,713,073	(458,591)
Miscellaneous	10,244,462	10,195,381	10,758,387	563,006
Transfers from other funds	5,212,686	14,174,639	15,348,182	1,173,543
<b>Amounts Available for Appropriation</b>	<b>591,311,068</b>	<b>600,222,080</b>	<b>627,684,032</b>	<b>27,461,952</b>
<b>Charges to Appropriations (outflows):</b>				
General Government	57,503,972	77,710,026	54,214,920	23,495,106
Public Safety	365,593,474	378,061,807	376,925,001	1,136,806
Public Works	14,041,263	10,637,869	10,656,685	(18,816)
Health Services	15,811,378	12,911,242	13,409,924	(498,682)
Sanitation	2,536,970	2,535,618	2,380,287	155,331
Welfare	17,366,033	16,988,837	16,480,979	507,858
Culture and Recreation	62,675,537	62,463,275	57,918,951	4,544,324
Economic Development and Opportunity	19,126,474	22,863,663	8,043,283	14,820,380
Transfers to other funds	72,785,414	76,111,164	76,440,760	(329,596)
<b>Total Charges to Appropriations</b>	<b>627,440,515</b>	<b>660,283,501</b>	<b>616,470,790</b>	<b>43,812,711</b>
<b>Excess (Deficiency) of Resources Over (Under)</b>				
Charges to Appropriations	(36,129,447)	(60,061,421)	11,213,242	71,274,663
Fund Balance Allocation	36,129,447	60,061,421	(11,213,242)	(71,274,663)
<b>Excess (Deficiency) of Resources Over (Under)</b>				
<b>Charges to Appropriations</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>

**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.	\$ 627,684,032
Differences - budget to GAAP:	
Transfers from other funds are inflows of budgetary resources but are not revenues for financial reporting purposes.	(15,348,182)
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 612,335,850</u>

**Uses/outflows of resources:**

Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule.	\$ 616,470,790
Differences - budget to GAAP:	
Encumbrances for supplies and equipment ordered but not received is reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.	(4,155,441)
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	(76,440,760)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds.	<u>\$ 535,874,589</u>

**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 function 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.

The City prepares an annual budget for the General Fund on a modified accrual basis which is consistent with generally accepted accounting principles. The annual budgetary data reported for the General Fund represents the original appropriation ordinance and amendments thereto as adopted by the City Council, adjusted for encumbrances outstanding at the beginning of the fiscal year. All annual appropriations lapse at fiscal year end.

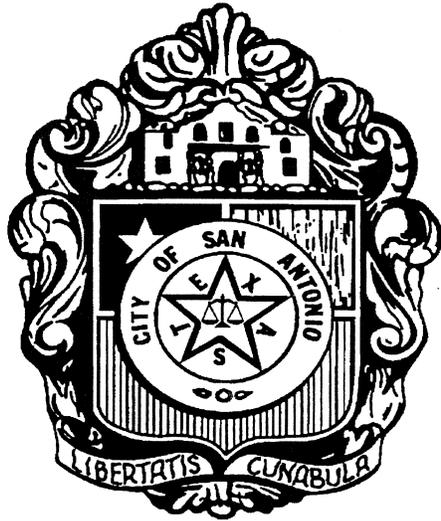




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***City of San Antonio  
Texas***

***Pension Schedules***



**REQUIRED SUPPLEMENTARY INFORMATION - (UNAUDITED)  
SCHEDULES OF FUNDING PROGRESS  
LAST THREE FISCAL YEARS**

**FIRE AND POLICE PENSION PLAN--CITY OF SAN ANTONIO**

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ENTRY AGE ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	FUNDED RATIO	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
10-01-03	\$ 1,429,378	1,718,262	\$ 288,884	83%	\$ 191,647	151%
10-01-02	1,341,274	1,630,434	289,160	82%	183,686	157%
10-01-01	1,285,936	1,539,932	253,996	84%	179,554	141%

**TEXAS MUNICIPAL RETIREMENT SYSTEM--CITY OF SAN ANTONIO**

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	UNIT CREDIT ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	FUNDED RATIO	COVERED PAYROLL (1)	UAAL AS A PERCENTAGE OF COVERED PAYROLL
12-31-03	\$ 451,071	602,927	\$ 151,856	75%	\$ 192,896	79%
12-31-02	436,046	566,203	130,157	77%	197,678	66%
12-31-01	412,867	532,821	119,954	78%	189,495	63%

**CITY PUBLIC SERVICE ALL EMPLOYEE PLAN**

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	UNIT CREDIT ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	FUNDED RATIO	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
01-01-03	\$ 783,000	748,700	\$ (34,300)	105%	\$ 186,700	(18)%
01-01-02	758,200	691,800	(66,400)	110%	180,300	(37)%
01-01-01	713,600	643,500	(70,100)	111%	165,300	(42)%

NOTES: (1) Abstracted from City payroll records.

(amounts are expressed in thousands)

(unaudited - see accompanying accountants' report)

**REQUIRED SUPPLEMENTARY INFORMATION - (UNAUDITED)  
SCHEDULES OF FUNDING PROGRESS  
LAST THREE FISCAL YEARS**

**SAN ANTONIO WATER SYSTEM - TMRS**

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	UNIT CREDIT ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	FUNDED RATIO	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
12-31-03	(2) \$ 0	\$ 0	\$ 0		\$ 0	
12-31-02	46,492	57,635	11,143	81%	51,889	21%
12-31-01	44,613	55,201	10,588	81%	51,958	20%

**SAN ANTONIO WATER SYSTEM - PMLIC**

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ENTRY AGE ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	FUNDED RATIO	COVERED PAYROLL	UAAL AS A PERCENTAGE OF COVERED PAYROLL
01-01-03	\$ 42,827	\$ 52,602	\$ 9,775	81%	\$ 55,364	18%
01-01-02	39,270	45,947	6,677	85%	51,303	13%
01-01-01	31,341	40,797	9,456	77%	51,050	19%

(2) Balances for 12/31/03 not available

(amounts are expressed in thousands)

(unaudited - see accompanying accountants' report)





***City of San Antonio  
Texas***

***Combining Financial Statements & Schedules***

***(Unaudited)***



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# City of San Antonio Texas

## *Non-Major Governmental Funds*

### **SPECIAL REVENUE FUNDS**

**HOTEL MOTEL TAX FUND** - to account for the operations of the City of San Antonio's Conventions and Tourism trade. Financing is provided by the Hotel-Motel Occupancy Tax.

**HOTEL MOTEL TAX CAPITAL IMPROVEMENT FUND** - to account for funds derived and activity relating to the additional 2% Municipal Hotel Motel Occupancy Tax.

**ALAMODOME FUND** - to account for the operations of the Alamodome System. Financing is provided by user fees, concessions, facility rental, and Hotel Motel Occupancy Tax (for Convention and Tourism only).

**STREET MAINTENANCE AND IMPROVEMENT FUND** - to account for funds used in the maintenance and improvement of street infrastructure. Financing is provided through transfer of funds from General Fund, and street resurfacing charges.

**PARKS DEVELOPMENT AND EXPANSION FUND** - to account for the additional one-eighth sales tax that funds the purchase and maintenance of new parkland in the Edwards Aquifer zones as well as linear parks along Leon Creek and Salado Creek.

**STORMWATER OPERATING FUND** - to account for the administrative and operational activities of the Stormwater Program. Financing is provided by a stormwater fee.

**PROJECT MANAGEMENT OFFICE FUND** - to account for funds used in administration related to the construction, expansion, and renovation of municipal facilities including the expansion of the Convention Center. Financing is provided from bonds proceeds and collections from the Municipal Hotel Motel Occupancy Tax.

**EMERGENCY MEDICAL SERVICES FUND** - to account for revenues received and expenditures made in conjunction with the City's Emergency Medical Service. Financing is provided by service fees and additional funds transferred from the General Fund.

**CAPITAL IMPROVEMENTS RESERVE FUND** - to account for the financing of special capital improvements designated by the City Council. Financing is derived from the sale of excess City land and from City Public Service Board non-budgeted sales to other utilities. Amounts are transferred to the Capital Project Improvement Projects Fund for construction purposes.

**NELSON WOLFF STADIUM** - to account for the operations of Nelson W. Wolff Stadium. Financing is provided by user fees, concessions, facility rental and event parking.

**CONFISCATED PROPERTY FUND** - to account for receipts and disbursement of funds confiscated by law enforcement officers within the City of San Antonio, Texas.

**PUBLIC HEALTH SUPPORT REVENUE FUND** - to account for funds provided for the City's Health Support Facilities. Financing is derived through reimbursements for local health care services provided to eligible legalized aliens.

## ***Non-Major Governmental Funds (continued)***

### **SPECIAL REVENUE FUNDS (continued)**

**JOB TRAINING, NEIGHBORHOOD REVITALIZATION, AND ECONOMIC DEVELOPMENT FUND** - to account for the proceeds realized from the lease-lease back of City Public Service, the City's Electric Utility. The proceeds will be used to fund better jobs, neighborhood revitalization, technology accelerator initiative, and capital improvement programs.

**HOME PROGRAM FUND** - to accept, receipt and disburse federal funds designated for HOME Investment Partnership Programs.

**CATEGORICAL GRANT-IN AID FUNDS** - to account for receipt and disbursement of all federal and state grants except for Community Development Block Grants and Home Investment Partnership Grants.

**HUD 108 LOAN PROGRAM** - to accept, receipt and disburse federal funds designed for the financing of facility improvements at Kelly USA. The City, as the loan originator, has made a third party loan to the Greater Kelly Development Authority (GKDA) to make certain building improvements needed to accommodate the Boeing Corporation's Aerospace Support Center at KellyUSA.

**COMMUNITY DEVELOPMENT PROGRAM FUND** - to accept, receipt and disburse federal funds designated for Community Development Block Grants' programs.

**COMMUNITY SERVICES FUND** - to account for funds that provide various services to the community such as health, housing, education, safety, employment and economic development. Included in this fund are two blended component units, the San Antonio Industrial Development Authority which 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. The San Antonio Health Facilities Development Corporation established in accordance with state laws for the purpose of acquiring, constructing, improving, providing financing, refinancing for any real, personal, or mixed property for health care, research, and education and to assist in the maintenance of the public health.

**GOLF COURSE SYSTEM** - to account for the operation of the City's Golf Course Facilities. Financing for Golf Course Operations is provided by user fees.

**BROOKS CITY-BASE OFFICE** - to account for the operation of the Brooks City-Base Office for efficient internal control and monitoring.

**INTERNATIONAL CENTER FUND** - to account for revenues and the general maintenance of the International Center. Financing is provided by charges for rent, common area maintenance of the facility and a contribution from the General Fund.

### **CAPITAL PROJECTS FUNDS**

**GENERAL OBLIGATION BONDS** - to account for financial resources to be used for acquisition or construction of major capital facilities such as Drainage, Library Improvements, excluding those financed by proprietary-type funds and trust funds. Financing is derived by the sale of General Obligation Bonds.

**IMPROVEMENT PROJECTS** - to account for special capital improvements designated by City Council. Financing is derived from contributions from other funds.

**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.

**CONVENTION CENTER EXPANSION** - to account for financial resources to be used in the Convention Center Expansion Project. Financing was derived from a 2% Hotel/Motel tax, and proceeds from the subsequent sale of debt.



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## **City of San Antonio Texas**

### ***Non-Major Governmental Funds (continued)***

#### **CAPITAL PROJECTS FUNDS (continued)**

**PARKS DEVELOPMENT & EXPANSION** – to account for the acquisition and development of new parkland in the Edwards Aquifer zones as well as linear parks along Leon Creek and Salado Creek.

**MUNICIPAL FACILITIES** – to account for the financing for the acquisition and construction of a One Stop Development Services Center for the City of San Antonio, Texas. Financing was derived from the sale of “City of San Antonio, Texas Municipal Facilities Corporation Lease Revenue Bonds”.

**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 sale of “City of San Antonio, Texas Municipal Drainage Utility System Revenue Bonds”.

**STARBRIGHT INDUSTRIAL DEVELOPMENT CORPORATION FUND** – 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 is derived from the sale of “City of San Antonio, Texas Starbright Industrial Development Corporation Contract Revenue Bonds”.

#### **PERMANENT FUNDS**

**SAN JOSE BURIAL PARK PERMANENT FUND** - to account for operation of City's burial park. Financing is provided by user fees.

**CARVER CULTURAL CENTER ENDOWMENT FUND** - to account for matching funds held by the City of San Antonio and grant funds awarded by the National Endowment for the Arts.

**SAN ANTONIO HOUSING TRUST FUND** - to account for funds utilized in programs administered by the San Antonio Housing Trust Foundation. Financing is provided from interest earned from investments that were designated from the sale of the Roger's Cable System.

**WILLIAM C. MORRIS ENDOWMENT FUND** – to account for funds donated to the City of San Antonio by the estate of William E. Morris for the purpose of developing and sustaining the San Antonio Public Library’s programs for children.



**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AS OF SEPTEMBER 30, 2004**

Special Revenue Funds										
	Hotel Motel Tax	Hotel Motel Tax Capital Improvement	Alamodome	Street Maintenance And Improvements	Parks Development And Expansion	Stormwater Operations	Project Management Office	Emergency Medical Services	Capital Improvements Reserve	Nelson Wolff Stadium
<b>ASSETS</b>										
Assets:										
Cash and Cash Equivalents	\$ 3,588,844	\$ 68,667	\$ 636,858	\$ 1,378,987	\$ 925,924	\$ 1,095,078	\$ 7,697	\$ 290,135	\$ 458,995	\$ 53,703
Investments	5,468,939	344,899		4,625,801	23,321,173	17,769,475		1,727,303	3,209,504	
Receivables	310,714		13,768	1,400		886		66,952,048		
Less: Allowance for Uncollectibles	(76,473)							(50,456,150)		
Accrued Interest	20,104	6,740	4,759	9,869	42,313	33,378			6,482	41
Accrued Revenue	3,741,236	1,068,925	503,039	426,466		1,608,685				368,678
Prepaid Expenditures	8,581							4,297		
Due from Other Funds	332,369			477,782	2,629,732	192,437		10,011		87,522
Due from Other Governmental Agencies				127,764	75,000					
Less: Allowance for Uncollectibles										
Inventories of Materials and Supplies, at Cost	153,705		204,774	231,278		147,006		367,160		11,924
Deposits										
<b>Total Assets</b>	<b>13,548,019</b>	<b>1,489,231</b>	<b>1,363,198</b>	<b>7,279,347</b>	<b>26,994,142</b>	<b>20,846,945</b>	<b>7,697</b>	<b>18,894,804</b>	<b>3,674,981</b>	<b>521,868</b>
<b>LIABILITIES AND FUND BALANCES</b>										
Liabilities:										
Vouchers Payable										65,400
Accounts Payable - Other	3,229,855		560,610	877,856		150,718	1,055	257,322		1,884
Accrued Payroll	406,796		75,956	312,766		249,274	169	350,181		5,643
Accrued Leave Payable	118,473		20,386	102,866		46,003		785,572		1,480
Deferred Revenues	17,258							16,495,898		
Due To:										
Other Funds			1,585,662	220,267	3,138,862			21,650		413,951
Other Governmental Agencies										
<b>Total Liabilities</b>	<b>3,772,382</b>		<b>2,242,614</b>	<b>1,513,755</b>	<b>3,138,862</b>	<b>445,995</b>	<b>1,224</b>	<b>17,910,623</b>		<b>488,358</b>
Fund Balances:										
Reserved:										
Reserved for Encumbrances	1,787,227		191,128	2,349,707	1,519,302	1,904,830		108	2,417,723	22,747
Reserved for Inventories	153,705		204,774	231,278		147,006		367,160		11,924
Reserved for Prepaid Expenditures	8,581							4,297		
Unreserved:										
Designated: Special Revenue Funds	4,010,488			3,017,501		49,164				
Designated: Permanent Funds										
Undesignated: Special Revenue Funds	3,815,636	1,489,231	(1,275,318)	167,106	22,335,978	18,299,950	6,473	612,616	1,257,258	(1,161)
Undesignated: Capital Projects Funds										
Undesignated: Permanent Funds										
<b>Total Fund Balances</b>	<b>9,775,637</b>	<b>1,489,231</b>	<b>(879,416)</b>	<b>5,765,592</b>	<b>23,855,280</b>	<b>20,400,950</b>	<b>6,473</b>	<b>984,181</b>	<b>3,674,981</b>	<b>33,510</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 13,548,019</b>	<b>\$ 1,489,231</b>	<b>\$ 1,363,198</b>	<b>\$ 7,279,347</b>	<b>\$ 26,994,142</b>	<b>\$ 20,846,945</b>	<b>\$ 7,697</b>	<b>\$ 18,894,804</b>	<b>\$ 3,674,981</b>	<b>\$ 521,868</b>

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AS OF SEPTEMBER 30, 2004**

Special Revenue Funds											
Confiscated Property	Public Health Support Revenue	Job Training Neighborhood Revitalization And Economic Development	HOME Program	Categorical Grant-In Aid	HUD 108 Loan Program	Community Development Program	Community Services	Golf Course	Brooks City-Base	International Center	Total Nonmajor Special Revenue Funds
\$ 588,156	\$ 95,880	\$ 673,907	\$ 0	\$ 188,367	\$ 532,850	\$ 5,840,431	\$ 6,984,284	\$ 7,130	\$ 0	\$ 99,172	\$ 23,515,065
2,954,155	596,202	3,384,859		297,269	1,965,291		9,612,660			498,114	75,775,644
7,500	64,855		2,189,140	1,261	3,931	3,762,619	1,370,631	25,774			74,704,527
							(30,000)				(50,562,623)
6,241	1,905	7,589					22,587			1,049	163,057
	4,100						765,431				8,482,460
		159,000		22,446			60,950				77,928
			1,125,053	31,399,780			61,781	17,837			3,990,917
							147,267	127,265			33,002,129
											1,115,847
<u>3,556,052</u>	<u>762,942</u>	<u>4,225,355</u>	<u>3,314,193</u>	<u>31,909,123</u>	<u>2,502,072</u>	<u>9,603,050</u>	<u>18,995,591</u>	<u>178,006</u>		<u>598,335</u>	<u>170,264,951</u>
219										535	66,154
3,867	380		139,237	2,660,945		1,036,282	1,602,509	187,817		8,428	10,718,765
1	47,879		6,438	685,043		94,337	121,074	80,710			2,436,267
	11,961						45,557	21,068		2,236	1,155,602
			2,189,140			3,741,606	200,000	127,265			22,771,167
	65,493		979,378	29,391,026		15,986	6,355,478	385,472			42,573,225
				25,234	2,051,680	4,965,875					7,042,789
<u>4,087</u>	<u>125,713</u>		<u>3,314,193</u>	<u>32,762,248</u>	<u>2,051,680</u>	<u>9,854,086</u>	<u>8,324,618</u>	<u>802,332</u>		<u>11,199</u>	<u>86,763,969</u>
75,564	265,075	269,000					1,855,530	56,155			12,714,096
	4,100						60,950				1,115,847
707,975	1,124						5,600			52,175	7,844,027
2,768,426	366,930	3,956,355		(853,125)	450,392	(251,036)	8,748,893	(680,481)		534,961	61,749,084
<u>3,551,965</u>	<u>637,229</u>	<u>4,225,355</u>		<u>(853,125)</u>	<u>450,392</u>	<u>(251,036)</u>	<u>10,670,973</u>	<u>(624,326)</u>		<u>587,136</u>	<u>83,500,982</u>
<u>\$ 3,556,052</u>	<u>\$ 762,942</u>	<u>\$ 4,225,355</u>	<u>\$ 3,314,193</u>	<u>\$ 31,909,123</u>	<u>\$ 2,502,072</u>	<u>\$ 9,603,050</u>	<u>\$ 18,995,591</u>	<u>\$ 178,006</u>	<u>\$ -</u>	<u>\$ 598,335</u>	<u>\$ 170,264,951</u>

CITY OF SAN ANTONIO, TEXAS

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AS OF SEPTEMBER 30, 2004

Capital Projects Funds										
General Obligation Bonds	Improvement Projects	Certificates of Obligation	Convention Center Expansion	Parks Development and Expansion	Municipal Facilities	Municipal Drainage Utility System	Starbright Industrial Development Corporation	Total Nonmajor Capital Projects Funds	Total Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
\$ 23,179,698	\$ 4,193,082	\$ 13,496,484	\$ 4,443,836	\$ 114,560	\$ 623,176	\$ 5,659,782	\$ 6,137,764	\$ 57,848,382	\$ 590,208	\$ 81,953,655
89,883,700	6,100,613	62,275,049	22,320,237	575,407		32,592,887		213,747,893	12,745,106	302,268,643
1,016,616	19,683							1,036,299	65,818	75,806,644
	(19,683)							(19,683)		(50,582,306)
215,271	24,147	166,684	42,457	1,370	555	72,410	5,013	527,907	157,197	848,161
	5,000,000							5,000,000		13,482,460
										77,928
										3,990,917
1,448,163	2,143,880							3,592,043	331,344	36,925,516
									(331,344)	(331,344)
										1,115,847
			261,359					261,359		261,359
115,743,448	17,461,722	75,938,217	27,067,889	691,337	623,731	38,325,079	6,142,777	281,994,200	13,558,329	465,817,480
										66,154
5,979,093	10,647,986	1,514,162	3,109,866			364,241	50,403	21,665,751	17,623	32,402,139
									7,539	2,443,806
2,295,694	69,495							2,365,189	10,598	1,166,200
	4,848	142,800	4,276						65,818	25,202,174
203,499						70,916		426,339		42,999,564
										7,042,789
8,478,286	10,722,329	1,656,962	3,114,142			435,157	50,403	24,457,279	101,578	111,322,826
43,055,394	37,163,906	11,614,039	8,214,141	994,572		11,404,769		112,446,821	557,892	125,718,809
										1,115,847
										77,928
										7,844,027
									2,600,676	2,600,676
64,209,768	(30,424,513)	62,667,216	15,739,606	(303,235)	623,731	26,485,153	6,092,374	145,090,100		61,749,084
									10,298,183	145,090,100
										10,298,183
107,265,162	6,739,393	74,281,255	23,953,747	691,337	623,731	37,889,922	6,092,374	257,536,921	13,456,751	354,494,654
\$ 115,743,448	\$ 17,461,722	\$ 75,938,217	\$ 27,067,889	\$ 691,337	\$ 623,731	\$ 38,325,079	\$ 6,142,777	\$ 281,994,200	\$ 13,558,329	\$ 465,817,480

— CITY OF SAN ANTONIO, TEXAS —

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	Special Revenue Funds									
	Hotel Motel Tax	Hotel Motel Tax Capital Improvement	Alamodome	Street Maintenance and Improvements	Parks Development and Expansion	Stormwater Operations	Project Management Office	Emergency Medical Services	Capital Improvements Reserve	Nelson Wolf Stadium
<b>Revenues</b>										
Taxes:										
Property Taxes	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
General Sales and Use Taxes					13,891,025					
Selective Sales and Use Taxes										
Gross Receipts Business Taxes										
Occupancy Taxes	36,043,702	10,299,017								
Penalties and Interest on Delinquent Taxes	54,042	15,650								
Licenses and Permits										
Intergovernmental				187,608					1,202,045	
Revenues from Utilities										
Charges for Services	7,082,448		5,088,595	1,189,390		26,788,359		11,230,479		594,195
Fines and Forfeits										
Miscellaneous	578,521		257,412	146,592		925,041		31,156		48,248
Interest	100,546	38,640	31,144	47,470	181,439	169,652	55	2	32,913	211
Net Increase (Decrease) in Fair Value of Investments										
In-Kind Contributions										
<b>Total Revenues</b>	<b>43,859,259</b>	<b>10,353,307</b>	<b>5,377,151</b>	<b>1,571,060</b>	<b>14,072,464</b>	<b>27,883,052</b>	<b>55</b>	<b>11,261,637</b>	<b>1,834,127</b>	<b>642,654</b>
<b>Expenditures</b>										
Current:										
General Government									2,000	
Public Safety										
Public Works				27,022,536	506,015	18,555,972				
Health Services								39,939,303		
Environmental Protection and Control										
Welfare										
Culture and Recreation										644,384
Convention and Tourism	38,799,265	93,066	8,485,628				19,480			
Urban Redevelopment and Housing										
Economic Development and Opportunity										
Capital Projects										
<b>Total Expenditures</b>	<b>38,799,265</b>	<b>93,066</b>	<b>8,485,628</b>	<b>27,022,536</b>	<b>506,015</b>	<b>18,555,972</b>	<b>19,480</b>	<b>39,939,303</b>	<b>2,000</b>	<b>644,384</b>
<b>Excess (Deficiency) of Revenues</b>										
<b>Over (Under) Expenditures</b>	<b>5,059,994</b>	<b>10,260,241</b>	<b>(3,108,477)</b>	<b>(25,451,476)</b>	<b>13,566,449</b>	<b>9,327,080</b>	<b>(19,425)</b>	<b>(28,677,666)</b>	<b>1,832,127</b>	<b>(1,730)</b>
<b>Other Financing Sources (Uses)</b>										
Long-Term Debt Issued										
Payments to Refunded Bond Escrow Agent										
Amounts from Notes and Loans										
Redemption of General Commercial Paper										
Premium on Long-term Debt										
Operating Transfers In	357,607		524,790	34,659,198		47,419	265,745	30,086,388	675,000	
Operating Transfers Out	(7,593,076)	(13,533,848)	(25,982)	(8,819,279)	(12,369,356)	(6,695,390)	(244,435)		(1,407,597)	(2,030)
<b>Total Other Financing Sources (Uses)</b>	<b>(7,235,469)</b>	<b>(13,533,848)</b>	<b>498,808</b>	<b>25,839,919</b>	<b>(12,369,356)</b>	<b>(6,647,971)</b>	<b>21,310</b>	<b>30,086,388</b>	<b>(732,597)</b>	<b>(2,030)</b>
<b>Net Change in Fund Balances</b>	<b>(2,175,475)</b>	<b>(3,273,607)</b>	<b>(2,609,669)</b>	<b>388,443</b>	<b>1,197,093</b>	<b>2,679,109</b>	<b>1,885</b>	<b>1,408,722</b>	<b>1,099,530</b>	<b>(3,760)</b>
<b>Fund Balances, October 1</b>	<b>11,951,112</b>	<b>4,762,838</b>	<b>1,730,253</b>	<b>5,377,149</b>	<b>22,658,187</b>	<b>17,721,841</b>	<b>4,588</b>	<b>(424,541)</b>	<b>2,575,451</b>	<b>37,270</b>
<b>Fund Balances, September 30</b>	<b>\$ 9,775,637</b>	<b>\$ 1,489,231</b>	<b>\$ (879,416)</b>	<b>\$ 5,765,592</b>	<b>\$ 23,855,280</b>	<b>\$ 20,400,950</b>	<b>\$ 6,473</b>	<b>\$ 984,181</b>	<b>\$ 3,674,981</b>	<b>\$ 33,510</b>

— CITY OF SAN ANTONIO, TEXAS —

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

Special Revenue Funds											Total Nonmajor Special Revenue Funds
Confiscated Property	Public Health Support Revenue	Job Training Neighborhood Revitalization And Economic Development	HOME Program	Categorical Grant-In Aid	HUD 108 Loan Program	Community Development Program	Community Services	Golf Course	Brooks City-Base	International Center	
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,346,132	\$ 0	\$ 0	\$ 0	\$ 1,346,132
											13,891,025
											46,342,719
	1,184,711		7,919,901	131,842,183		22,137,998	2,212,363				166,686,809
	1,176,222						3,394,064	6,089,200		1,051,145	63,684,097
2,041,380	13,136		810,625	3,497,222	2,097,892	869,195	4,910,991	11,255			16,837,835
28,913	12,233	41,035		4,833	24,034		149,188	73		5,040	867,421
				10,407,692							10,407,692
2,070,293	2,386,302	41,035	8,730,526	145,751,930	2,121,926	23,007,193	12,012,738	6,100,528		1,056,185	320,133,422
				70			6,143,438				6,145,508
1,018,105				14,227,245		205,482	1,183,163				16,633,995
				6,718,462			1,566,353				54,547,740
	3,102,974			22,819,526		362,123	235,223				66,459,149
				30,179							30,179
				97,456,365		2,023,948	212,600				99,692,913
				5,175,802		2,494,229	2,669,608	5,844,480			16,828,503
			8,697,642	6,723,934		8,283,233				790,587	48,188,026
		418,000		5,583,305	2,103,081	2,182,651	2,259,387				23,704,809
											12,546,424
1,018,105	3,102,974	418,000	8,697,642	158,734,888	2,103,081	17,118,019	12,881,821	5,844,480		790,587	344,777,246
1,052,188	(716,672)	(376,965)	32,884	(12,982,958)	18,845	5,889,174	(869,083)	256,048		265,598	(24,643,824)
							1,681,018				1,681,018
				14,496,746			2,170,410	229,959			83,513,262
(80,381)	(164,500)	(54,395)		(1,853,975)		(5,889,174)	(3,657,668)	(18,903)	(162,503)	(3,654)	(62,576,146)
(80,381)	(164,500)	(54,395)		12,642,771		(5,889,174)	193,760	211,056	(162,503)	(3,654)	22,618,134
971,807	(881,172)	(431,360)	32,884	(340,187)	18,845		(675,323)	467,104	(162,503)	261,944	(2,025,690)
2,580,158	1,518,401	4,656,715	(32,884)	(512,938)	431,547	(251,036)	11,346,296	(1,091,430)	162,503	325,192	85,526,672
\$ 3,551,965	\$ 637,229	\$ 4,225,355	\$ -	\$ (853,125)	\$ 450,392	\$ (251,036)	\$ 10,670,973	\$ (624,326)	\$ -	\$ 587,136	\$ 83,500,982

— CITY OF SAN ANTONIO, TEXAS —

**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004**

Capital Projects Funds										
General Obligation Bonds	Improvement Projects	Certificates of Obligation	Convention Center Expansion	Parks Development and Expansion	Municipal Facilities	Municipal Drainage Utility System	Starbright Industrial Development Corporation	Total Nonmajor Capital Projects Funds	Total Nonmajor Permanent Funds	Total Nonmajor Governmental Funds
\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,346,132
										13,891,025
										46,342,719
										69,692
4,827,298	7,162,652	344,569						12,334,519		179,021,328
									96,590	63,780,687
236,332	5,483,587	6,823					1,916,091	7,642,833	201,819	24,682,487
1,084,979	175,801	845,052	92,020	12,582	4,567	388,833	37,709	2,641,543	305,254	3,814,218
									495	495
										10,407,692
6,148,609	12,822,040	1,196,444	92,020	12,582	4,567	388,833	1,953,800	22,618,895	604,158	343,356,475
										6,145,508
										16,633,995
										54,547,740
										66,459,149
										30,179
										99,692,913
									440,688	17,269,191
										48,188,026
									199,491	23,904,300
										12,546,424
32,009,254	52,390,088	17,657,425	6,247,483	8,238,155	10,141	12,190,323	2,237,689	130,980,558		130,980,558
32,009,254	52,390,088	17,657,425	6,247,483	8,238,155	10,141	12,190,323	2,237,689	130,980,558	640,179	476,397,983
(25,860,645)	(39,568,048)	(16,460,981)	(6,155,463)	(8,225,573)	(5,574)	(11,801,490)	(283,889)	(108,361,663)	(36,021)	(133,041,508)
33,570,000		29,525,000	24,045,000					87,140,000		88,821,018
1,557,476		1,553,611	1,497,523					4,608,610		4,608,610
6,011,038	39,019,209	2,893,757	3,381,082	3,283,775		5,468,638		60,057,499		143,570,761
(10,139,735)	(1,696,802)	(31,104,943)	(344,468)			(278,291)		(43,564,239)	(42,303)	(106,182,688)
30,998,779	37,322,407	2,867,425	28,579,137	3,283,775		5,190,347		108,241,870	(42,303)	130,817,701
5,138,134	(2,245,641)	(13,593,556)	22,423,674	(4,941,798)	(5,574)	(6,611,143)	(283,889)	(119,793)	(78,324)	(2,223,807)
102,127,028	8,985,034	87,874,811	1,530,073	5,633,135	629,305	44,501,065	6,376,263	257,656,714	13,535,075	356,718,461
\$ 107,265,162	\$ 6,739,393	\$ 74,281,255	\$ 23,953,747	\$ 691,337	\$ 623,731	\$ 37,889,922	\$ 6,092,374	\$ 257,536,921	\$ 13,456,751	\$ 354,494,654

CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDS  
COMMUNITY SERVICES FUND  
COMBINING SCHEDULE/BALANCE SHEET  
AS OF SEPTEMBER 30, 2004

FUNDS	ASSETS											TOTAL ASSETS 2004
	RECEIVABLES											
	CASH AND EQUIVALENTS	INVESTMENTS	OTHER ACCOUNTS	LESS: ALLOWANCE FOR UNCOLLECTIBLES	ACCRUED INTEREST	ACCRUED REVENUE	DUE FROM OTHER FUNDS	DUE FROM OTHER GOV'T AGENCIES	PREPAID EXPENSES	INVENTORIES OF MATERIALS AND SUPPLIES AT COST	DEPOSITS	
Public Library-Other Memorials and Gifts Fund	\$ 12,167	\$ 61,111	\$ 0	\$ 0	\$ 140	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 73,418
Brown Bag Days Fund	243											243
Carver Community Contribution Fund	6,115	30,717			83							36,915
San Antonio Branch Libraries Gift Fund	45,147	226,764			535							272,446
San Antonio Library Foundation Gift Fund	209,735	1,053,445			3,673							1,266,853
San Antonio Friends of the Library Gift Fund	7,438	37,357			86							44,881
Bexar County Rabies Control								83,651				83,651
The City's Front Yard Program Fund	45,724	229,659			519							275,902
Market Square San Antonio Cultural Program	1,927	9,680			20							11,627
San Antonio Downtown Citizens Beautification Program	76	380			1							457
Child Abuse Prevention Program/Kidcare	(1,979)											(1,979)
Martin Luther King Celebration	(35,801)											(35,801)
Special Art Acquisition and Maintenance Fund	386	1,939			4							2,329
Martin Luther King Scholarships Memorial Fund	(5,535)				2							(5,533)
La Villita Memorials and Gifts	4,387											4,387
Alamo Foundation Inc. Gift	(19,547)		20,000									453
Elizabeth Evelyn Deike Gift to Oakwell Library	9,637	48,405			109							58,151
Commission for Children and Families	482	2,422			6							2,910
San Antonio Petroleum Bulk Terminal Operators	5,464											5,464
City of San Antonio Historic Preservation Fund	3,890	19,540			45							23,475
Dies Y Seis Celebration	8,140	40,884			112							49,136
Cellular on Patrol Trust Funds	636											636
Woodlawn Lake July 4 Celebration	(322)											(322)
Miscellaneous Memorials and Gifts Fund	2,253	11,319			26							13,598
Market Square Improvement Trust Fund	26,377	132,486			297							159,160
Mayor's Conference on Status of Women	3,389											3,389
San Antonio Literacy Trust Fund	2,775	13,938			32							16,745
Economic Initiative Fund						121,806		3,111				124,917
San Antonio Public Library-Hertzberg Circus Fund	(15,933)											(15,933)
San Antonio Public Library-Alice Moore Fund	73	368			1							442
Knights of Pythias Cemetery Fund	505	2,535			5							3,045
Fire Prevention Week Trust Fund	2,982	14,976			33							17,991
Fire Ladder Truck Buy-In Project	215,548	1,082,639			2,451							1,300,638
Victim's Advocacy Trust Fund	1,151	5,783			13							6,947
Dwyer Center Rental Income Trust	50,493	253,612			568							304,673
School Zone Flashing Beacons	83,503					349,877						433,380
State Paid Traffic Signals												83,503
San Antonio Police Training Classes Fund	104,698	232,249			582							349,877
HHFA Group Leasing Program							61,781		60,950			122,731
Community Action Program Projects Fund	4,173											4,173
Tree Preservation Mitigation Fund	57,279	287,695			387							345,361
Police Academy Memorial Plaza Construction	196	986			3							1,185
Forensic Mapping System	148	742			2							892
"C" Fire Technical Rescue Equipment Project	931											931
Affordable Housing Trust Fund	14,761	74,140			168							89,069
City Holiday Gift Program	(124)											(124)
City Volunteer Corp Trust Fund	27											27
San Antonio Flood Relief Fund	2,199	11,045			25							13,269
TIF 3 City Commercial TIF Fund	6,960	34,954			79							41,993
Americans w/Disability Act Access Enhancement	707	3,550			8							4,265
Better Jobs Expendable Trust Fund	59,981	2,812,639			6,368							2,878,988
Zoo Concession Area Capital Repair Trust	13,074											13,074
ACCD Settlement Education for City Employees Fund			986,108									986,108
ACCD Settlement Advanced Technology Center Fund			36,949									36,949
Prop 3 Habitat Mitigation Fund	666	3,345			8							4,019
Special Public Improvement District Fund	90,248	453,291	75,000		1,419							619,958
Seminar Operating Fund	183											183
Park's Recreation Athletic Fund	71,082	523,379			1,244							595,705
911 District Fund						138,019						138,019
Tax Clearance Account	1,152,821											1,152,821
San Antonio Health Facilities Development Corporation	18,465		225									18,690
San Antonio Industrial Development Authority	8,594		623									9,217
Otto Koehler Park	130,397				50							130,447
Child Safety	1,324,704				255							1,324,959
Soil Remediation	(6,886)				339							363,133
Official City Store	159,866	149,680	250,000	(30,000)								161,331
Housing Asset Recovery Program	(13,799)		1,465									(13,799)
Tax Increment Financing	144,034	723,446			1,417			60,505				929,402
Enterprise Resource Management Project	1,813,076		261									1,813,337
Park Acquisition and Development Fund	(180,274)	1,021,560			1,472	155,729						998,487
Equipment Acquisition Fund	1,329,787											1,329,787
TIF Unit Fund												
Police Training Academy - Firing Range	4,784											4,784
<b>TOTAL</b>	<b>\$ 6,984,284</b>	<b>\$ 9,612,660</b>	<b>\$ 1,370,631</b>	<b>\$ (30,000)</b>	<b>\$ 22,587</b>	<b>\$ 765,431</b>	<b>\$ 61,781</b>	<b>\$ 147,267</b>	<b>\$ 60,950</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 18,995,591</b>

CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDS  
COMMUNITY SERVICES FUND  
COMBINING SCHEDULE/BALANCE SHEET  
AS OF SEPTEMBER 30, 2004

FUNDS	LIABILITIES						TOTAL LIABILITIES	FUND BALANCES	TOTAL LIABILITIES AND FUND BALANCES 2004
	VOUCHERS PAYABLE	ACCOUNTS PAYABLE OTHER	ACCRUED PAYROLL	ACCRUED LEAVE PAYABLE	DEFERRED REVENUE	DUE TO OTHER FUNDS			
Public Library-Other Memorials and Gifts Fund	\$	\$	\$	\$	\$	\$	\$	73,418	\$ 73,418
Brown Bag Days Fund								243	243
Carver Community Contribution Fund			196				196	36,719	36,915
San Antonio Branch Libraries Gift Fund							0	272,446	272,446
San Antonio Library Foundation Gift Fund		542	4,264	3,309			8,115	1,258,738	1,266,853
San Antonio Friends of the Library Gift Fund							0	44,881	44,881
Bexar County Rabies Control			4,235	8,412		78,983	91,630	(7,979)	83,651
The City's Front Yard Program Fund							0	275,902	275,902
Market Square San Antonio Cultural Program Fund		2,738					2,738	8,889	11,627
San Antonio Downtown Citizens Beautification Program							0	457	457
Child Abuse Prevention Program/Kidcare							0	(1,979)	(1,979)
Martin Luther King Celebration							0	(35,801)	(35,801)
Special Art Acquisition & Maintenance Fund							0	2,329	2,329
Martin Luther King Scholarship Memorial Fund							0	(5,533)	(5,533)
La Villita Memorials and Gifts							0	4,387	4,387
Alamo Foundation Inc. Gift							0	453	453
Elizabeth Evelyn Beike Gift to Oakwell Library							0	58,151	58,151
Commission for Children and Families							0	2,910	2,910
San Antonio Petroleum Bulk Terminal Operators							0	5,464	5,464
City of San Antonio Historic Preservation Fund							0	23,475	23,475
Dies Y Seis Celebration							0	49,136	49,136
Cellular on Patrol Trust Funds							0	636	636
Woodlawn Lake July 4 Celebration							0	(322)	(322)
Miscellaneous Memorials and Gifts Fund							0	13,598	13,598
Market Square Improvement Trust Fund		40					40	159,120	159,160
Mayor's Conference on Status of Women							0	3,389	3,389
San Antonio Literacy Trust Fund							0	16,745	16,745
Work/Family Commission Contribution Fund						445	445	(445)	0
Economic Initiative Fund		2,211	12,943	16,903		134,051	166,108	(41,191)	124,917
San Antonio Public Library-Hertzberg Circus Fund							0	(15,933)	(15,933)
San Antonio Public Library-Alice Moore Fund							0	442	442
Knights of Pythias Cemetery Fund							0	3,045	3,045
Fire Prevention Week Trust Fund		788					788	17,203	17,991
Fire Ladder Truck Buy-In Project							0	1,300,638	1,300,638
Victim's Advocacy Trust Fund							0	6,947	6,947
Dwyer Center Rental Income Trust		274	5,871	4,608			10,753	293,920	304,673
School Zone Flashing Beacons							0	83,503	83,503
State Paid Traffic Signals						349,877	349,877	349,877	349,877
San Antonio Police Training Classes Fund							0	337,529	337,529
HHDA Group Leasing Program						122,731	122,731	122,731	122,731
Community Action Program Projects Fund							0	4,173	4,173
Tree Preservation Mitigation Fund							0	345,361	345,361
Police Academy Memorial Plaza Construction							0	1,185	1,185
Forensic Mapping System							0	892	892
"C" Fire Technical Rescue Equipment Project							0	931	931
Affordable Housing Trust Fund							0	89,069	89,069
City Holiday Gift Program							0	(124)	(124)
City Volunteer Corp Trust Fund							0	27	27
San Antonio Flood Relief Fund							0	13,269	13,269
TIF 3 City Commercial TIF Fund							0	41,993	41,993
San Antonio Symphony/Zoo Obligation Project							0	0	0
Americans w/Disability Act Access Enhancement							0	4,265	4,265
Better Jobs Expendable Trust Fund							0	2,878,988	2,878,988
Zoo Concession Area Capital Repair Trust		13,073					13,073	1	13,074
ACCD Settlement Education for City Employees Fund							0	986,108	986,108
ACCD Settlement Advanced Technology Center Fund							0	36,949	36,949
Prop 3 Habitat Mitigation Fund							0	4,019	4,019
Special Public Improvement District Fund		98,480					98,480	521,478	619,958
Seminar Operating Fund							0	183	183
Park's Recreation Athletic Fund		5	6,940				2,412	9,357	595,705
911 District Fund			3,850	885		138,019	138,019	142,754	(4,735)
Tax Clearance Account		814,187					338,634	1,152,821	1,152,821
San Antonio Health Facilities Development Corporation							0	18,690	18,690
San Antonio Industrial Development Authority							0	9,217	9,217
Otto Kochler Park							130,447	130,447	130,447
Child Safety							1,324,959	1,324,959	1,324,959
Soil Remediation							200,000	200,000	163,133
Official City Stone		13,113	5,706	1,040			73,642	93,501	67,830
Housing Asset Recovery Program		301,107					54,931	356,038	(369,837)
Tax Increment Financing							0	929,402	929,402
Enterprise Resource Management Project		4,790	67,669	9,226		3,383,679	3,465,364	(1,652,027)	1,813,337
Park Acquisition and Development Fund							0	998,487	998,487
Equipment Acquisition Fund		350,894					350,894	978,893	1,329,787
TIF Unit Fund		264	9,403	1,174			222,668	233,509	0
Police Training Academy - Firing Range							0	4,784	4,784
<b>TOTAL</b>	<b>\$ 0</b>	<b>\$ 1,602,506</b>	<b>\$ 121,077</b>	<b>\$ 45,557</b>	<b>\$ 200,000</b>	<b>\$ 6,355,478</b>	<b>\$ 8,324,618</b>	<b>\$ 10,670,973</b>	<b>\$ 18,995,591</b>

CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDS  
 COMMUNITY SERVICES FUND  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2004

	REVENUES						EXPENDITURES		
	CHARGES FOR CURRENT SERVICES		TAXES	INTERGOV'TL	MISCELLANEOUS	INTEREST	TOTAL REVENUES	GENERAL GOVERNMENT	PUBLIC SAFETY
	\$	\$	\$	\$	\$	\$	\$	\$	
Public Library-Other Memorials & Gifts Fund	0	0	0	0	45,252	813	46,065	0	0
Brown Bag Days Fund						1	1		
Carver Community Contribution Fund	140,577					690	141,267		
San Antonio Branch Libraries Gift Fund					146,921	2,199	149,120		
San Antonio Library Foundation Gift Fund					1,305,424	16,084	1,321,508		
San Antonio Friends of the Library Gift Fund					32,556	396	32,952		
Bexar County Rabies Control			224,991				224,991		
The City's Front Yard Program Fund					88,684	2,510	91,194		
Market Square San Antonio Cultural Program					8,013	108	8,121		
San Antonio Downtown Citizens' Beautification Program						5	5		
Child Abuse Prevention Program					127	15	142		
Martin Luther King Celebration					5,000		5,000		
Special Art Acquisition & Maintenance Fund						23	23		
Martin Luther King Scholarships Memorial Fund					12,335	9	12,344		
La Villita Memorials and Gifts						11	11		
Alamo Foundation Inc. Gift							0		
Elizabeth Evelyn Beike Testamentary Gift to Oakwell Library						567	567		
Commission for Children and Families					617	47	664		
San Antonio Petroleum Bulk Terminal Operators						14	14		
City of San Antonio Historic Preservation Fund						242	242		
Dies Y Seis Celebration						552	552		
Cellular on Patrol Trust Fund						6	6		
Woodlawn Lake July 4 Celebration							0		
Miscellaneous Memorials and Gifts Fund						131	131		
Market Square Improvement Trust Fund					50,000	1,605	51,605		
Mayor's Conference on Status of Women							0		
San Antonio Literacy Trust Fund						163	163		
Work/Family Commission Contribution Fund						5	5		
Economic Initiative Fund					494,308		494,308		
San Antonio Public Library-Hertzberg Circus Fund							0		
San Antonio Public Library-Alice Moore Fund						5	5		
Knights of Pythias Cemetery Fund						30	30		
Fire Prevention Week Trust Fund					16,390	140	16,530		6,737
Fire Ladder Truck Buy-In Project						12,696	12,696		
Victim's Advocacy Trust Fund					2,435	56	2,491		
Dwyer Center Rental Income Trust	264,231					2,701	266,932		
School Zone Flashing Beacons							0		
State Paid Traffic Signals			183,302				183,302		
San Antonio Police Training Program	56,444				162,870	2,845	222,159		154,871
HIDTA Group Leasing Office					823,312		823,312		823,384
Community Action Program Projects Fund					2,375		2,375		
Tree Preservation Mitigation Fund	312,382					1,092	313,474		
Police Academy Memorial Plaza Construction						12	12		
Forensic Mapping System						10	10		
"C" Fire Technical Rescue Equipment Project							0		
Affordable Housing Trust Fund						870	870		
City Holiday Gift Program							0		
City Volunteer Corp Trust Fund					481		481		
San Antonio Flood Relief Fund						130	130		
TIF 3 City Commercial TIF Fund						414	414		
San Antonio Symphony/Zoo Obligation Project							0		
Americans w/Disability Act Access Enhancement						41	41		
Better Jobs Expendable Trust Fund						32,981	32,981		
Zoo Concession Area Capital Repair Trust	13,074						13,074		
ACCD Settlement Education for City Employees Fund					489,832	14,374	504,206	455,288	
ACCD Settlement Advanced Technology Center Fund							0	62,043	
Prop 3 Habitat Mitigation Fund						39	39		
Special Public Improvement District Fund	1,348,925	43,692				7,534	1,400,151		
Seminar Operating Fund							0		
Park's Recreation Athletic Fund	437,271					7,001	444,272		
911 District Fund	191,145						191,145		195,880
Tax Clearance Account							0		
San Antonio Health Facilities Development Corporation					2,500	17	2,517		
San Antonio Industrial Development Authority						57	57		
Otto Koehler Park	163,103					181	163,284		
Child Safety				1,370,532	363,351	1,266	1,735,149	106,459	
Soil Remediation					35,000	1,708	36,708		
Official City Store	242,831					155	242,986		
Housing Asset Recovery Program					170	17	187		
Tax Increment Financing		1,302,440	433,538			6,627	1,742,605	845,800	
Enterprise Resource Management Project					21		21	2,627,260	
Park Acquisition and Development Fund					823,017	5,473	828,490		
Equipment Acquisition Fund						24,520	24,520	1,681,018	
TIF Unit Fund	217,006						217,006	365,570	
Police Training Academy - Firing Range	7,075						7,075		2,291
<b>TOTAL</b>	<b>\$ 3,394,064</b>	<b>\$ 1,346,132</b>	<b>\$ 2,212,363</b>	<b>\$ 4,910,991</b>	<b>\$ 149,188</b>	<b>\$ 12,012,738</b>	<b>\$ 6,143,438</b>	<b>\$ 1,183,163</b>	

CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDS  
 COMMUNITY SERVICES FUND  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 FOR THE YEAR ENDED SEPTEMBER 30, 2004

EXPENDITURES						TOTAL EXPENDITURES	EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	OTHER FINANCING SOURCES (USES)	FUND BALANCES	
PUBLIC WORKS	HEALTH SERVICES	WELFARE	CULTURE AND RECREATION	ECONOMIC DEVELOPMENT AND OPPORTUNITY	10-01-03				09-30-04	
\$ 0	\$ 0	\$ 0	\$ 55,082	\$ 0	\$ 55,082	\$ (9,017)	\$ 0	\$ 82,435	\$ 73,418	
						1		242	243	
			67,904		67,904	73,363	(45,672)	9,028	36,719	
			25,255		25,255	123,865		148,581	272,446	
			995,564		995,564	325,944	(603,506)	1,536,300	1,258,738	
			6,268		6,268	26,684		18,197	44,881	
	232,970				232,970	(7,979)			(7,979)	
			29,723		29,723	61,471		214,431	275,902	
			15,436		15,436	(7,315)		16,204	8,889	
						5		452	457	
		2,176			2,176	(2,034)		55	(1,979)	
			33,062		33,062	(28,062)	15,000	(22,739)	(35,801)	
						23		2,306	2,329	
		10,051			10,051	2,293		(7,826)	(5,533)	
						11		4,376	4,387	
								453	453	
						567		57,584	58,151	
		3,349			3,349	(2,685)		5,595	2,910	
						14		5,450	5,464	
						242		(1,800)	23,475	
			16,123		16,123	(15,571)	15,000	49,707	49,136	
			1,414		1,414	(1,408)		2,044	636	
								(322)	(322)	
						131		12,967	13,598	
			182,539		182,539	(130,934)		115,910	159,120	
								3,389	3,389	
						163		16,582	16,745	
		1,393			1,393	(1,388)		943	(445)	
				507,402	507,402	(13,094)		(28,097)	(41,191)	
								(15,933)	(15,933)	
			85		85	(80)		522	442	
						30		3,015	3,045	
					6,737	9,793		7,410	17,203	
						12,696		1,287,942	1,300,638	
		152			152	2,339		4,608	6,947	
		191,632			191,632	75,300		218,620	293,920	
								83,503	83,503	
178,402					178,402	4,900		(4,900)		
						67,288		279,801	337,529	
						(72)		72		
						(58)		4,231	4,173	
		2,433			2,433	(58)		42,154	345,361	
			10,267		10,267	303,207		1,173	1,185	
						12		882	892	
						10		931	931	
						870		88,199	89,069	
								(124)	(124)	
						481		(454)	27	
						130		13,139	13,269	
						414		41,579	41,993	
			631,265		631,265	(631,265)	631,265			
						41		4,224	4,265	
						32,981	(500,000)	3,346,007	2,878,988	
			13,074		13,074			1	1	
						48,918		937,190	986,108	
						(62,043)		98,992	36,949	
						39		3,980	4,019	
				1,297,469	1,297,469	102,682		418,796	521,478	
								183	183	
			587,961		587,961	(143,689)	(53,298)	783,335	586,348	
						(4,735)			(4,735)	
		2,253			2,253	264		18,426	18,690	
				1,037	1,037	(980)		10,197	9,217	
						163,284	(163,284)			
					106,459	1,628,690	(1,628,690)			
						36,708	(12,710)	139,135	163,133	
				413,814	413,814	(170,828)	158,860	79,798	67,830	
				39,665	39,665	(39,478)		(330,359)	(369,837)	
					845,800	896,805	(433,537)	466,134	929,402	
					2,627,260	(2,627,239)	970,030	5,182	(1,652,027)	
						828,490		169,997	998,487	
					1,681,018	(1,656,498)	1,681,018	954,373	978,893	
					365,570	(148,564)		(84,945)	(233,509)	
					2,291	4,784			4,784	
\$ 178,402	\$ 235,223	\$ 212,600	\$ 2,669,608	\$ 2,259,387	\$ 12,881,821	\$ (869,083)	\$ 193,760	\$ 11,346,296	\$ 10,670,973	

## — CITY OF SAN ANTONIO, TEXAS —

**COMBINING BALANCE SHEET**  
**NONMAJOR PERMANENT FUNDS**  
**AS OF SEPTEMBER 30, 2004**

	San Jose Burial Park	Carver Cultural Center Endowment	San Antonio Housing Trust	William C. Morris Endowment	Total Nonmajor Permanent Funds
<b><u>ASSETS</u></b>					
Assets:					
Cash and Cash Equivalents	\$ 414,360	\$ 55,860	\$ 86,329	\$ 33,659	\$ 590,208
Investments	2,081,098	280,569	10,214,378	169,061	12,745,106
Receivables	65,818				65,818
Accrued Interest	4,814	635	151,416	332	157,197
Due from Other Governmental Agencies			331,344		331,344
Less: Allowance for Uncollectibles			(331,344)		(331,344)
<b><u>Total Assets</u></b>	<b><u>2,566,090</u></b>	<b><u>337,064</u></b>	<b><u>10,452,123</u></b>	<b><u>203,052</u></b>	<b><u>13,558,329</u></b>
<b><u>LIABILITIES AND FUND BALANCES</u></b>					
Liabilities:					
Accounts Payable - Other	2,296		15,327		17,623
Accrued Payroll	7,539				7,539
Accrued Leave Payable	10,598				10,598
Deferred Revenues	65,818				65,818
<b><u>Total Liabilities</u></b>	<b><u>86,251</u></b>		<b><u>15,327</u></b>		<b><u>101,578</u></b>
Fund Balances:					
Reserved:					
Reserved for Encumbrances	1,699		556,193		557,892
Unreserved:					
Designated	1,600,676		1,000,000		2,600,676
Undesignated	877,464	337,064	8,880,603	203,052	10,298,183
<b><u>Total Fund Balances</u></b>	<b><u>2,479,839</u></b>	<b><u>337,064</u></b>	<b><u>10,436,796</u></b>	<b><u>203,052</u></b>	<b><u>13,456,751</u></b>
<b><u>Total Liabilities and Fund Balances</u></b>	<b><u>\$ 2,566,090</u></b>	<b><u>\$ 337,064</u></b>	<b><u>\$ 10,452,123</u></b>	<b><u>\$ 203,052</u></b>	<b><u>\$ 13,558,329</u></b>

## — CITY OF SAN ANTONIO, TEXAS —

**COMBINING SCHEDULE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR PERMANENT FUNDS**  
**AS OF SEPTEMBER 30, 2004**

	<u>San Jose Burial Park</u>	<u>Carver Cultural Center Endowment</u>	<u>San Antonio Housing Trust</u>	<u>William C. Morris Endowment</u>	<u>Total Nonmajor Permanent Funds</u>
<b><u>Revenues</u></b>					
Charges for Services	\$ 96,590	\$ 0	\$ 0	\$ 0	\$ 96,590
Miscellaneous				201,819	201,819
Interest	25,984	3,396	274,641	1,233	305,254
Net Increase in Fair Value of Investments			495		495
<b>Total Revenues</b>	<b>122,574</b>	<b>3,396</b>	<b>275,136</b>	<b>203,052</b>	<b>604,158</b>
<b><u>Expenditures</u></b>					
Current:					
Culture and Recreation	440,688				440,688
Urban Redevelopment and Housing			199,491		199,491
<b>Total Expenditures</b>	<b>440,688</b>		<b>199,491</b>		<b>640,179</b>
<b><u>Excess (Deficiency) of Revenues</u></b>					
<b><u>Over (Under) Expenditures</u></b>	<b>(318,114)</b>	<b>3,396</b>	<b>75,645</b>	<b>203,052</b>	<b>(36,021)</b>
Operating Transfers Out		(42,303)			(42,303)
<b>Total Other Financing Sources (Uses)</b>		<b>(42,303)</b>			<b>(42,303)</b>
<b><u>Net Change in Fund Balances</u></b>	<b>(318,114)</b>	<b>(38,907)</b>	<b>75,645</b>	<b>203,052</b>	<b>(78,324)</b>
Fund Balances, October 1	2,797,953	375,971	10,361,151		13,535,075
<b><u>Fund Balances, September 30</u></b>	<b>\$ 2,479,839</b>	<b>\$ 337,064</b>	<b>\$ 10,436,796</b>	<b>\$ 203,052</b>	<b>\$ 13,456,751</b>





## **City of San Antonio Texas**

### ***Internal Service Funds***

***SELF-INSURANCE PROGRAMS*** - to account for Self-Insurance Programs including funds for the administration of all tort claims against the City and for the operation of the City's employee benefit programs. Included in the Self-Insurance Programs are the Insurance Reserve Program, Employee Benefits Program, Workers' Compensation Program, Unemployment Compensation Program, Extended Sick Leave Program, and Employee Wellness Program

***OTHER INTERNAL SERVICES*** - to account for financing of goods or services (other than data processing and programming) provided to other departments or agencies. This fund has the following divisions: Central Stores, Motor Pool, Automotive Repair, Temporary Services and Building Maintenance and Repairs. Reserves for Equipment Renewal and Replacement are recorded by charges to the user departments.

***INFORMATION SERVICES*** - to account for financing of goods or services provided to other departments or agencies in the field of data processing, programming, and communication services.



**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**AS OF SEPTEMBER 30, 2004**

	<u>INSURANCE RESERVE</u>	<u>EMPLOYEE BENEFITS</u>	<u>WORKERS' COMPENSATION</u>	<u>UNEMPLOYMENT COMPENSATION</u>
<b><u>ASSETS</u></b>				
Current Assets:				
Cash and Cash Equivalents	\$ 632,157	\$ 59,861	\$ 673,844	\$ 62,544
Investments	10,984,396	66,822	3,385,034	314,145
Receivables:				
Other Accounts	1,633,240	751,230		
Allowance for Uncollectibles	(1,473,221)	(92,417)		
Accrued Interest	41,397		28,415	409
Accrued Revenue				
Due From Other Funds	10,438,197	30,700	10,438,197	
Due From Other Governmental Agencies			7,686	
Allowance for Uncollectibles				
Inventories				
Prepaid Expenses				
Deposits	40,214		36,000	
Total Current Assets	<u>22,296,380</u>	<u>816,196</u>	<u>14,569,176</u>	<u>377,098</u>
Property, Plant and Equipment				
Computer Equipment	58,015	57,553	51,528	
Buildings				
Improvements Other than Buildings				
Machinery and Equipment	5,902	43,586	383,791	
Total Property, Plant and Equipment	<u>63,917</u>	<u>101,139</u>	<u>435,319</u>	
Less: Accumulated Depreciation	60,506	90,756	357,505	
Net Property, Plant and Equipment	<u>3,411</u>	<u>10,383</u>	<u>77,814</u>	
Total Assets	<u>22,299,791</u>	<u>826,579</u>	<u>14,646,990</u>	<u>377,098</u>
<b><u>LIABILITIES</u></b>				
Current Liabilities:				
Vouchers Payable				
Accounts Payable-Other	17,496,171	11,108,072	21,143,773	74,244
Accrued Payroll	27,290	26,177	38,697	
Accrued Leave Payable	9,728	5,312	9,159	
Deferred Revenue	158,515	534,952		
Accrued Interest				
Due to Other Funds	114	20,877,944	57	
Total Current Liabilities (Payable from Current Assets)	<u>17,691,818</u>	<u>32,552,457</u>	<u>21,191,686</u>	<u>74,244</u>
Current Liabilities (Payable from Restricted Assets)				
Lease Purchase				
Noncurrent Liabilities				
Accrued Leave Payable	48,642	26,560	45,796	
Lease Purchase				
Due to Other Governmental Agencies				
Total Noncurrent Liabilities	<u>48,642</u>	<u>26,560</u>	<u>45,796</u>	
Total Liabilities	<u>17,740,460</u>	<u>32,579,017</u>	<u>21,237,482</u>	<u>74,244</u>
<b><u>NET ASSETS</u></b>				
Invested In Capital Assets, net of related debt	3,411	10,383	77,814	
Unrestricted	4,555,920	(31,762,821)	(6,668,306)	302,854
Total Net Assets	<u>\$ 4,559,331</u>	<u>\$ (31,752,438)</u>	<u>\$ (6,590,492)</u>	<u>\$ 302,854</u>

## — CITY OF SAN ANTONIO, TEXAS —

**COMBINING STATEMENT OF NET ASSETS**  
**INTERNAL SERVICE FUNDS**  
**AS OF SEPTEMBER 30, 2004**

EXTENDED SICK LEAVE	EMPLOYEE WELLNESS	OTHER INTERNAL SERVICE	INFORMATION SERVICES	TOTAL
\$ 655	\$ 10,609	\$ 4,003,940	\$ 122,322	\$ 5,565,932
3,292	53,285	21,865,597	30,916	36,703,487
		2,012	1,172	2,387,654
				(1,565,638)
6	1	46,216	37	116,481
		538	554,348	554,886
		101,372	2,839,573	23,848,039
3,357		611,434	55,743	678,220
		(142,749)	(23,290)	(166,039)
		1,061,570	550,031	1,611,601
	2,747			2,747
			81,188	157,402
<u>7,310</u>	<u>66,642</u>	<u>27,549,930</u>	<u>4,212,040</u>	<u>69,894,772</u>
	10,202	564,827	4,008,618	4,750,743
		157,634	20,465	178,099
		194,118		194,118
	37,005	103,392,329	773,792	104,636,405
	47,207	104,308,908	4,802,875	109,759,365
	40,577	65,022,463	3,934,575	69,506,382
	6,630	39,286,445	868,300	40,252,983
<u>7,310</u>	<u>73,272</u>	<u>66,836,375</u>	<u>5,080,340</u>	<u>110,147,755</u>
	13,360	2,715,806	1,030,103	53,581,529
	10,949	331,176	386,764	821,053
	2,827	541,479	80,690	649,195
				693,467
		1,076,915	380,210	22,335,240
	<u>27,136</u>	<u>4,665,376</u>	<u>1,877,767</u>	<u>78,080,484</u>
		64,188	81,778	145,966
	14,135		403,448	538,581
		320,941	114,116	435,057
			710,754	710,754
	14,135	320,941	1,228,318	1,684,392
	41,271	5,050,505	3,187,863	79,910,842
	6,630	39,286,445	672,406	40,057,089
7,310	25,371	22,499,425	1,220,071	(9,820,176)
<u>\$ 7,310</u>	<u>\$ 32,001</u>	<u>\$ 61,785,870</u>	<u>\$ 1,892,477</u>	<u>\$ 30,236,913</u>

COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
INTERNAL SERVICE FUNDS  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	INSURANCE RESERVE	EMPLOYEE BENEFITS	WORKERS COMPENSATION	UNEMPLOYMENT COMPENSATION	EXTENDED SICK LEAVE	EMPLOYEE WELLNESS	OTHER INTERNAL SERVICE	INFORMATION SERVICES	TOTAL
Operating Revenues									
Charges for Services	\$ 8,527,498	\$ 61,812,934	\$ 11,162,619	\$ 662,647	\$ 15,117	\$ 0	\$ 50,517,833	\$ 18,491,599	\$ 151,190,247
Total Operating Revenues	8,527,498	61,812,934	11,162,619	662,647	15,117	0	50,517,833	18,491,599	151,190,247
Operating Expenses									
Personal Services	1,010,749	858,578	1,301,317		18,224	346,966	20,337,174	11,897,630	35,770,638
Contractual Services	637,051	76,455,395	1,197,465	381,057		340,093	4,978,342	4,817,159	88,806,562
Commodities	37,609	7,718	441,529			15,589	624,839	3,796,883	4,924,167
Materials							16,262,622	309,587	16,572,209
Other	6,774,381	4,493	9,874,655			2,067	1,436,848	701,588	18,794,032
Depreciation	2,532	21,888	57,268			4,762	14,368,527	36,438	14,491,415
Total Operating Expenses	8,462,322	77,348,072	12,872,234	381,057	18,224	709,477	58,008,352	21,559,285	179,359,023
Operating Income (Loss)	65,176	(15,535,138)	(1,709,615)	281,590	(3,107)	(709,477)	(7,490,519)	(3,067,686)	(28,168,776)
Nonoperating Revenues (Expenses)									
Interest and Other	203,942		152,177	1,304	19	83	261,947	6,748	626,220
Net (Decrease) in Fair Value of Investments									
Other Nonoperating Revenue	507,856	593,237	205,509			273	313,834	2,993	1,623,702
Gain (Loss) on Sale of Fixed Assets	(3,012)	(745)	(1,247)				777,274	(161,450)	610,820
Interest and Debt Expense							(18,580)	(12,464)	(31,044)
Total Nonoperating Revenues (Expenses)	708,786	592,492	356,439	1,304	19	356	1,334,475	(164,173)	2,829,698
Change in Net Assets Before Contributions and Transfers	773,962	(14,942,646)	(1,353,176)	282,894	(3,088)	(709,121)	(6,156,044)	(3,231,859)	(25,339,078)
Capital Contributions									
Capital Contributions							1,584,658		1,584,658
Transfers In (Out)									
Transfers In	26,293	3,508,770	95,069			830,500	695,837	1,355,985	6,512,454
Transfers Out	(130,188)	(399,682)	(672,907)			(9,186)	(3,215,023)	(76,025)	(4,503,011)
Total Transfers	(103,895)	3,109,088	(577,838)			821,314	(2,519,186)	1,279,960	2,009,443
Change in Net Assets	670,067	(11,833,558)	(1,931,014)	282,894	(3,088)	112,193	(7,090,572)	(1,951,899)	(21,744,977)
Net Assets - Beginning	3,889,264	(19,918,880)	(4,659,478)	19,960	10,398	(80,192)	68,876,442	3,844,376	51,981,890
Net Assets - Ending	\$ 4,559,331	\$ (31,752,438)	\$ (6,590,492)	\$ 302,854	\$ 7,310	\$ 32,001	\$ 61,785,870	\$ 1,892,477	\$ 30,236,913



**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	INSURANCE RESERVE	EMPLOYEE BENEFITS	WORKERS COMPENSATION
<b><u>Cash Flows from Operating Activities</u></b>			
Cash Received from Customers	\$ 8,407,696	\$ 61,848,177	\$ 11,162,619
Cash Payments to Suppliers for Goods and Services	(6,140,875)	(76,412,364)	(11,520,932)
Cash Payments to Employees for Service	(985,430)	(850,215)	(1,297,442)
Other Operating Revenues	507,856	593,237	205,509
Net Cash Provided by (Used for) Operating Activities	<u>1,789,247</u>	<u>(14,821,165)</u>	<u>(1,450,246)</u>
<b><u>Cash Flows from Non-Capital Financing Activities</u></b>			
Operating Transfers In from Other Funds	26,293	3,508,770	95,069
Operating Transfers Out to Other Funds	(130,188)	(399,682)	(672,907)
Due To/From Other Funds	<u>(5,814,372)</u>	<u>11,647,244</u>	<u>(5,838,140)</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>(5,918,267)</u>	<u>14,756,332</u>	<u>(6,415,978)</u>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>			
Acquisitions and Construction of Capital Asset			
Proceeds from Issuance of Long-Term Debt			
Principal Payments on Long-term Debt			
Principal Payments on Notes			
Interest Paid on Notes			
Proceeds from Sale of Assets			
Net Cash (Used for) Capital and Related Financing Activities			
<b><u>Cash Flows from Investing Activities</u></b>			
Purchases of Investment Securities	(31,707,656)	(192,888)	(9,771,271)
Maturity of Investment Securities	28,185,441	169,961	12,083,633
Interest on Investments	187,729		146,537
Net Cash Provided by (Used for) Investing Activities	<u>(3,334,486)</u>	<u>(22,927)</u>	<u>2,458,899</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(7,463,506)	(87,760)	(5,407,325)
Cash and Cash Equivalents, October 1	<u>8,095,663</u>	<u>147,621</u>	<u>6,081,169</u>
<b><u>Cash and Cash Equivalents, September 30</u></b>	<b><u>\$ 632,157</u></b>	<b><u>\$ 59,861</u></b>	<b><u>\$ 673,844</u></b>
<b><u>Reconciliation of Operating Income to Net Cash</u></b>			
<b><u>Provided by Operating Activities</u></b>			
Operating Income (Loss)	\$ 65,176	\$ (15,535,138)	\$ (1,709,615)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	2,532	21,888	57,268
Other Nonoperating Revenues	507,856	593,237	205,509
Changes in Assets and Liabilities:			
(Increase) Decrease In Other Accounts Receivable	(1,631,712)	(515,447)	
Decrease In Allowance for Uncollectibles	1,473,221		
(Increase) Decrease In Accrued Revenues		15,738	
Decrease In Due from Other Funds			
(Increase) Decrease In Due from Other Gov'tl Agencies			
Decrease In Inventories			
(Increase) Decrease In Prepaid Expenses			
(Increase) Decrease In Deposits	(119,826)		
Increase (Decrease) In Vouchers Payable	(8,064)	(1,028,672)	(21,166)
Increase (Decrease) In Other Payables	1,316,230	1,083,914	13,883
Increase In Due to Other Funds			
Increase (Decrease) In Accrued Payroll	3,416	7,196	6,216
Increase (Decrease) In Accrued Leave Payable	21,903	1,167	(2,341)
Increase (Decrease) In Contracts Payable			
Increase in Deferred Revenue	158,515	534,952	
Net Cash Provided by (Used in) Operating Activities	<u>\$ 1,789,247</u>	<u>\$ (14,821,165)</u>	<u>\$ (1,450,246)</u>

## — CITY OF SAN ANTONIO, TEXAS —

**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

UNEMPLOYMENT COMPENSATION	EXTENDED SICK LEAVE	EMPLOYEE WELLNESS	OTHER INTERNAL SERVICE	INFORMATION SERVICES	TOTAL
\$ 662,647 (451,664)	\$ 18,474  (18,224)	\$ (2,747) (370,709) (344,783) 273	\$ 50,408,062 (22,570,338) (20,250,886) 313,834	\$ 15,509,515 (8,983,916) (11,735,724) 2,993	\$ 148,014,443 (126,450,798) (35,482,704) 1,623,702
<u>210,983</u>	<u>250</u>	<u>(717,966)</u>	<u>7,900,672</u>	<u>(5,207,132)</u>	<u>(12,295,357)</u>
		830,500 (9,186) (40,000) 781,314	695,837 (3,215,023) 1,039,951 (1,479,235)	1,355,985 (76,025)	6,512,454 (4,503,011) 994,683 3,004,126
		(273)	(11,662,486) 277,629 (18,580)	83,476	(11,579,283) 277,629 (18,580) (138,803)
			2,251,975	(138,803) (12,957) (161,450)	(12,957) 2,090,525
		(273)	(9,151,462)	(229,734)	(9,381,469)
(906,813) 671,716 899 (234,198)	(9,503) 7,975 19 (1,509)	(153,814) 100,866 116 (52,832)	(63,117,430) 54,871,738 250,684 (7,995,008)	(89,244) 2,110,528 8,256 2,029,540	(105,948,619) 98,201,858 594,240 (7,152,521)
(23,215)	(1,259)	10,243	(10,725,033)	(2,127,366)	(25,825,221)
<u>85,759</u>	<u>1,914</u>	<u>366</u>	<u>14,728,973</u>	<u>2,249,688</u>	<u>31,391,153</u>
<u>\$ 62,544</u>	<u>\$ 655</u>	<u>\$ 10,609</u>	<u>\$ 4,003,940</u>	<u>\$ 122,322</u>	<u>\$ 5,565,932</u>
\$ 281,590	\$ (3,107)	\$ (709,477)	\$ (7,490,519)	\$ (3,067,686)	\$ (28,168,776)
		4,762 273	14,368,527 313,834	36,438 2,993	14,491,415 1,623,702
			1,682	(1,034)	(2,146,511)
			60,963 30,428	(545,598) (2,752,601)	1,473,221 (468,897) (2,722,173)
	3,357	(202,844)	(90,885)	12,117	(187,370)
		(2,747)	109	224,704	133,819 (2,638)
(70,607)		(19,023)	(1,293,082)	236,205	116,379 (2,920,376)
		6,063	2,125,786	(479,762)	(2,920,376) 5,206,030
		2,134 49	44,317 41,971 (9,615)	305,032 152,905 9,001	305,032 216,184 71,750 (9,615) 693,467
<u>\$ 210,983</u>	<u>\$ 250</u>	<u>\$ (717,966)</u>	<u>\$ 7,900,672</u>	<u>\$ (5,207,132)</u>	<u>\$ (12,295,357)</u>





## City of San Antonio Texas

### *Fiduciary Funds*

*Trust Funds are used to account for assets held by the government in a trustee capacity. Agency funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments and/or funds.*

***FIRE AND POLICE PENSION AND HEALTH CARE FUNDS*** - to account for resources of the pension and health care fund established for the City's firefighters and police officers, as provided for under state law and the respective collective bargaining agreements.

*FIRE AND POLICE PENSION FUND* - to account for resources of the pension fund established for the City's firefighters and police officers, as provided for under state law.

*FIRE AND POLICE RETIREE HEALTH CARE FUND* - to account for the collection and payment of funds for health care benefits of the City's firefighters and police officers who retired after October 1, 1989, as provided for under state law and the respective collective bargaining agreements.

***PRIVATE PURPOSE TRUST FUNDS*** - to account for all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments. The City has established the following private purpose trust funds based upon the above definition:

*EMPLOYEE ASSISTANCE FUND* - to account for collections and disbursements made to eligible employees experiencing financial difficulties. Financing is provided by contributions and funds raised through special events.

*EMPLOYEE SCHOLARSHIP FUND* - to account for funds awarded as scholarships to eligible employees and their dependents. Financing is provided by contributions and funds raised through special events.

*SAN ANTONIO LITERACY PROGRAM* - to account for funds that have restrictions specified by private citizens. Financing is provided by contributions from private citizens.

***AGENCY FUNDS*** - to account for funds which are custodial in nature and for which the City is acting as an agent. The City has established the following agency funds based upon the above definition:

*DEPOSIT FUND* - to account for the collection and payment of cash deposits held by the City pending the outcome of bids on contracts.

*UNCLAIMED PROPERTY FUND* - to account for the collection and administration of unclaimed property in accordance with the Texas Property Code - Title 6.

## ***Fiduciary Funds (continued)***

### ***AGENCY FUNDS (continued)***

*STATE AND CITY SALES TAX FUND - to account for the collection and payment to the State of Texas for sales tax collected.*

*MUNICIPAL COURT CASH BOND FUND - to account for the collection and payment of Court Cash Bonds held by the City pending the outcome of court cases.*

*CRIMINAL JUSTICE PLANNING FUND - to account for the collection and payment to the State of Texas for Law Enforcement Fees collected.*

*LESSEE'S SPECIAL EVENTS LIABILITY INSURANCE - to account for funds utilized for the purchase of insurance coverage on special events. Financing is provided by contributions from lessees.*

*SPECIAL EVENTS SECURITY TRUST FUND - to account for collection and payment of funds pertaining to security provided at events held on City property. Financing is provided by users.*

*BEXAR COUNTY HOTEL/MOTEL TAX COLLECTION FUND - to account for the collection and payment to Bexar County for certain hotel occupancy taxes.*

*SINGLE PURPOSE NON-PROFIT FUND - to account for the provision of a Health Maintenance Organization Medical Coverage under the City's Self-Funded Health Benefits Program with Community First Health Plans, Inc.*

*CVB HOUSING BUREAU FUND - to account for individual hotel reservation deposits maintained by Convention & Visitors Bureau staff for confirmed City-wide conventions.*

## — CITY OF SAN ANTONIO, TEXAS —

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**FIRE AND POLICE PENSION AND HEALTH CARE FUNDS**  
**AS OF SEPTEMBER 30, 2004**

(In Thousands)

<u>ASSETS</u>	FIRE AND POLICE PENSION FUND	FIRE AND POLICE RETIREE HEALTH CARE FUND	TOTAL
<u>Current Assets</u>			
Cash and Cash Equivalents	\$ 132,226	\$ 9,419	\$ 141,645
Security Lending Collateral	138,722	21,113	159,835
Investments, at fair value:			
US Government and Agency Issues	135,920	5,467	141,387
Corporate Bonds	178,127	9,722	187,849
Preferred Common Stock	1,659	51,114	52,773
Other	1,078,257	52,992	1,131,249
Total Investments, at fair value:	1,393,963	119,295	1,513,258
Receivables:			
Other Accounts	5,504		5,504
Accrued Interest	5,239	402	5,641
Accrued Revenue	1,186		1,186
Prepayments		15	15
Total Current Assets	1,676,840	150,244	1,827,084
<u>Capital Assets</u>			
Computer Equipment	76		76
Buildings	556		556
Total Capital Assets	632		632
Less: Accumulated Depreciation	(322)		(322)
Net Capital Assets	310		310
Total Assets	1,677,150	150,244	1,827,394
<u>LIABILITIES</u>			
Vouchers Payable	3,354	196	3,550
Accounts Payable- Other	41,723	1,332	43,055
Accrued Payroll	71		71
Securities Lending	138,722	21,113	159,835
Total Liabilities	183,870	22,641	206,511
<u>NET ASSETS</u>			
Held in Trust for Pension Benefits and Other Purposes	\$ 1,493,280	\$ 127,603	\$ 1,620,883

## — CITY OF SAN ANTONIO, TEXAS —

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIRE AND POLICE PENSION AND HEALTH CARE FUNDS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

(In Thousands)

	FIRE AND POLICE PENSION FUND	FIRE AND POLICE RETIREE HEALTH CARE FUND	TOTAL
<b><u>ADDITIONS:</u></b>			
<b><u>Contributions:</u></b>			
Employer	\$ 48,038	\$ 16,563	\$ 64,601
Employee	24,129	2,502	26,631
Total Contributions	<u>72,167</u>	<u>19,065</u>	<u>91,232</u>
<b><u>Investment Earnings:</u></b>			
Net Increase in Fair Value of Investments	134,072	10,488	144,560
Real Estate Income, net	340		340
Interest and Dividends	29,727	2,702	32,429
Securities Lending	1,429		1,429
Other Income	392	347	739
Total Investment Earnings	<u>165,960</u>	<u>13,537</u>	<u>179,497</u>
<b><u>Less Investment Expenses:</u></b>			
Investment Management Fees and Custodian Fees	(5,572)	(1,043)	(6,615)
Securities Lending Expenses:			
Borrower Rebates	(1,037)		(1,037)
Lending Fees	(137)		(137)
Net Investment Income	<u>159,214</u>	<u>12,494</u>	<u>171,708</u>
Total Additions	<u>231,381</u>	<u>31,559</u>	<u>262,940</u>
<b><u>DEDUCTIONS:</u></b>			
Benefits	63,753	10,223	73,976
Refunds of Contributions	418		418
Administrative Expense	695	844	1,539
Salaries, Wage and Employee Benefits	517		517
Total Deductions	<u>65,383</u>	<u>11,067</u>	<u>76,450</u>
Change in Net Assets	165,998	20,492	186,490
Net assets - Beginning of Year	<u>1,327,282</u>	<u>107,111</u>	<u>1,434,393</u>
Net assets - End of Year	<u>\$ 1,493,280</u>	<u>\$ 127,603</u>	<u>\$ 1,620,883</u>

— CITY OF SAN ANTONIO, TEXAS —

**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUNDS**  
**AS OF SEPTEMBER 30, 2004**

<u>ASSETS</u>	PRIVATE PURPOSE TRUST FUNDS			<u>TOTAL</u>
	<u>EMPLOYEE ASSISTANCE PROGRAM</u>	<u>EMPLOYEE SCHOLARSHIP FUND</u>	<u>SAN ANTONIO LITERACY PROGRAM</u>	
Cash and Cash Equivalents	\$ 1,541	\$ 250	\$ 3,669	\$ 5,460
Investments, at fair value	7,742	1,256	18,429	27,427
Receivables:				
Accrued Interest	18	3	38	59
<b>Total Assets</b>	<b>9,301</b>	<b>1,509</b>	<b>22,136</b>	<b>32,946</b>
 <u>LIABILITIES</u>				
Vouchers Payable				
<b>Total Liabilities</b>				
 <u>NET ASSETS</u>				
Held in Trust for Pension Benefits and Other Purposes	\$ 9,301	\$ 1,509	\$ 22,136	\$ 32,946

## — CITY OF SAN ANTONIO, TEXAS —

**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**PRIVATE PURPOSE TRUST FUNDS**  
**AS OF SEPTEMBER 30, 2004**

	PRIVATE PURPOSE TRUST FUNDS			TOTAL
	EMPLOYEE ASSISTANCE PROGRAM	EMPLOYEE SCHOLARSHIP FUND	SAN ANTONIO LITERACY PROGRAM	
<b><u>ADDITIONS:</u></b>				
Contributions:				
Employer	\$ 0	\$ 0	\$ 0	\$ 0
Employees				
Other Contributions			6,057	6,057
Total Contributions			6,057	6,057
Investment Earnings:				
Net (Decrease) in Fair Value of Investments				
Interest and Dividends	91	15	232	338
Total Investment Earnings	91	15	232	338
Less Investment Expenses:				
Investment Management Fees and Custodian Fees				
Securities Lending Expenses:				
Borrower Rebates				
Lending Fees				
Net Investment Income	91	15	232	338
Total Additions	91	15	6,289	6,395
<b><u>DEDUCTIONS</u></b>				
Benefits				
Refunds of Contributions				
Administrative Expense			15,924	15,924
Salaries, Wage and Employee Benefits				
Total Deductions			15,924	15,924
Change in Net Assets	91	15	(9,635)	(9,529)
Net Assets - Beginning of Year	9,210	1,494	31,771	42,475
Net Assets - End of Year	\$ 9,301	\$ 1,509	\$ 22,136	\$ 32,946



— CITY OF SAN ANTONIO, TEXAS —

COMBINING BALANCE SHEET  
AGENCY FUNDS  
AS OF SEPTEMBER 30, 2004

FUNDS	ASSETS					TOTAL ASSETS
	CASH AND CASH EQUIVALENTS	INVESTMENTS	OTHER ACCOUNTS	RECEIVABLES ACCRUED INTEREST		
Deposit Fund	\$ 3,033,533	\$ 0	\$ 0	\$ 0	\$ 0	\$ 3,033,533
Unclaimed Property Fund	982,948			1,833		984,781
State and City Sales Tax Fund	167,370					167,370
Municipal Court Cash Bond Fund	135,593					135,593
Criminal Justice Planning Fund	2,419,583					2,419,583
Lessee's Special Events Liability Insurance	19,691					19,691
Special Events Security Trust Fund	(491,613)		437,158			(54,455)
Bexar County Hotel/Motel Tax Collections Fund	745,698					745,698
Single Purpose Non-Profit Fund	2,003,929					2,003,929
CVB Housing Bureau	(206)			17		(189)
<u>Total</u>	<u>\$ 9,016,526</u>	<u>\$ 0</u>	<u>\$ 437,158</u>	<u>\$ 1,850</u>	<u>\$ 0</u>	<u>\$ 9,455,534</u>

(Cont'd)

COMBINING BALANCE SHEET  
AGENCY FUNDS  
AS OF SEPTEMBER 30, 2004

FUNDS	LIABILITIES					TOTAL LIABILITIES
	VOUCHERS PAYABLE	ACCOUNTS PAYABLE OTHER	ACCRUED PAYROLL	DUE TO OTHER FUNDS		
Deposit Fund	\$ 0	\$ 3,033,533	\$ 0	\$ 0	\$ 0	\$ 3,033,533
Unclaimed Property Fund		984,781				984,781
State and City Sales Tax Fund		114,975		52,395		167,370
Municipal Court Cash Bond Fund		135,593				135,593
Criminal Justice Planning Fund		2,419,583				2,419,583
Lessee's Special Events Liability Insurance		19,691				19,691
Special Events Security Trust Fund		(58,870)	4,415			(54,455)
Bexar County Hotel/Motel Tax Collections Fund		745,698				745,698
Single Purpose Non-Profit Fund		2,003,929				2,003,929
CVB Housing Bureau		(189)				(189)
<u>Total</u>	<u>\$ 0</u>	<u>\$ 9,398,724</u>	<u>\$ 4,415</u>	<u>\$ 52,395</u>	<u>\$ 0</u>	<u>\$ 9,455,534</u>

(end of statement)

## — CITY OF SAN ANTONIO, TEXAS —

**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	<u>BALANCE</u> 10-01-03	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> 09-30-04
<b><u>Deposit Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 2,853,509	\$ 1,677,402	\$ 1,497,378	\$ 3,033,533
<u>Liabilities</u>				
Vouchers Payable	\$ 6,390	\$ 1,490,287	\$ 1,496,677	\$ 0
Accounts Payable-Other	2,847,119	1,677,402	1,490,988	3,033,533
<u>Total Liabilities</u>	<u>\$ 2,853,509</u>	<u>\$ 3,167,689</u>	<u>\$ 2,987,665</u>	<u>\$ 3,033,533</u>
<b><u>Unclaimed Property Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,014,899	\$ 24,672	\$ 56,623	\$ 982,948
Receivables:				
Accrued Interest	1,692	20,473	20,332	1,833
<u>Total Assets</u>	<u>\$ 1,016,591</u>	<u>\$ 45,145</u>	<u>\$ 76,955</u>	<u>\$ 984,781</u>
<u>Liabilities</u>				
Vouchers Payable	\$ 797	\$ 55,576	\$ 56,373	\$ 0
Accounts Payable-Other	1,015,794	20,031	51,044	984,781
<u>Total Liabilities</u>	<u>\$ 1,016,591</u>	<u>\$ 75,607</u>	<u>\$ 107,417</u>	<u>\$ 984,781</u>
<b><u>State and City Sales Tax Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 161,563	\$ 6,290,113	\$ 6,284,306	\$ 167,370
<u>Liabilities</u>				
Accounts Payable-Other	\$ 90,621	\$ 6,237,718	\$ 6,213,364	\$ 114,975
Due to Other Funds	70,942	52,395	70,942	52,395
<u>Total Liabilities</u>	<u>\$ 161,563</u>	<u>\$ 6,290,113</u>	<u>\$ 6,284,306</u>	<u>\$ 167,370</u>
<b><u>Municipal Court Cash Bond Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 105,913	\$ 217,027	\$ 187,347	\$ 135,593
<u>Liabilities</u>				
Accounts Payable-Other	\$ 105,913	\$ 217,127	\$ 187,447	\$ 135,593

(Cont'd)

## — CITY OF SAN ANTONIO, TEXAS —

**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	BALANCE 10-01-03	ADDITIONS	DEDUCTIONS	BALANCE 09-30-04
<b><u>Criminal Justice Planning Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,882,843	\$ 9,267,222	\$ 8,730,482	\$ 2,419,583
<u>Liabilities</u>				
Vouchers Payable	\$ 240	\$ 6,654,052	\$ 6,654,292	\$ 0
Accounts Payable-Other	1,882,603	9,267,222	8,730,242	2,419,583
<u>Total Liabilities</u>	<u>\$ 1,882,843</u>	<u>\$ 15,921,274</u>	<u>\$ 15,384,534</u>	<u>\$ 2,419,583</u>
<b><u>Lessee's Special Events Liability Insurance</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 14,706	\$ 47,700	\$ 42,715	\$ 19,691
<u>Liabilities</u>				
Vouchers Payable	\$ 3,540	\$ 39,125	\$ 42,665	\$ 0
Accounts Payable-Other	11,166	47,700	39,175	19,691
<u>Total Liabilities</u>	<u>\$ 14,706</u>	<u>\$ 86,825</u>	<u>\$ 81,840</u>	<u>\$ 19,691</u>
<b><u>Special Events Security Trust Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 0	\$ 1,412,076	\$ 1,903,689	\$ (491,613)
Receivables:				
Other Accounts	367,097	1,129,256	1,059,195	437,158
<u>Total Assets</u>	<u>\$ 367,097</u>	<u>\$ 2,541,332</u>	<u>\$ 2,962,884</u>	<u>\$ (54,455)</u>
<u>Liabilities</u>				
Accounts Payable-Other	\$ 0	\$ 1,450,812	\$ 1,509,682	\$ (58,870)
Accrued Payroll	36,253		31,838	4,415
Due To Other Funds	330,844		330,844	0
<u>Total Liabilities</u>	<u>\$ 367,097</u>	<u>\$ 1,450,812</u>	<u>\$ 1,872,364</u>	<u>\$ (54,455)</u>
<b><u>Bexar County Hotel/Motel Tax Collections Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 844,924	\$ 18,561,913	\$ 18,661,139	\$ 745,698
Investments		9,428,965	9,428,965	
<u>Total Assets</u>	<u>\$ 844,924</u>	<u>\$ 27,990,878</u>	<u>\$ 28,090,104</u>	<u>\$ 745,698</u>
<u>Liabilities</u>				
Vouchers Payable	\$ 0	\$ 9,421,886	\$ 9,421,886	\$ 0
Accounts Payable-Other	844,924	9,136,329	9,235,555	745,698
<u>Total Liabilities</u>	<u>\$ 844,924</u>	<u>\$ 18,558,215</u>	<u>\$ 18,657,441</u>	<u>\$ 745,698</u>

(Cont'd)

## — CITY OF SAN ANTONIO, TEXAS —

**AGENCY FUNDS**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	BALANCE 10-01-03	ADDITIONS	DEDUCTIONS	BALANCE 09-30-04
<b><u>Single Purpose Non-Profit Fund</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,756,202	\$ 23,495,768	\$ 23,248,041	\$ 2,003,929
<u>Liabilities</u>				
Vouchers Payable	\$ 1,756,202	\$ 21,488,920	\$ 23,245,122	\$ 0
Accounts Payable-Other		2,003,929		2,003,929
<u>Total Liabilities</u>	<u>\$ 1,756,202</u>	<u>\$ 23,492,849</u>	<u>\$ 23,245,122</u>	<u>\$ 2,003,929</u>
<b><u>CVB Housing Bureau</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 35,614	\$ 126,876	\$ 162,696	\$ (206)
Investments	32,828		32,828	0
Receivables:				
Accrued Interest	24	531	538	17
<u>Total Assets</u>	<u>\$ 68,466</u>	<u>\$ 127,407</u>	<u>\$ 196,062</u>	<u>\$ (189)</u>
<u>Liabilities</u>				
Vouchers Payable	\$ 0	\$ 194,818	\$ 194,818	\$ 0
Accounts Payable-Other	68,466	127,644	196,299	(189)
<u>Total Liabilities</u>	<u>\$ 68,466</u>	<u>\$ 322,462</u>	<u>\$ 391,117</u>	<u>\$ (189)</u>
<b><u>Total All Agency Funds</u></b>				
<u>Assets</u>				
Cash and Cash Equivalents	\$ 8,670,173	\$ 61,120,769	\$ 60,774,416	\$ 9,016,526
Investments	32,828	9,428,965	9,461,793	0
Receivables:				
Other Accounts	367,097	1,129,256	1,059,195	437,158
Accrued Interest	1,716	21,004	20,870	1,850
<u>Total Assets</u>	<u>\$ 9,071,814</u>	<u>\$ 71,699,994</u>	<u>\$ 71,316,274</u>	<u>\$ 9,455,534</u>
<u>Liabilities</u>				
Vouchers Payable	\$ 1,767,169	\$ 39,344,664	\$ 41,111,833	\$ 0
Accounts Payable-Other	6,866,606	30,185,914	27,653,796	9,398,724
Accrued Payroll	36,253		31,838	4,415
Due to Other Funds	401,786	52,395	401,786	52,395
<u>Total Liabilities</u>	<u>\$ 9,071,814</u>	<u>\$ 69,582,973</u>	<u>\$ 69,199,253</u>	<u>\$ 9,455,534</u>

(end of statement)



# City of San Antonio Texas

## *Non-Major Component Units*

*As set forth in GASB Statement No. 14, "The Financial Reporting Entity", and as amended by GASB Statement Number 39, "Determining Whether Certain Organizations are Component Units – an amendment to GASB Statement No. 14", Component Units which by the nature and significance of their relationship with the City is such that their exclusion from the reporting entity's financial statements would be misleading or incomplete and as such are presented discretely with the City's financial statements.*

*The City has determined that the following component units meet the criteria for discrete presentation as set forth in GASB Statement Number 14, as amended by GASB Statement No. 39:*

***SAN ANTONIO DEVELOPMENT AGENCY (SADA)*** - SADA is responsible for implementing the City's Urban Renewal Program. A majority of the financing is provided from the City in the form of pass-through grants.

***CITY OF SAN ANTONIO EDUCATION FACILITIES CORPORATION (SAEFC)*** - SAEFC, formerly the San Antonio Higher Education Authority, was established in accordance with state law for the purpose of aiding non-profit institutions of higher education in providing educational facilities and housing facilities. The corporation is authorized to issue revenue bonds for said purposes on behalf of the City but the bonds are not obligations of the City.

***GREATER KELLY DEVELOPMENT AUTHORITY (GKDA)*** - GKDA was established for the purpose of monitoring the proposed closing of Kelly Air Force Base (Kelly) and formulating and adopting a comprehensive plan for the conversion and redevelopment of Kelly. The authority is authorized to issue bonds to finance related projects but the bonds are not obligations of the City.

***SAN ANTONIO HOUSING TRUST FOUNDATION, INC. (SAHTF)*** - SAHTF is a non-profit corporation established in 1990 for the purpose of supporting charitable, educational, and scientific undertakings, specifically for providing housing for low and middle income families. In addition, the corporation provides administrative and other support for the operations of the San Antonio Housing Trust Fund, an Expendable Trust Fund of the City.

***SAN ANTONIO LOCAL DEVELOPMENT COMPANY (SALDC)*** - SALDC is a non-profit corporation under agreement with the City which administers programs that provide qualifying local businesses with loans. Loan funds administered by SALDC include the Neighborhood Business Revitalization Program, U.S. Department of Commerce Title IX Revolving Loan Fund, Small Business Administration Microloan Program, and a Housing and Urban Development 108 Fund.

***BROOKS DEVELOPMENT AUTHORITY (BDA)*** - BDA was designed to improve mission effectiveness, reduce the cost of providing quality installation support, and promote economic development on Brooks Air Force Base and in the surrounding community. Dedicated funds will provide basic municipal services at the base while continuing to develop it as a technology and business park.

— CITY OF SAN ANTONIO, TEXAS —  
**COMBINING STATEMENT OF NET ASSETS**  
**NONMAJOR COMPONENT UNITS**  
**AS OF SEPTEMBER 30, 2004**

ASSETS	SAN ANTONIO DEVELOPMENT AGENCY	SAN ANTONIO EDUCATION FACILITIES CORPORATION	GREATER KELLY DEVELOPMENT AUTHORITY	SAN ANTONIO HOUSING TRUST FOUNDATION INC.	SAN ANTONIO LOCAL DEVELOPMENT COMPANY	BROOKS DEVELOPMENT AUTHORITY	TOTAL
<u>Current Assets:</u>							
Cash and Cash Equivalents	533,674	95,671	14,461,011	1,205,591	1,677,304	4,781,261	22,754,512
Investments	41,941						41,941
Receivables:							
Notes	37,997		3,630,137	3,400,044	5,108,919	201,551	12,177,097
Other Accounts	48,626		2,308,338	739,646	122,734		3,420,895
Accrued Interest				30,612	44,083		74,695
Inventories of Materials and Supplies			1,223,396		49,716	47,626	1,084,276
Due from Other Governmental Agencies	231,993					1,084,276	2,589,381
Prepaid Expenses						285,024	285,024
Total Current Assets	894,231	95,671	21,622,882	5,375,893	7,002,756	6,399,738	41,391,171
<u>Restricted Assets:</u>							
Other Restricted Accounts:							
Cash and Cash Equivalents			2,815,590				2,815,590
Total Restricted Assets			2,815,590				2,815,590
<u>Capital Assets:</u>							
Land	659,562		7,834,263				8,493,825
Infrastructure			33,680,476				33,680,476
Buildings	65,000		95,262,443				95,327,443
Machinery and Equipment	852,368	824	198,398	94,858	14,106	59,618,092	60,778,646
Construction in Progress			16,001,690				16,001,690
Total	1,576,930	824	152,977,270	94,858	14,106	59,618,092	214,282,080
Less: Accumulated Depreciation	125,784		18,986,784		7,744	10,301,322	29,421,634
Net Capital Assets	1,451,146	824	133,990,486	94,858	6,362	49,316,770	184,860,446
Total Assets	\$ 2,345,377	\$ 96,495	\$ 158,428,958	\$ 5,470,751	\$ 7,009,118	\$ 55,716,508	\$ 229,067,207
<u>LIABILITIES</u>							
<u>Current Liabilities:</u>							
Accounts Payable and Other Current Liabilities	445,913		11,681,506	3,256	368,482	2,623,841	15,122,998
Deferred Revenues			2,491,670				2,491,670
Notes Payable				412,415	302,703		715,118
Due to Other Governmental Agencies			1,106,655				1,106,655
Total Current Liabilities (Payable from Current Assets)	445,913		15,279,831	415,671	671,185	2,623,841	19,436,441
<u>Current Liabilities (Payable from Restricted Assets):</u>							
Other Payables					1,511,928	2,345,712	3,857,640
<u>Noncurrent Liabilities:</u>							
Long-Term Lease/Notes Payable			38,318,273			39,287,629	77,605,902
Other Payables			38,318,273			1,573,932	1,573,932
Total Noncurrent Liabilities	445,913		53,598,104	415,671	2,183,113	40,861,561	79,179,834
Total Liabilities						45,831,114	102,473,915
<u>NET ASSETS</u>							
Invested in Capital Assets, net of related debt	1,220,169		93,838,258			6,362	95,064,789
Restricted for Renewal and Replacement			2,051,666		150,626		2,202,292
Restricted for Debt Service			693,836	4,104,738			4,798,574
Restricted for Conservation				95,556			95,556
Unrestricted	679,295	96,495	8,247,094	854,786	4,669,017	9,885,394	24,432,081
Total Net Assets	\$ 1,899,464	\$ 96,495	\$ 104,830,854	\$ 5,055,080	\$ 4,826,005	\$ 9,885,394	\$ 126,593,292

CITY OF SAN ANTONIO, TEXAS  
 COMBINING STATEMENT OF ACTIVITIES  
 NONMAJOR COMPONENT UNITS  
 FOR THE YEAR ENDED SEPTEMBER 30, 2004

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets						TOTAL
	EXPENSES	CHARGES FOR SERVICES	CAPITAL GRANTS AND CONTRIBUTIONS	SAN ANTONIO DEVELOPMENT AGENCY	SAN ANTONIO EDUCATION FACILITIES CORPORATION	GREATER KELLY DEVELOPMENT AUTHORITY	SAN ANTONIO HOUSING TRUST FOUNDATION INC.	SAN ANTONIO LOCAL DEVELOPMENT COMPANY	BROOKS DEVELOPMENT AUTHORITY	
San Antonio Development Agency Urban Redevelopment and Housing	\$ 1,404,021	\$ 0	\$ 1,214,411	\$ (189,610)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (189,610)
San Antonio Higher Education Authority Economic Development and Opportunity	1,743		45,000		43,257					43,257
Greater Kelly Development Authority Economic Development and Opportunity	28,809,624		29,945,704			1,136,080				1,136,080
San Antonio Housing Trust Foundation, Inc. Urban Redevelopment and Housing	366,286		586,147				219,861			219,861
San Antonio Local Development Company Economic Development and Opportunity	1,207,755	455,990						(751,765)		(751,765)
Brooks Development Authority Economic Development and Opportunity	18,978,038	11,655,976	3,044,765						(4,277,297)	(4,277,297)
<b>Total</b>	<b>\$ 50,767,467</b>	<b>\$ 12,111,966</b>	<b>\$ 34,836,027</b>	<b>\$ (189,610)</b>	<b>\$ 43,257</b>	<b>\$ 1,136,080</b>	<b>\$ 219,861</b>	<b>\$ (751,765)</b>	<b>\$ (4,277,297)</b>	<b>\$ (3,819,474)</b>
<b>General Revenues:</b>										
Investment Earnings				1,239	604	165,318	64,538	446,003	31,947	709,649
Gain (Loss) on Disposal of Capital Assets				20,812		(5,702,567)	16,825	(2,094)		(5,667,024)
Miscellaneous						1,280,695			2,411,355	3,692,050
<b>Total General Revenues</b>				<b>22,051</b>	<b>604</b>	<b>(4,256,554)</b>	<b>81,363</b>	<b>443,909</b>	<b>2,443,302</b>	<b>(1,265,325)</b>
<b>Change in Net Assets</b>				<b>(167,559)</b>	<b>43,861</b>	<b>(3,120,474)</b>	<b>301,224</b>	<b>(307,856)</b>	<b>(1,833,995)</b>	<b>(5,084,799)</b>
<b>Cumulative Change in Accounting Policy</b>										
Net Assets - Beginning				1,276,549	52,634	107,951,328	4,753,856	5,133,861	11,719,389	130,887,617
Prior Period Adjustment				790,474						790,474
<b>Net Assets - Ending</b>				<b>\$ 1,899,464</b>	<b>\$ 96,495</b>	<b>\$ 104,830,854</b>	<b>\$ 5,055,080</b>	<b>\$ 4,826,005</b>	<b>\$ 9,885,394</b>	<b>\$ 126,593,292</b>



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***City of San Antonio  
Texas***

***Capital Assets Used in Operation of Governmental Funds***

———— CITY OF SAN ANTONIO, TEXAS ————

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CAPITAL ASSETS BY SOURCE<sup>1</sup>**  
**SEPTEMBER 30, 2004**

<u>Governmental Funds Capital Assets:</u>	<u>2004</u>
Land	\$ 1,259,362,150
Buildings	387,648,602
Improvements Other Than Buildings	77,537,457
Infrastructures	1,979,117,875
General City Equipment	88,714,062
Construction in Progress	645,521,548
Total Governmental Funds Capital Assets	<u>\$ 4,437,901,694</u>
<u>Investment in Governmental Funds Capital Assets by Source:</u>	
Current Revenue	\$ 2,044,984,806
General Obligation Bonds and Certificates of Obligation	1,844,768,278
Special Revenue Bonds	15,000
Federal and State Grants	520,819,585
Special Assessments	1,007,709
Trusts	117,861
Private Citizens' Contribution	21,645,748
San Antonio Fair Inc.	4,542,707
Total Investment in Governmental Funds Capital Assets by Source	<u>\$ 4,437,901,694</u>

<sup>1</sup> This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CAPITAL ASSETS BY FUNCTION AND ACTIVITY**<sup>1</sup>  
**SEPTEMBER 30, 2004**

	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVEMENTS OTHER THAN BUILDINGS</u>	<u>INFRA- STRUCTURE</u>	<u>GENERAL CITY EQUIPMENT</u>	<u>TOTAL</u>
<b><u>General Government</u></b>						
Legislative	\$ 254,362	\$ 0	\$ 0	\$ 0	\$ 120,075	\$ 374,437
Judicial		19,091,000			68,097	19,159,097
Executive	608,339	2,592,005			31,328,893	34,529,237
Administration	121,841,986	21,601,613	20,889,841	151,150,063	4,951,235	320,434,738
Total General Government	122,704,687	43,284,618	20,889,841	151,150,063	36,468,300	374,497,509
<b><u>Public Safety</u></b>						
Police	1,913,645	29,718,685	1,763,014		24,214,999	57,610,343
Fire	1,561,045	30,471,860	896,310		13,967,753	46,896,968
Building Inspection and Regulations		15,019,897			897,464	15,917,361
Administration		23,892,344			54,541	23,946,885
Other Protection	4,258,082	337,217			3,061,056	7,656,355
Total Public Safety	7,732,772	99,440,003	2,659,324		42,195,813	152,027,912
<b><u>Public Works</u></b>	2,982,009	505,420	13,293,509	1,808,863,443	375,413	1,826,019,794
<b><u>Health Services</u></b>	56,159	7,622,063	816,171		1,875,183	10,369,576
<b><u>Sanitation</u></b>	3,557,738	891,137				4,448,875
<b><u>Welfare</u></b>	1,079,153	6,059,090	302,642		1,102,583	8,543,468
<b><u>Culture and Recreation</u></b>						
Libraries	1,467,296	45,901,857	1,832,040	371,566	591,546	50,164,305
Parks	1,086,040,703	34,456,647	28,675,160	5,537,388	3,730,649	1,158,440,547
Total Culture and Recreation	1,087,507,999	80,358,504	30,507,200	5,908,954	4,322,195	1,208,604,852
<b><u>Urban Redevelopment and Housing</u></b>	15,637,101	141,552,986	8,968,770	13,195,415	2,130,077	181,484,349
<b><u>Economic Development and Opportunity</u></b>	18,104,532	7,934,781	100,000		244,498	26,383,811
<b><u>Total Capital Assets</u></b>						
Allocated to Functions	\$ 1,259,362,150	\$ 387,648,602	\$ 77,537,457	\$ 1,979,117,875	\$ 88,714,062	3,792,380,146
<b><u>Construction in Progress</u></b>						645,521,548
<b>Total Governmental Funds Capital Assets</b>						<b>\$ 4,437,901,694</b>

<sup>1</sup> This schedule presents only the capital assets balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net assets.

## CITY OF SAN ANTONIO, TEXAS

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES IN CAPITAL ASSETS BY FUNCTION AND ACTIVITY<sup>1</sup>**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

<u>Function and Activity</u>	Governmental Funds Capital Assets 10-01-03	Additions	Deductions	Governmental Funds Capital Assets 09-30-04
<u>General Government</u>				
Legislative	\$ 374,437	\$	\$	\$ 374,437
Judicial	19,159,097			19,159,097
Executive	32,926,171	1,611,737	8,671	34,529,237
Administration	273,147,856	48,811,842	1,524,960	320,434,738
Total General Government	<u>325,607,561</u>	<u>50,423,579</u>	<u>1,533,631</u>	<u>374,497,509</u>
<u>Public Safety</u>				
Police	42,516,151	15,303,556	209,364	57,610,343
Fire	45,480,906	1,586,899	170,837	46,896,968
Building Inspection and Regulations	16,105,583	512,606	700,828	15,917,361
Administration	23,946,885			23,946,885
Other Protection	7,656,355			7,656,355
Total Public Safety	<u>135,705,880</u>	<u>17,403,061</u>	<u>1,081,029</u>	<u>152,027,912</u>
<u>Public Works</u>	<u>1,826,019,794</u>			<u>1,826,019,794</u>
<u>Health Services</u>	<u>10,388,982</u>		<u>19,406</u>	<u>10,369,576</u>
<u>Sanitation</u>	<u>4,448,875</u>			<u>4,448,875</u>
<u>Welfare</u>	<u>8,072,572</u>	<u>484,629</u>	<u>13,733</u>	<u>8,543,468</u>
<u>Culture and Recreation</u>				
Libraries	49,848,751	315,554		50,164,305
Parks	1,147,158,762	11,281,785		1,158,440,547
Total Culture and Recreation	<u>1,197,007,513</u>	<u>11,597,339</u>		<u>1,208,604,852</u>
<u>Urban Redevelopment and Housing</u>	<u>180,475,284</u>	<u>1,009,065</u>		<u>181,484,349</u>
<u>Economic Development and Opportunity</u>	<u>26,314,356</u>	<u>69,455</u>		<u>26,383,811</u>
<u>Construction in Progress</u>	<u>585,957,937</u>	<u>99,901,968</u>	<u>40,338,357</u>	<u>645,521,548</u>
<u>Total Governmental Funds Capital Assets</u>	<u>\$ 4,299,998,754</u>	<u>\$ 180,889,096</u>	<u>\$ 42,986,156</u>	<u>\$ 4,437,901,694</u>

<sup>1</sup>This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of the internal service funds are included as governmental activities in the statement of net assets.





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***City of San Antonio  
Texas***

***Other Supplementary Information***

## CITY OF SAN ANTONIO, TEXAS

**GENERAL FUND**  
**SCHEDULES OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Taxes	\$ 332,744,105	\$ 343,707,952	\$ 10,963,847
Licenses and Permits	17,008,539	17,026,379	17,840
Intergovernmental	2,892,200	2,695,842	(196,358)
Revenues from Utilities	184,239,975	196,405,099	12,165,124
Charges for Services	26,795,577	30,029,118	3,233,541
Fines and Forfeits	12,171,664	11,713,073	(458,591)
Miscellaneous	10,195,381	10,758,387	563,006
<b>Total Revenues</b>	<b>586,047,441</b>	<b>612,335,850</b>	<b>26,288,409</b>
<u>Expenditures</u>			
General Government	77,710,026	54,214,920	23,495,106
Public Safety	378,061,807	376,925,001	1,136,806
Public Works	10,637,869	10,656,685	(18,816)
Health Services	12,911,242	13,409,924	(498,682)
Sanitation	2,535,618	2,380,287	155,331
Welfare	16,988,837	16,480,979	507,858
Culture and Recreation	62,463,275	57,918,951	4,544,324
Economic Development and Opportunity	22,863,663	8,043,283	14,820,380
<b>Total Expenditures</b>	<b>584,172,337</b>	<b>540,030,030</b>	<b>44,142,307</b>
<b>Excess of Revenues Over Expenditures</b>	<b>1,875,104</b>	<b>72,305,820</b>	<b>70,430,716</b>
<u>Other Financing Sources (Uses)</u>			
Transfers In	14,174,639	15,348,182	1,173,543
Transfers Out	(76,111,164)	(76,440,760)	(329,596)
<b>Total Other Financing (Uses)</b>	<b>(61,936,525)</b>	<b>(61,092,578)</b>	<b>843,947</b>
<u>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)</u>			
	(60,061,421)	11,213,242	<u>\$ 71,274,663</u>
Fund Balances, October 1	27,715,203	81,642,072	
Add Encumbrances		5,655,340	
<b>Fund Balances, September 30</b>	<b>\$ (32,346,218)</b>	<b>\$ 98,510,654</b>	

GENERAL FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
<u>Taxes</u>			
Property Taxes			
Current Taxes	\$ 157,133,993	\$ 159,908,824	\$ 2,774,831
Delinquent Taxes	2,008,940	2,950,295	941,355
General Sales and Use Taxes			
City Sales Tax	142,900,000	148,492,475	5,592,475
Selective Sales and Use Taxes			
Alcoholic Beverages Tax	4,019,135	4,188,585	169,450
Gross Receipts Business Taxes			
Taxicabs	208,000	183,575	(24,425)
Telecommunication Access Lines Fees	16,643,737	15,247,477	(1,396,260)
Cablevision Franchise	8,142,700	8,965,314	822,614
Bingo Tax	300,000	589,604	289,604
Other	48,100	1,564,087	1,515,987
Penalties and Interest on Delinquent Taxes	1,339,500	1,617,716	278,216
Total Taxes	<u>332,744,105</u>	<u>343,707,952</u>	<u>10,963,847</u>
<u>Licenses and Permits</u>			
Alcoholic Beverages Licenses	389,160	376,080	(13,080)
Health Licenses	2,643,874	2,353,960	(289,914)
Amusement Licenses	256,770	185,513	(71,257)
Professional and Occupational Licenses	1,208,777	1,216,671	7,894
Animal Licenses	14,685	10,975	(3,710)
Building Permits	12,230,953	12,462,932	231,979
Street Permits	264,320	420,248	155,928
Total Licenses and Permits	<u>17,008,539</u>	<u>17,026,379</u>	<u>17,840</u>
<u>Intergovernmental Revenues</u>			
Library Aid from Bexar County	2,428,460	2,204,972	(223,488)
Park Reservation Services	31,290	31,598	308
Health Aid from Bexar County	387,060	413,145	26,085
Hotel/Motel Tax Collection Fee	45,390	46,127	737
Total Intergovernmental Revenues	<u>2,892,200</u>	<u>2,695,842</u>	<u>(196,358)</u>
<u>Revenues from Municipally-Owned Utilities</u>			
City Public Service Board	177,662,000	189,505,855	11,843,855
San Antonio Water System	6,577,975	6,899,244	321,269
Total Revenues from Municipally-Owned Utilities	<u>184,239,975</u>	<u>196,405,099</u>	<u>12,165,124</u>

(Cont'd)

## CITY OF SAN ANTONIO, TEXAS

GENERAL FUND  
SCHEDULE OF REVENUES COMPARED TO BUDGET  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Charges for Services</u>			
General Government	\$ 9,186,941	\$ 12,096,205	\$ 2,909,264
Public Safety			
Police Department	4,280,277	4,602,872	322,595
Fire Department	1,487,389	1,510,991	23,602
Highway and Streets			
Barricade Fees	11,001	12,875	1,874
Sanitation			
Animal Pound Fees	208,653	222,301	13,648
Abatement of Nuisances	186,052	216,343	30,291
Health	2,246,210	2,346,352	100,142
Culture and Recreation			
Hemisfair Plaza	26,267	33,625	7,358
Tower of the Americas	1,740,120	1,541,220	(198,900)
La Villita	585,435	467,067	(118,368)
Recreation Fees	516,673	648,873	132,200
Concessions in Other Parks	217,208	81,634	(135,574)
River Boats	3,383,122	3,644,628	261,506
Miscellaneous Recreation Revenue	507,123	366,367	(140,756)
Governor's Palace	39,175	36,830	(2,345)
Swimming Pools	11,535	28,653	17,118
Community Centers	42,440	4,304	(38,136)
Library	795,060	853,666	58,606
Market Square - Markets and Warehouses	1,189,666	1,046,473	(143,193)
Cemeteries	135,230	267,839	132,609
Total Charges for Services	<u>26,795,577</u>	<u>30,029,118</u>	<u>3,233,541</u>
<u>Fines and Forfeits</u>			
Municipal Court Fines	<u>12,171,664</u>	<u>11,713,073</u>	<u>(458,591)</u>
<u>Miscellaneous</u>			
Interest Earned	1,862,203	1,114,841	(747,362)
Sales	1,490,647	1,778,185	287,538
Recovery of Expenditures	2,334,479	2,735,299	400,820
Contributions from Governmental Agencies	24,000	24,000	
Interfund Charges	4,157,542	4,306,300	148,758
Rents, Leases and Concessions	316,110	739,634	423,524
Other	10,400	60,128	49,728
Total Miscellaneous	<u>10,195,381</u>	<u>10,758,387</u>	<u>563,006</u>
<u>Total Revenues</u>	<u>\$ 586,047,441</u>	<u>\$ 612,335,850</u>	<u>\$ 26,288,409</u>

(end of statement)

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Expenditures</u>			
<u>General Government</u>			
Legislative:			
Personal Services	\$ 11,497,877	\$ 4,787,084	\$ 6,710,793
Contractual Services	2,174,168	2,003,695	170,473
Commodities	298,763	116,285	182,478
Other Expenditures	1,824,073	1,467,169	356,904
Total Legislative	<u>15,794,881</u>	<u>8,374,233</u>	<u>7,420,648</u>
Judicial:			
Personal Services	8,228,569	8,034,775	193,794
Contractual Services	3,291,935	2,555,136	736,799
Commodities	159,260	199,951	(40,691)
Other Expenditures	83,060	83,060	
Total Judicial	<u>11,762,824</u>	<u>10,872,922</u>	<u>889,902</u>
Executive:			
Personal Services	26,641,994	20,268,839	6,373,155
Contractual Services	20,990,574	13,399,877	7,590,697
Commodities	2,065,640	926,522	1,139,118
Other Expenditures	412,779	331,193	81,586
Capital Outlay	41,334	41,334	
Total Executive	<u>50,152,321</u>	<u>34,967,765</u>	<u>15,184,556</u>
Total General Government	<u>77,710,026</u>	<u>54,214,920</u>	<u>23,495,106</u>
<u>Public Safety</u>			
Police:			
Personal Services	176,944,850	181,065,638	(4,120,788)
Contractual Services	12,469,661	14,073,124	(1,603,463)
Commodities	882,526	720,324	162,202
Other Expenditures	1,300,448	1,300,448	
Total Police	<u>191,597,485</u>	<u>197,159,534</u>	<u>(5,562,049)</u>
Fire:			
Personal Services	95,922,216	95,650,778	271,438
Contractual Services	3,685,279	3,485,432	199,847
Commodities	2,079,521	1,572,107	507,414
Other Expenditures	2,777,809	2,777,810	(1)
Total Fire	<u>104,464,825</u>	<u>103,486,127</u>	<u>978,698</u>

(Cont'd)

## CITY OF SAN ANTONIO, TEXAS

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<b>Public Safety (Cont'd)</b>			
Building Inspection and Regulations:			
Personal Services	\$ 7,995,744	\$ 8,018,590	\$ (22,846)
Contractual Services	2,067,960	1,636,638	431,322
Commodities	372,293	378,447	(6,154)
Other Expenditures	127,848	127,848	
Total Building Inspection and Regulations	<u>10,563,845</u>	<u>10,161,523</u>	<u>402,322</u>
Administration:			
Personal Services	20,228,674	14,859,031	5,369,643
Contractual Services	8,714,084	7,602,912	1,111,172
Commodities	1,227,643	834,700	392,943
Other Expenditures	305,966	305,966	
Total Administration	<u>30,476,367</u>	<u>23,602,609</u>	<u>6,873,758</u>
Other Protection:			
Personal Services	26,080,373	26,888,205	(807,832)
Contractual Services	9,087,888	9,786,495	(698,607)
Commodities	5,516,971	5,566,455	(49,484)
Other Expenditures	274,053	274,053	
Total Other Protection	<u>40,959,285</u>	<u>42,515,208</u>	<u>(1,555,923)</u>
Total Public Safety	<u>378,061,807</u>	<u>376,925,001</u>	<u>1,136,806</u>
<b>Public Works</b>			
Streets:			
Personal Services	325,057	302,053	23,004
Contractual Services	50,135	26,810	23,325
Commodities	46,329	40,349	5,980
Other Expenditures	3,133	3,133	
Total Streets	<u>424,654</u>	<u>372,345</u>	<u>52,309</u>
Lighting:			
Contractual Services	10,153,347	10,253,332	(99,985)
Commodities	59,868	31,008	28,860
Total Lighting	<u>10,213,215</u>	<u>10,284,340</u>	<u>(71,125)</u>
Total Public Works	<u>10,637,869</u>	<u>10,656,685</u>	<u>(18,816)</u>
<b>Health Services</b>			
Personal Services	10,024,361	10,163,886	(139,525)
Contractual Services	2,217,558	2,436,442	(218,884)
Commodities	549,211	689,484	(140,273)
Other Expenditures	120,112	120,112	
Total Health Services	<u>12,911,242</u>	<u>13,409,924</u>	<u>(498,682)</u>

(Cont'd)

**GENERAL FUND**  
**SCHEDULE OF EXPENDITURES COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Sanitation</u>			
Personal Services	\$ 2,245,169	\$ 2,080,935	\$ 164,234
Contractual Services	207,788	200,359	7,429
Commodities	65,929	82,261	(16,332)
Other Expenditures	16,732	16,732	
Total Sanitation	<u>2,535,618</u>	<u>2,380,287</u>	<u>155,331</u>
<u>Welfare</u>			
Personal Services	8,037,097	8,093,640	(56,543)
Contractual Services	4,035,537	3,474,364	561,173
Commodities	136,443	207,445	(71,002)
Other Expenditures	4,779,760	4,705,530	74,230
Total Welfare	<u>16,988,837</u>	<u>16,480,979</u>	<u>507,858</u>
<u>Culture and Recreation</u>			
Libraries:			
Personal Services	14,033,167	13,034,512	998,655
Contractual Services	2,585,677	2,604,004	(18,327)
Commodities	3,587,026	3,480,626	106,400
Other Expenditures	422,949	377,596	45,353
Total Libraries	<u>20,628,819</u>	<u>19,496,738</u>	<u>1,132,081</u>
Parks:			
Personal Services	24,409,454	22,961,024	1,448,430
Contractual Services	13,533,411	11,912,271	1,621,140
Commodities	3,088,338	2,745,795	342,543
Other Expenditures	803,253	803,123	130
Total Parks	<u>41,834,456</u>	<u>38,422,213</u>	<u>3,412,243</u>
Total Culture and Recreation	<u>62,463,275</u>	<u>57,918,951</u>	<u>4,544,324</u>
<u>Economic Development and Opportunity</u>			
Urban Redevelopment and Housing:			
Personal Services	276,805	285,868	(9,063)
Contractual Services	14,827	11,337	3,490
Commodities	2,127	2,038	89
Commodities	224,168	224,168	
Total Urban Redevelopment and Housing	<u>517,927</u>	<u>523,411</u>	<u>(5,484)</u>
Economic Development:			
Personal Services	2,537,480	2,544,161	(6,681)
Contractual Services	17,446,419	2,705,253	14,741,166
Commodities	73,513	80,874	(7,361)
Other Expenditures	2,288,324	2,189,584	98,740
Total Economic Development	<u>22,345,736</u>	<u>7,519,872</u>	<u>14,825,864</u>
Total Economic Development and Opportunity	<u>22,863,663</u>	<u>8,043,283</u>	<u>14,820,380</u>
<u>Total Expenditures</u>	<u>\$ 584,172,337</u>	<u>\$ 540,030,030</u>	<u>\$ 44,142,307</u>

(end of statement)

## CITY OF SAN ANTONIO, TEXAS

**SPECIAL REVENUE FUNDS**  
**HOTEL MOTEL TAX FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<b>Revenues</b>			
Taxes:			
Hotel Occupancy Tax	\$ 35,957,000	\$ 36,043,702	\$ 86,702
Charges for Services	7,949,012	7,082,448	(866,564)
Miscellaneous:			
Interest	230,630	100,546	(130,084)
Net (Decrease) in Fair Value of Investments			
Recovery of Expenditures	80,000	421,372	341,372
Other	176,463	211,191	34,728
<b>Total Revenues</b>	<b>44,393,105</b>	<b>43,859,259</b>	<b>(533,846)</b>
<b>Expenditures</b>			
Convention and Tourism:			
International Affairs:			
Personal Services	468,159	473,380	(5,221)
Contractual Services	393,415	1,774,815	(1,381,400)
Commodities	52,773	50,162	2,611
Other Expenditures	2,728	2,728	
Capital Outlay			
<b>Total</b>	<b>917,075</b>	<b>2,301,085</b>	<b>(1,384,010)</b>
Economic and Employee Development:			
Personal Services			
Contractual Services	186,830	191,868	(5,038)
Commodities	250	42	208
<b>Total</b>	<b>187,080</b>	<b>191,910</b>	<b>(4,830)</b>
Arts and Cultural Affairs:			
Personal Services	551,168	522,160	29,008
Contractual Services	390,129	236,778	153,351
Commodities	12,220	8,961	3,259
Other Expenditures	2,438	2,438	
Capital Outlay	517		517
<b>Total</b>	<b>956,472</b>	<b>770,337</b>	<b>186,135</b>
Convention Facilities:			
Personal Services	9,782,392	9,570,588	211,804
Contractual Services	7,389,481	6,710,781	678,700
Commodities	787,496	649,374	138,122
Other Expenditures	676,725	676,725	
Capital Outlay	345,519	70,292	275,227
<b>Total</b>	<b>18,981,613</b>	<b>17,677,760</b>	<b>1,303,853</b>
Convention & Visitors Bureau:			
Personal Services	4,217,860	4,181,768	36,092
Contractual Services	10,906,701	9,966,279	940,422
Commodities	143,563	130,094	13,469
Other Expenditures	48,078	48,078	
Capital Outlay	44,548	41,615	2,933
<b>Total</b>	<b>15,360,750</b>	<b>14,367,834</b>	<b>992,916</b>
Non-Departmental:			
Personal Services	154,270	158,285	(4,015)
Contractual Services	1,591,359	1,043,752	547,607
Commodities	675	2,273	(1,598)
Other Expenditures	331,343	342,669	(11,326)
Capital Outlay			
<b>Total</b>	<b>2,077,647</b>	<b>1,546,979</b>	<b>530,668</b>
Contributions to Other Agencies	2,810,817	2,836,130	(25,313)
<b>Total Expenditures</b>	<b>41,291,454</b>	<b>39,692,035</b>	<b>1,599,419</b>
<b>Excess of Revenues Over Expenditures</b>	<b>3,101,651</b>	<b>4,167,224</b>	<b>1,065,573</b>
<b>Other Financing Sources (Uses)</b>			
Transfers In	384,488	357,607	(26,881)
Transfers Out	(9,838,757)	(8,487,533)	1,351,224
<b>Total Other Financing Sources (Uses)</b>	<b>(9,454,269)</b>	<b>(8,129,926)</b>	<b>1,324,343</b>
<b>Excess (Deficiency) of Revenues and Other Financing Sources</b>			
<b>Over (Under) Expenditures and Other Financing Uses</b>	<b>(6,352,618)</b>	<b>(3,962,702)</b>	<b>\$ 2,389,916</b>
Fund Balances, October 1	11,951,112	11,951,112	
Add Encumbrances		1,787,227	
<b>Fund Balances, September 30</b>	<b>\$ 5,598,494</b>	<b>\$ 9,775,637</b>	

CITY OF SAN ANTONIO, TEXAS

**SPECIAL REVENUE FUNDS**  
**HOTEL MOTEL TAX CAPITAL IMPROVEMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Taxes	\$ 10,273,429	\$ 10,299,017	\$ 25,588
Miscellaneous:			
Interest		38,640	38,640
Net (Decrease) in Fair Value of Investments		0	0
Other	12,469	15,650	3,181
Total Revenues	10,285,898	10,353,307	67,409
<u>Expenditures</u>			
Convention and Tourism:			
Other Expenditures	89,473	93,066	(3,593)
Excess of Revenues Over Expenditures	10,196,425	10,260,241	63,816
<u>Other Financing Source (Uses)</u>			
Transfers In		0	0
Transfers Out	(10,524,613)	(13,533,848)	(3,009,235)
Total Other Financing Sources	(10,524,613)	(13,533,848)	(3,009,235)
Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses	(328,188)	(3,273,607)	\$ (2,945,419)
Fund Balances, October 1	4,762,838	4,762,838	
Fund Balances, September 30	\$ 4,434,650	\$ 1,489,231	

CITY OF SAN ANTONIO, TEXAS

**SPECIAL REVENUE FUNDS**  
**ALAMODOME FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<b>Revenues</b>			
Charges for Services	\$ 6,838,168	\$ 5,088,595	\$ (1,749,573)
Miscellaneous:			
Interest	2,840	31,144	28,304
Net (Decrease) in Fair Value of Investments		0	0
Recovery of Expenditures		255,912	255,912
Other		1,500	1,500
Total Revenues	<u>6,841,008</u>	<u>5,377,151</u>	<u>(1,463,857)</u>
<b>Expenditures</b>			
Convention and Tourism:			
Administration:			
Personal Services	598,867	297,918	300,949
Contractual Services	152,585	118,543	34,042
Commodities	3,150	2,515	635
Other Expenditures	51,970	51,970	
Capital Outlay	2		2
Total	<u>806,574</u>	<u>470,946</u>	<u>335,628</u>
Fiscal Operations:			
Personal Services	285,354	288,667	(3,313)
Contractual Services	41,494	19,765	21,729
Commodities	725	7,994	(7,269)
Other Expenditures	37,020	37,020	
Total	<u>364,593</u>	<u>353,446</u>	<u>11,147</u>
Planning and Administration:			
Personal Services	122,313	162,038	(39,725)
Contractual Services	16,245	13,396	2,849
Commodities	3,572	4,506	(934)
Other Expenditures	36,568	36,568	
Total	<u>178,698</u>	<u>216,508</u>	<u>(37,810)</u>
Marketing & Promotions:			
Personal Services	162,496	195,301	(32,805)
Contractual Services	226,724	83,445	143,279
Commodities	15,163	21,215	(6,052)
Other Expenditures	37,058	37,058	
Total	<u>441,441</u>	<u>337,019</u>	<u>104,422</u>
Maintenance and Operations:			
Personal Services	1,447,960	1,491,338	(43,378)
Contractual Services	3,481,271	3,682,965	(201,694)
Commodities	298,551	569,238	(270,687)
Other Expenditures	166,041	166,041	
Capital Outlay	5,050	0	5,050
Total	<u>5,398,873</u>	<u>5,909,582</u>	<u>(510,709)</u>
Event Services:			
Personal Services	149,861	219,336	(69,475)
Contractual Services	232,227	241,197	(8,970)
Commodities	35,075	45,159	(10,084)
Other Expenditures	75,272	75,272	
Capital Outlay	2,600		2,600
Total	<u>495,035</u>	<u>580,964</u>	<u>(85,929)</u>
Event Contractual Staff Services:			
Personal Services	147,822	94,275	53,547
Contractual Services	799,011	600,262	198,749
Commodities	24,038	19,019	5,019
Other Expenditures	78,480	78,480	
Capital Outlay	19,190	16,255	2,935
Total	<u>1,068,541</u>	<u>808,291</u>	<u>260,250</u>
Total Expenditures	<u>8,753,755</u>	<u>8,676,756</u>	<u>76,999</u>
<b>Excess (Deficiency) of Revenues (Under) Expenditures</b>	<u>(1,912,747)</u>	<u>(3,299,605)</u>	<u>(1,386,858)</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	0	524,790	524,790
Transfers Out	(37,348)	(25,982)	11,366
Total Other Financing Sources (Uses)	<u>(37,348)</u>	<u>498,808</u>	<u>536,156</u>
<b>(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses</b>	<u>(1,950,095)</u>	<u>(2,800,797)</u>	<u>\$ (850,702)</u>
Fund Balances, October 1	1,730,253	1,730,253	
Add Encumbrances		191,128	
Fund Balances, September 30	<u>\$ (219,842)</u>	<u>\$ (879,416)</u>	

## CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDS  
STREET MAINTENANCE AND IMPROVEMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET  
(NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Intergovernmental	\$ 257,251	\$ 187,608	\$ (69,643)
Charges for Services	972,175	1,189,390	217,215
Miscellaneous:			
Interest	55,670	47,470	(8,200)
Net (Decrease) in Fair Value of Investments		0	0
Recovery of Expenditures		146,592	146,592
<b>Total Revenues</b>	<b>1,285,096</b>	<b>1,571,060</b>	<b>285,964</b>
<u>Expenditures</u>			
Streets and Roadways:			
Area Supervision:			
Personal Services	2,211,785	2,172,732	39,053
Contractual Services	1,605,378	992,360	613,018
Commodities	392,314	397,141	(4,827)
Other Expenditures	59,601	56,434	3,167
Capital Outlay/07	1,558,958	1,558,958	
<b>Total</b>	<b>5,828,036</b>	<b>5,177,625</b>	<b>650,411</b>
Gravel and Asphalt Maintenance:			
Personal Services	7,382,195	7,219,591	162,604
Contractual Services	2,518,264	2,335,206	183,058
Commodities	5,315,370	5,716,620	(401,250)
Other Expenditures	917,949	987,547	(69,598)
Capital Outlay	0	0	
<b>Total</b>	<b>16,133,778</b>	<b>16,258,964</b>	<b>(125,186)</b>
Maintenance and Construction:			
Personal Services	2,030,371	2,099,367	(68,996)
Contractual Services	902,694	644,831	257,863
Commodities	5,302,618	3,069,868	2,232,750
Other Expenditures	111,558	111,558	
Capital Outlay/07	0	7,402	(7,402)
<b>Total</b>	<b>8,347,241</b>	<b>5,933,026</b>	<b>2,414,215</b>
<b>Total Expenditures</b>	<b>30,309,055</b>	<b>27,369,615</b>	<b>2,939,440</b>
<u>(Deficiency) of Revenues (Under) Expenditures</u>	<u>(29,023,959)</u>	<u>(25,798,555)</u>	<u>3,225,404</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	34,680,436	34,659,198	(21,238)
Transfers Out	(9,946,500)	(10,821,907)	(875,407)
<b>Total Other Financing Sources (Uses)</b>	<b>24,733,936</b>	<b>23,837,291</b>	<b>(896,645)</b>
<u>(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses</u>	<u>(4,290,023)</u>	<u>(1,961,264)</u>	<u>\$ 2,328,759</u>
Fund Balances, October 1	5,377,149	5,377,149	
Add Encumbrances		2,349,707	
<u>Fund Balances, September 30</u>	<u>\$ 1,087,126</u>	<u>\$ 5,765,592</u>	

## CITY OF SAN ANTONIO, TEXAS

## SPECIAL REVENUE FUNDS

## PARKS DEVELOPMENT AND EXPANSION FUND

## SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET

## (NON-GAAP BUDGETARY BASIS)

## FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Taxes:			
City Sales Tax	\$ 12,430,764	\$ 13,891,025	\$ 1,460,261
Miscellaneous:			
Interest	96,992	181,439	84,447
Net (Decrease) in Fair Value of Investments			
Total Revenues	<u>12,527,756</u>	<u>14,072,464</u>	<u>1,544,708</u>
<u>Expenditures</u>			
Culture and Recreation:			
Contractual Services	1,900,256	1,403,754	496,502
Commodities		5,953	(5,953)
Other Expenditures	<u>1,348</u>	<u>1,348</u>	
Total Expenditures	<u>1,901,604</u>	<u>1,411,055</u>	<u>490,549</u>
<u>Excess of Revenues Over Expenditures</u>	<u>10,626,152</u>	<u>12,661,409</u>	<u>2,035,257</u>
<u>Other Financing (Uses)</u>			
Transfers Out	<u>(14,573,272)</u>	<u>(12,983,618)</u>	<u>1,589,654</u>
<u>(Deficiency) of Revenues and Other Financing (Under) Expenditures and Other Financing Uses</u>	<u>(3,947,120)</u>	<u>(322,209)</u>	<u>\$ 3,624,911</u>
Fund Balances, October 1	20,201,206	22,658,187	
Add Encumbrances		<u>1,519,302</u>	
<u>Fund Balances, September 30</u>	<u>\$ 16,254,086</u>	<u>\$ 23,855,280</u>	

## CITY OF SAN ANTONIO, TEXAS

**SPECIAL REVENUE FUNDS**  
**STORMWATER OPERATING FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<b>Revenues</b>			
Charges for Services	\$ 24,942,265	\$ 26,788,359	\$ 1,846,094
Miscellaneous:			
Interest	168,060	169,652	1,592
Net (Decrease) in Fair Value of Investments		0	0
Recovery of Expenditures		912,171	912,171
Other	0	12,870	12,870
Total Revenues	<u>25,110,325</u>	<u>27,883,052</u>	<u>2,772,727</u>
<b>Expenditures</b>			
<b>Public Works:</b>			
<b>Administration:</b>			
Personal Services	1,103,804	1,064,101	39,703
Contractual Services	3,514,729	4,106,925	(592,196)
Commodities	68,817	17,000	51,817
Other Expenditures	8,733	8,833	(100)
Capital Outlay/07	0	0	
Total	<u>4,696,083</u>	<u>5,196,859</u>	<u>(500,776)</u>
<b>Vegetation Control:</b>			
Personal Services	2,174,775	1,921,850	252,925
Contractual Services	504,522	791,187	(286,665)
Commodities	470,785	321,843	148,942
Other Expenditures	23,427	23,427	0
Capital Outlay	36,732	81,506	(44,774)
Total	<u>3,210,241</u>	<u>3,139,813</u>	<u>70,428</u>
<b>River Maintenance:</b>			
Personal Services	2,641,829	2,824,609	(182,780)
Contractual Services	1,108,295	891,956	216,339
Commodities	920,935	1,231,160	(310,225)
Other Expenditures	134,856	110,611	24,245
Capital Outlay/07	151,678	151,678	-
Total	<u>4,957,593</u>	<u>5,210,014</u>	<u>(252,421)</u>
<b>Street Sweeping:</b>			
Personal Services	2,392,210	2,249,475	142,735
Contractual Services	742,529	745,961	(3,432)
Commodities	286,246	422,276	(136,030)
Other Expenditures	17,362	17,362	
Total	<u>3,438,347</u>	<u>3,435,074</u>	<u>3,273</u>
<b>Tunnel Maintenance:</b>			
Personal Services	1,131,589	1,153,243	(21,654)
Contractual Services	1,017,322	442,190	575,132
Commodities	339,260	249,838	89,422
Other Expenditures	9,856	9,856	
Capital Outlay/07	34,579	34,579	
Total	<u>2,532,606</u>	<u>1,889,706</u>	<u>642,900</u>
<b>Design Engineering:</b>			
Personal Services	502,479	534,309	(31,830)
Contractual Services	20,068	13,867	6,201
Commodities	22,395	13,548	8,847
Other Expenditures	11,813	11,813	
Total	<u>556,755</u>	<u>573,537</u>	<u>(16,782)</u>
Total Expenditures	<u>19,391,625</u>	<u>19,445,003</u>	<u>(53,378)</u>
<b>Excess of Revenues Over Expenditures</b>	<u>5,718,700</u>	<u>8,438,049</u>	<u>2,719,349</u>
<b>Other Financing Sources (Uses)</b>			
Transfers In	30,596	47,419	16,823
Transfers Out	(16,038,369)	(7,711,189)	8,327,180
Total Other Financing Sources (Uses)	<u>(16,007,773)</u>	<u>(7,663,770)</u>	<u>8,344,003</u>
<b>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</b>	<u>(10,289,073)</u>	<u>774,279</u>	<u>\$ 11,063,352</u>
Fund Balances, October 1	17,721,841	17,721,841	
Add Encumbrances		1,904,830	
Fund Balances, September 30	<u>\$ 7,432,768</u>	<u>\$ 20,400,950</u>	

## CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDS  
PROJECT MANAGEMENT OFFICE FUND  
SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET  
(NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Miscellaneous:			
Interest	\$ 0	\$ 55	\$ 55
Net (Decrease) in Fair Value of Investments			0
Total Revenues		55	55
<u>Expenditures</u>			
Convention and Tourism:			
Personal Services	0	17,216	(17,216)
Contractual Services	4,588	115	4,473
Commodities	0	2,149	(2,149)
Other Expenditures	0	0	0
Total Expenditures	4,588	19,480	(14,892)
(Deficiency) of Revenues (Under) Expenditures	(4,588)	(19,425)	(14,837)
<u>Other Financing Sources (Uses)</u>			
Transfers In	0	265,745	265,745
Transfers Out	0	(244,435)	(244,435)
Total Other Financing Sources (Uses)	0	21,310	21,310
<u>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</u>			
Financing Uses	(4,588)	1,885	\$ 6,473
Fund Balances, October 1	4,588	4,588	
Fund Balances, September 30	\$ 0	\$ 6,473	

## CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDS  
EMERGENCY MEDICAL SERVICES FUND  
SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET  
(NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Charges for Services:			
Ambulance Service Fees	\$ 9,940,901	\$ 10,805,049	\$ 864,148
Ambulance Contract Fees	379,878	425,430	45,552
Miscellaneous:			
Interest		2	2
Recovery of Expenditures		14,156	14,156
Other		17,000	17,000
Total Revenues	<u>10,320,779</u>	<u>11,261,637</u>	<u>940,858</u>
<u>Expenditures</u>			
Health Services:			
Personal Services	34,181,608	34,414,936	(233,328)
Contractual Services	4,442,591	4,139,921	302,670
Commodities	1,094,629	1,101,147	(6,518)
Other Expenditures	278,047	278,047	0
Capital Outlay	5,360	5,360	0
Total Expenditures	<u>40,002,235</u>	<u>39,939,411</u>	<u>62,824</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(29,681,456)</u>	<u>(28,677,774)</u>	<u>1,003,682</u>
<u>Other Financing Sources</u>			
Transfers In	<u>30,086,388</u>	<u>30,086,388</u>	<u>0</u>
<u>Excess of Revenues and Other Financing Sources</u> <u>Over Expenditures</u>	404,932	1,408,614	<u>\$ 1,003,682</u>
Fund Balances, October 1	162,400	(424,541)	
Add Encumbrances		<u>108</u>	
<u>Fund Balances, September 30</u>	<u>\$ 567,332</u>	<u>\$ 984,181</u>	

CITY OF SAN ANTONIO, TEXAS

**SPECIAL REVENUE FUNDS**  
**CAPITAL IMPROVEMENTS RESERVE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Intergovernmental:			
Street Light Installation	\$ 775,000	\$ 1,202,045	\$ 427,045
Miscellaneous:			
Interest	59,610	32,913	(26,697)
Net (Decrease) in Fair Value of Investments		0	0
Recovery of Expenditures	25,000	35,492	10,492
Other	313,000	563,677	250,677
Total Revenues	<u>1,172,610</u>	<u>1,834,127</u>	<u>661,517</u>
<u>Expenditures</u>			
General Government:			
Contractual Services	7,000	2,000	5,000
Total Expenditures	<u>7,000</u>	<u>2,000</u>	<u>5,000</u>
<u>Excess of Revenues Over Expenditures</u>	<u>1,165,610</u>	<u>1,832,127</u>	<u>666,517</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	675,000	675,000	
Transfers Out	(4,052,973)	(3,698,712)	354,261
Total Other Financing Sources (Uses)	<u>(3,377,973)</u>	<u>(3,023,712)</u>	<u>354,261</u>
<u>(Deficiency) of Revenues and Other Financing Sources</u>			
<u>(Under) Expenditures and Other Financing Uses</u>	(2,212,363)	(1,191,585)	<u>\$ 1,020,778</u>
Fund Balances, October 1	3,734,154	2,575,451	
Add Encumbrances		<u>2,291,115</u>	
<u>Fund Balances, September 30</u>	<u>\$ 1,521,791</u>	<u>\$ 3,674,981</u>	

CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDS

NELSON WOLFF STADIUM

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET

(NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Charges for Services	\$ 656,822	\$ 594,195	\$ (62,627)
Miscellaneous:			
Interest		211	211
Net (Decrease) in Fair Value of Investments			
Recovery of Expenditures	54,641	48,248	(6,393)
Other	6,473		(6,473)
Total Revenues	717,936	642,654	(75,282)
<u>Expenditures</u>			
Culture and Recreation:			
Personal Services	276,989	207,225	69,764
Contractual Services	292,198	325,600	(33,402)
Commodities	59,243	73,013	(13,770)
Other Expenditures	38,546	38,546	
Capital Outlay			
Total Expenditures	666,976	644,384	22,592
<u>(Deficiency) of Revenues (Under) Expenditures</u>	50,960	(1,730)	(52,690)
<u>Other Financing (Uses)</u>			
Transfers Out	(8,101)	(2,030)	6,071
Total Other Financing Uses	(8,101)	(2,030)	6,071
<u>Excess (Deficiency) of Revenues and Other Financing</u>			
<u>Sources Over (Under) Expenditures and Other Financing Uses</u>	42,859	(3,760)	\$ (46,619)
Fund Balances, October 1	37,270	37,270	
Add Encumbrances			
<u>Fund Balances, September 30</u>	\$ 80,129	\$ 33,510	

CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDS  
CONFISCATED PROPERTY FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET  
(NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Miscellaneous:			
Interest	\$ 12,740	\$ 28,913	\$ 16,173
Net (Decrease) in Fair Value of Investments		0	0
Other	1,042,200	2,041,380	999,180
Total Revenues	1,054,940	2,070,293	1,015,353
<u>Expenditures</u>			
Public Safety:			
Office of Chief of Police:			
Personal Services	171,195	84,213	86,982
Contractual Services	1,917,669	639,767	1,277,902
Commodities	509,441	202,424	307,017
Other Expenditures	11,923	11,923	0
Capital Outlay	378,240	155,342	222,898
Total Expenditures	2,988,468	1,093,669	1,894,799
<u>(Deficiency) of Revenues (Under) Expenditures</u>	(1,933,528)	976,624	2,910,152
<u>Other Financing (Uses)</u>			
Transfers Out	(80,381)	(80,381)	
<u>Excess (Deficiency) of Revenues Over (Under) Expenditures and Other Financing Uses</u>	(2,013,909)	896,243	\$ 2,910,152
Fund Balances, October 1	2,580,158	2,580,158	
Add Encumbrances		75,564	
<u>Fund Balances, September 30</u>	\$ 566,249	\$ 3,551,965	

## CITY OF SAN ANTONIO, TEXAS

**SPECIAL REVENUE FUNDS**  
**PUBLIC HEALTH SUPPORT REVENUE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Intergovernmental	\$ 1,229,500	\$ 1,184,711	\$ (44,789)
Charges for Services	1,040,130	1,176,222	136,092
Miscellaneous:			
Interest	19,930	12,233	(7,697)
Net (Decrease) in Fair Value of Investments		0	0
Recovery of Expenditures		441	441
Other	15,500	12,695	(2,805)
Total Revenues	<u>2,305,060</u>	<u>2,386,302</u>	<u>81,242</u>
<u>Expenditures</u>			
Health Services:			
Administration:			
Personal Services	891,571	1,065,060	(173,489)
Contractual Services	43,108	122,452	(79,344)
Commodities	678,667	1,130,466	(451,799)
Other Expenditures	8,145	352,299	(344,154)
Total	<u>1,621,491</u>	<u>2,670,277</u>	<u>(1,048,786)</u>
Animal Control:			
Personal Services	666,524	647,709	18,815
Contractual Services	375,979	22,730	353,249
Commodities	37,517	22,416	15,101
Other Expenditures	4,917	4,917	0
Total	<u>1,084,937</u>	<u>697,772</u>	<u>387,165</u>
Total Expenditures	<u>2,706,428</u>	<u>3,368,049</u>	<u>(661,621)</u>
<u>(Deficiency) of Revenues (Under) Expenditures</u>	<u>(401,368)</u>	<u>(981,747)</u>	<u>(580,379)</u>
<u>Other Financing (Uses)</u>			
Transfers Out	(760,445)	(164,500)	595,945
Total Other Financing (Uses)	<u>(760,445)</u>	<u>(164,500)</u>	<u>595,945</u>
<u>(Deficiency) of Revenues (Under) Expenditures and Other Financing Uses</u>	<u>(1,161,813)</u>	<u>(1,146,247)</u>	<u>\$ 15,566</u>
Fund Balances, October 1	1,518,401	1,518,401	
Add Encumbrances		<u>265,075</u>	
<u>Fund Balances, September 30</u>	<u>\$ 356,588</u>	<u>\$ 637,229</u>	

— CITY OF SAN ANTONIO, TEXAS —

**SPECIAL REVENUE FUNDS**  
**JOB TRAINING, NEIGHBORHOOD REVITALIZATION, AND ECONOMIC DEVELOPMENT FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Intergovernmental	\$ 0	\$ 0	\$ 0
Miscellaneous:			
Interest	68,060	41,035	(27,025)
Net (Decrease) in Fair Value of Investments			0
<b>Total Revenues</b>	<b>68,060</b>	<b>41,035</b>	<b>(27,025)</b>
<u>Expenditures</u>			
Economic Development and Opportunity:			
Contractual Services	748,629	528,000	220,629
<u>(Deficiency) of Revenues</u> <u>(Under) Expenditures</u>	<u>(680,569)</u>	<u>(486,965)</u>	<u>193,604</u>
<u>Other Financing (Uses)</u>			
Transfers Out		(213,395)	(213,395)
<u>(Deficiency) of Revenues (Under) Expenditures</u> <u>and Other Financing Uses</u>	<u>(680,569)</u>	<u>(700,360)</u>	<u>\$ (19,791)</u>
Fund Balances, October 1	4,656,715	4,656,715	
Add Encumbrances		269,000	
<u>Fund Balances, September 30</u>	<u>\$ 3,976,146</u>	<u>\$ 4,225,355</u>	

CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDS

GOLF COURSE FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET

(NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Charges for Services	\$ 6,429,728	\$ 6,089,200	\$ (340,528)
Miscellaneous:			
Interest		73	73
Recovery of Expenditures	13,734	10,454	(3,280)
Other	220	801	581
Total Revenues	<u>6,443,682</u>	<u>6,100,528</u>	<u>(343,154)</u>
<u>Expenditures</u>			
Culture and Recreation:			
Personal Services	3,374,654	3,041,060	333,594
Contractual Services	1,676,431	1,250,407	426,024
Commodities	805,241	828,823	(23,582)
Other Expenditures	600,793	780,344	(179,551)
Total Expenditures	<u>6,457,119</u>	<u>5,900,634</u>	<u>556,485</u>
<u>Excess (Deficiency) of Revenues Over (Under) Expenditures</u>	<u>(13,437)</u>	<u>199,894</u>	<u>213,331</u>
<u>Other Financing Sources (Uses)</u>			
Transfers In	229,959	229,959	
Transfers Out	(39,219)	(18,903)	20,316
Total Other Financing Sources	<u>190,740</u>	<u>211,056</u>	<u>20,316</u>
<u>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)</u>	<u>177,303</u>	<u>410,950</u>	<u>\$ 233,647</u>
Fund Balances, October 1	(1,091,430)	(1,091,430)	
Add Encumbrances		56,154	
<u>Fund Balances, September 30</u>	<u>\$ (914,127)</u>	<u>\$ (624,326)</u>	

———— CITY OF SAN ANTONIO, TEXAS ————

**SPECIAL REVENUE FUNDS**  
**BROOKS CITY-BASE FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Miscellaneous:			
Interest	\$ 0	\$ 0	\$ 0
Net Increase in Fair Value of Investments		0	0
Total Revenues			
<u>Expenditures</u>			
Convention and Tourism:			
Personal Services			
Contractual Services			
Commodities			
Other Expenditures			
Total Expenditures			
<u>(Deficiency) of Revenues (Under) Expenditures</u>			
<u>Other Financing Sources</u>			
Transfers In			
Operating Transfers Out		(162,503)	(162,503)
Total Other Financing Sources (Uses)		(162,503)	(162,503)
<u>(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses</u>		(162,503)	<u>\$ (162,503)</u>
Fund Balances, October 1	162,503	162,503	
Add Encumbrances		0	
<u>Fund Balances, September 30</u>	<u>\$ 162,503</u>	<u>\$ 0</u>	

## CITY OF SAN ANTONIO, TEXAS

SPECIAL REVENUE FUNDSINTERNATIONAL CENTER FUNDSCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET(NON-GAAP BUDGETARY BASIS)FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Charges for Services	\$ 472,461	\$ 1,051,145	\$ 578,684
Miscellaneous:			
Interest	4,860	5,040	180
Net (Decrease) in Fair Value of Investments		0	0
Total Revenues	477,321	1,056,185	578,864
<u>Expenditures</u>			
Convention and Tourism:			
Personal Services	355,284	332,479	22,805
Contractual Services	385,751	357,689	28,062
Commodities	27,819	43,161	(15,342)
Other Expenditures	24,282	24,282	0
Capital Outlay	4,201	146	4,055
Total Expenditures	797,337	757,757	39,580
Excess (Deficiency) of Revenues Over (Under) Expenditures	(320,016)	298,428	618,444
<u>Other Financing Sources (Uses)</u>			
Transfers In	557,977		(557,977)
Transfers Out	(271,456)	(36,484)	234,972
Total Other Financing Sources (Uses)	286,521	(36,484)	(323,005)
<u>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses</u>	(33,495)	261,944	\$ 295,439
Fund Balances, October 1	151,182	325,192	
Add Encumbrances			
Fund Balances, September 30	\$ 117,687	\$ 587,136	

## CITY OF SAN ANTONIO, TEXAS

## SPECIAL REVENUE FUNDS

## ENTERPRISE RESOURCE MANAGEMENT PROJECT (ERM) FUND

## SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET

(NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Miscellaneous:			
Other	\$ 0	\$ 21	\$ 21
Total Revenues	0	21	21
<u>Expenditures</u>			
General Government:			
Personal Services	3,116,462	2,627,260	489,202
Contractual Services	1,693,368	0	1,693,368
Commodities	143,589	0	143,589
Other Expenditures	8,462	0	8,462
Total Expenditures	4,961,881	2,627,260	2,334,621
(Deficiency) of Revenues (Under) Expenditures	(4,961,881)	(2,627,239)	2,334,642
<u>Other Financing Sources (Uses)</u>			
Transfers In	5,312,660	970,030	(4,342,630)
Transfers Out	(486,825)	0	486,825
Total Other Financing Sources (Uses)	4,825,835	970,030	(3,855,805)
<u>Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources</u>			
	(136,046)	(1,657,209)	\$ (1,521,163)
Fund Balances, October 1	21,464	5,182	
Add Encumbrances		0	
Fund Balances, September 30	\$ (114,582)	\$ (1,652,027)	

**DEBT SERVICE FUNDS**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET**  
**(NON-GAAP BUDGETARY BASIS)**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Taxes:			
Current Taxes	\$ 90,540,298	\$ 92,348,343	\$ 1,808,045
Delinquent Taxes	1,273,830	1,707,735	433,905
Judgements Collected		183	183
Penalties and Interest on Delinquent Taxes	1,035,700	1,079,273	43,573
Miscellaneous:			
Interest Revenue	2,872,704	1,967,065	(905,639)
Total Revenues	<u>95,722,532</u>	<u>97,102,599</u>	<u>1,380,067</u>
<u>Expenditures</u>			
Principal Retirement	72,325,000	72,410,000	(85,000)
Interest	54,453,030	52,557,400	1,895,630
Arbitrage Expense	132,770		132,770
Issuance Costs	101,368	2,061,296	(1,959,928)
Total Expenditures	<u>127,012,168</u>	<u>127,028,696</u>	<u>(16,528)</u>
<u>(Deficiency) of Revenues (Under) Expenditures</u>	<u>(31,289,636)</u>	<u>(29,926,097)</u>	<u>1,363,539</u>
<u>Other Financing Sources (Uses)</u>			
Operating Transfers In	25,154,343	22,638,358	(2,515,985)
Transfer to Construction Fund			
Long-Term Debt Issued		97,770,000	97,770,000
Premium on Long-Term Debt		4,879,012	4,879,012
Payment to Refunded Bond Escrow Agent		(99,526,331)	(99,526,331)
Total Other Financing Sources (Uses)	<u>25,154,343</u>	<u>25,761,039</u>	<u>606,696</u>
<u>Excess of Revenues and Other Financing Sources</u> <u>Over Expenditures</u>	<u>(6,135,293)</u>	<u>(4,165,058)</u>	<u>\$ 1,970,235</u>
Fund Balances, October 1	<u>87,888,708</u>	<u>87,888,708</u>	
<u>Fund Balances, September 30</u>	<u>\$ 81,753,415</u>	<u>\$ 83,723,650</u>	

CITY OF SAN ANTONIO, TEXAS

PERMANENT FUNDS  
SAN JOSE BURIAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, ENCUMBRANCES AND CHANGES IN FUND BALANCES-COMPARED TO BUDGET  
(NON-GAAP BUDGETARY BASIS)  
FOR THE YEAR ENDED SEPTEMBER 30, 2004

	2004		VARIANCE- POSITIVE (NEGATIVE)
	BUDGET	ACTUAL	
<u>Revenues</u>			
Miscellaneous:			
Sales	\$ 50,000	\$ 96,590	\$ 46,590
Interest on Investments	41,170	25,984	(15,186)
Interest on Time Deposits			
Other			0
Total Revenues	<u>91,170</u>	<u>122,574</u>	<u>31,404</u>
<u>Expenditures</u>			
Culture & Recreation:			
Personal Services	317,069	307,058	10,011
Contractual Services	120,546	73,362	47,184
Commodities	20,425	26,685	(6,260)
Capital Outlay	1,029	33,583	(32,554)
Total Expenditures	<u>459,069</u>	<u>440,688</u>	<u>18,381</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(367,899)</u>	<u>(318,114)</u>	<u>\$ 49,785</u>
<u>Other Financing Sources</u>			
Operating Transfers Out	<u>(33,583)</u>		<u>(33,583)</u>
Total Other Financing Sources	<u>(33,583)</u>	<u>0</u>	<u>(33,583)</u>
(Deficiency) of Revenues and Other Financing Sources (Under) Expenditures and Other Financing Uses	<u>(401,482)</u>	<u>(318,114)</u>	<u>\$ 83,368</u>
Fund Balances, October 1		2,797,953	
Add Encumbrances			
Fund Balances, September 30	<u>\$ (401,482)</u>	<u>\$ 2,479,839</u>	





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***City of San Antonio  
Texas***

*Statistical Section*

*(Unaudited)*



—— CITY OF SAN ANTONIO, TEXAS ——

**STATISTICAL DATA**  
**GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>GENERAL GOVERNMENT</u>	<u>PUBLIC SAFETY</u>	<u>PUBLIC WORKS</u>	<u>HEALTH SERVICES</u>	<u>ENVIRONMENTAL PROTECTION/ SANITATION</u>	<u>WELFARE</u>
1995	\$ 40,685,167	\$ 222,923,105	\$ 8,425,639	\$ 10,040,732	\$ 2,635,611	\$ 9,131,932
1996	42,529,874	237,255,653	8,918,131	10,573,920	2,773,727	9,171,600
1997	45,565,493	251,646,029	8,740,273	10,267,013	2,732,660	8,382,401
1998	44,617,078	267,566,794	9,162,860	10,753,132	2,780,539	10,232,506
1999	49,438,915	289,777,427	9,467,167	11,277,893	2,399,358	11,407,269
2000	55,436,446	305,859,236	9,909,813	12,299,792	2,600,995	12,857,131
2001	68,364,225	326,227,746	9,804,123	13,401,383	2,754,077	16,464,593
(1) 2002	64,153,082	364,240,290	67,128,230	76,541,219	3,045,224	133,160,777
(1) 2003	63,729,413	375,090,038	68,350,520	83,607,443	3,131,662	134,018,587
2004	59,602,261	391,949,909	65,204,425	79,843,070	2,410,466	115,613,745

NOTE: (1) Commencing in Fiscal Year 2002, expenditures were adjusted to reflect the General Government amounts, which include the General Fund, Special Revenue Fund, and the Debt Service Fund.

— CITY OF SAN ANTONIO, TEXAS —

STATISTICAL DATA  
GENERAL GOVERNMENTAL EXPENDITURES BY FUNCTION  
LAST TEN FISCAL YEARS

<u>CULTURE AND RECREATION</u>	<u>CONVENTION AND TOURISM</u>	<u>CONSERVATION</u>	<u>URBAN REDEVELOPMENT AND HOUSING</u>	<u>ECONOMIC DEVELOPMENT AND OPPORTUNITY</u>	<u>PRINCIPAL AND INTEREST</u>	<u>TOTAL</u>
\$ 37,483,790	\$	\$	\$	\$ 4,262,984	\$	\$ 335,588,960
41,489,469				4,561,839		357,274,213
41,049,946				4,555,513		372,939,328
42,809,012				4,783,117		392,705,038
48,025,859				5,189,929		426,983,817
52,938,397				5,864,158		457,765,968
58,137,342				6,394,692		501,548,181
74,984,722	49,764,207	62,699	17,227,891	25,907,990	117,043,513	993,259,844
74,289,454	51,633,673		23,536,416	20,046,610	120,903,154	1,018,336,970
74,341,839	48,188,026		23,704,809	12,546,424	127,028,696	1,000,433,670

CITY OF SAN ANTONIO, TEXAS

**STATISTICAL DATA**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR ENDED</u>	<u>TAXES</u>	<u>LICENSES AND PERMITS</u>	<u>INTER-GOVERNMENTAL</u>	<u>REVENUES FROM UTILITIES</u>
1995	\$ 202,220,554	\$ 8,530,428	\$ 2,016,305	\$ 127,343,665
1996	214,635,376	9,438,492	2,141,719	145,189,566
1997	228,059,883	9,627,427	2,346,577	140,453,797 (2)
1998	245,430,127	11,159,736	2,354,189	150,833,144
1999	261,392,418	12,164,099	2,526,778	149,956,113
2000	277,833,729	12,257,775	2,669,780	172,300,674
2001	291,378,953	12,683,156	2,865,885	187,939,902
(3) 2002	462,933,800	13,302,392	183,492,912	171,234,083
(3) 2003	473,466,337	13,912,258	181,271,858	210,466,156
(3) 2004	500,439,012	17,026,379	181,717,170	196,405,099

**CITY OF SAN ANTONIO**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR ENDED</u>	<u>PROPERTY TAXES</u>	<u>SALES TAX</u>	<u>ALCOHOLIC BEVERAGE TAX</u>	<u>BUSINESS TAX</u>
1995	\$ 87,138,323	\$ 97,667,344	\$ 2,353,138	\$ 13,952,024
1996	93,367,838	103,032,541	2,511,937	14,523,943
1997	97,726,308	110,034,458	2,568,331	16,660,109
1998	101,763,992	118,991,708	2,810,446	20,569,499 (1)
1999	108,043,972	126,472,730	2,967,461	22,462,669
2000	115,194,535	135,130,522	3,224,213	22,898,881
2001	125,533,518	136,810,787	3,426,706	24,197,809
(3) 2002	227,598,531	157,593,310	3,628,359	26,042,328
(3) 2003	239,214,435	156,322,600	3,862,581	26,364,175
2004	258,261,512	162,383,500	4,188,585	26,550,057

- NOTES: (1) Revenue increase due to revision in a Business Tax contract.
- (2) Stormwater Revenue transferred to Stormwater Program Special Revenue Fund.
- (3) Commencing in Fiscal Year 2002, revenues were adjusted to reflect the General Government amounts, which include the General Fund, Special Revenue Fund and the Debt Service Fund.

—— CITY OF SAN ANTONIO, TEXAS ——

**STATISTICAL DATA**  
**GENERAL GOVERNMENTAL REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**

<u>CHARGES FOR SERVICES</u>	<u>FINES AND FORFEITS</u>	<u>MISCELLANEOUS</u>	<u>IN-KIND CONTRIBUTIONS</u>	<u>TOTAL</u>
\$ 16,670,522	\$ 8,262,390	\$ 9,764,240	\$	\$ 374,808,104
18,422,483	9,051,481	8,927,797		407,806,914
18,666,543	8,475,837	9,601,800		417,231,864
21,676,353	11,525,034	10,862,192		453,840,775
21,726,181	11,838,121	12,705,684		472,309,394
23,010,824	11,593,504	13,017,615		512,683,901
23,211,576	11,116,047	14,249,362		543,444,881
84,532,397	10,828,974	30,393,910	14,504,494	971,222,962
87,950,255	11,282,396	27,312,172	19,886,895	1,025,548,327
93,809,805	11,713,073	30,430,708	10,407,692	1,041,948,938

**CITY OF SAN ANTONIO**  
**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**  
**LAST TEN FISCAL YEARS**

<u>HOTEL/MOTEL OCCUPANCY TAXES</u>	<u>PENALTIES AND INTEREST AND JUDGMENTS</u>	<u>TOTAL</u>
\$	\$ 1,109,725	\$ 202,220,554
	1,199,117	214,635,376
	1,070,677	228,059,883
	1,294,482	245,430,127
	1,445,586	261,392,418
	1,385,578	277,833,729
	1,410,133	291,378,953
45,007,330	3,063,942	462,933,800
44,633,221	3,069,325	473,466,337
46,342,719	2,712,639	500,439,012

**STATISTICAL DATA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR ENDED</u>	<u>CURRENT NET TAX LEVY</u>	<u>CURRENT TAX COLLECTIONS AND ACCRUALS (4)</u>	<u>PERCENT OF LEVY COLLECTED OR ACCRUED</u>	<u>DELINQUENT TAX COLLECTIONS (1) (4)</u>
1995	\$ 142,934,773	\$ 139,649,105	97.70%	\$ 2,214,664
1996	155,347,338	152,173,798	97.96%	2,607,183
1997	164,201,161	161,315,799	98.24%	1,616,889
1998	170,587,464	167,894,836	98.42%	2,265,936
1999	181,204,963	178,218,790	98.35%	2,731,401
2000	193,159,815	189,575,621	98.14%	3,272,233
2001	208,917,594	204,502,303	97.89%	2,957,004
2002	229,030,010	223,942,558	97.78%	3,373,532
2003	240,299,754	234,955,823	97.78%	3,503,868
2004	257,931,292	252,678,369	97.96%	4,180,075
Average Ten Years			98.01%	

NOTES: (1) Penalty, Judgments, and Interest on Judgments are excluded.

(2) Includes annexed Public Utility Districts.

(3) Balance is adjusted for subsequent cancellations & supplements to original tax rolls.

(4) Does not include excess Special Revenue Tax.

— CITY OF SAN ANTONIO, TEXAS —

**STATISTICAL DATA**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**

<u>TOTAL TAX COLLECTIONS AND ACCRUALS</u>	<u>PERCENT OF TOTAL TAX COLLECTIONS TO TAX LEVY</u>	<u>CUMULATIVE OUTSTANDING DELINQUENT TAX BALANCE (1) (2) (3)</u>	<u>PERCENT OF CUMULATIVE DELINQUENT TAXES TO CURRENT NET TAX LEVY</u>
\$ 141,863,769	99.25%	\$ 15,562,521	10.89%
154,780,981	99.64%	15,412,653	9.92%
162,932,688	99.23%	15,429,754	9.40%
170,160,772	99.75%	14,957,421	8.77%
180,950,191	99.86%	14,765,521	8.15%
192,847,854	99.84%	16,888,906	8.74%
207,459,307	99.30%	18,169,442	8.70%
227,316,090	99.25%	18,967,966	8.28%
238,459,691	99.23%	18,888,837	7.86%
256,858,444	99.58%	19,511,196	7.56%
	99.49%		

**STATISTICAL DATA**  
**ASSESSED AND ESTIMATED APPRAISED VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED	TAX ROLL YEAR	REAL PROPERTY		PERSONAL PROPERTY	
		ASSESSED VALUE	ESTIMATED APPRAISED VALUE	ASSESSED VALUE	ESTIMATED APPRAISED VALUE
1995	1994	\$ 19,985,487,015	\$ 19,985,487,015	\$ 4,305,791,112	\$ 4,305,791,112
1996	1995	22,064,630,592	22,064,630,592	4,708,124,599	4,708,124,599
1997	1996	23,435,144,195	23,435,144,195	4,862,753,404	4,862,753,404
1998	1997	24,300,123,833	24,300,123,833	5,093,431,010	5,093,431,010
1999	1998	26,000,081,705	26,000,081,705	5,220,745,756	5,220,745,756
2000	1999	27,715,416,138	27,715,416,138	5,565,180,250	5,565,180,250
2001	2000	30,259,398,730	30,259,398,730	5,722,088,609	5,722,088,609
2002	2001	33,244,132,323	33,244,132,323	6,286,505,217	6,286,505,217
2003	2002	35,419,223,027	35,419,223,027	6,027,667,599	6,027,667,599
2004	2003	38,018,041,225	38,018,041,225	6,469,936,329	6,469,936,329

NOTE: (1) The basis of assessment is 100%. Amounts shown are net taxable assessed values after deductions of residential homestead exemptions granted to persons 65 years of age and older and disabled veterans. In addition, other exemptions include Historic Properties, Tax Phase-Ins, Freeport and Transitional Housing.

———— CITY OF SAN ANTONIO, TEXAS ————

**STATISTICAL DATA**  
**ASSESSED AND ESTIMATED APPRAISED VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

<u>MOBILE HOMES</u>		<u>TOTAL</u>		<u>RATIO OF TOTAL ASSESSED TO TOTAL ESTIMATED APPRAISED VALUE</u>
<u>ASSESSED VALUE</u>	<u>ESTIMATED APPRAISED VALUE</u>	<u>ASSESSED VALUE (1)</u>	<u>ESTIMATED APPRAISED VALUE</u>	
\$ 18,597,037	\$ 18,597,037	\$ 24,309,875,164	\$ 24,309,875,164	100%
20,969,780	20,969,780	26,793,724,971	26,793,724,971	100%
22,901,544	22,901,544	28,320,799,143	28,320,799,143	100%
28,729,831	28,729,831	29,422,284,674	29,422,284,674	100%
32,723,564	32,723,564	31,253,551,025	31,253,551,025	100%
34,882,474	34,882,474	33,315,478,862	33,315,478,862	100%
51,833,990	51,833,990	36,033,321,329	36,033,321,329	100%
56,946,740	56,946,740	39,587,584,280	39,587,584,280	100%
88,656,382	88,656,382	41,535,547,008	41,535,547,008	100%
95,161,373	95,161,373	44,583,138,927	44,583,138,927	100%

CITY OF SAN ANTONIO, TEXAS

**STATISTICAL DATA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
(PER \$100 OF ASSESSED VALUE)  
LAST TEN FISCAL YEARS**

CITY OF SAN ANTONIO, TEXAS				
FISCAL YEAR ENDED	TAX ROLL	GENERAL FUND	DEBT SERVICE FUNDS	TOTAL
1995	1994	\$ .36066	\$ .22731	\$ .58797
1996	1995	.34979	.23000	.57979
1997	1996	.34712	.23267	.57979
1998	1997	.34669	.23310	.57979
1999	1998	.34579	.23400	.57979
2000	1999	.34579	.23400	.57979
2001	2000	.35079	.22900	.57979
2002	2001	.35454	.22400	.57854
2003	2002	.36204	.21650	.57854
2004	2003	.36704	.21150	.57854

**TAX LEVIES FOR LAST TEN FISCAL YEARS**

CITY OF SAN ANTONIO, TEXAS				
FISCAL YEAR ENDED	TAX ROLL	GENERAL FUND	DEBT SERVICE FUNDS	TOTAL
1995	1994	\$ 87,675,996	\$ 55,258,777	\$ 142,934,773
1996	1995	93,721,771	61,625,567	155,347,338
1997	1996	98,307,158	65,894,003	164,201,161
1998	1997	102,004,119	68,583,345	170,587,464
1999	1998	108,071,654	73,133,309	181,204,963
2000	1999	115,201,594	77,958,221	193,159,815
2001	2000	126,401,288	82,516,306	208,917,594
2002	2001	140,353,821	88,676,189	229,030,010
2003	2002	150,375,295	89,924,459	240,299,754
2004	2003	162,859,119	94,056,261	256,915,380

- NOTES: (1) Twelve (12) Independent School Districts.
- (2) Includes the Bexar County Education District Levy for Tax Year 1992. The Bexar County Education District was a taxing entity created by the 72nd Texas Legislature in SPA 351 and HB 2885. The function of this district was limited to the levying, collecting and distributing of property taxes to the school districts in Bexar County in those years.

— CITY OF SAN ANTONIO, TEXAS —

**STATISTICAL DATA**  
**PROPERTY TAX RATES**  
**DIRECT AND OVERLAPPING GOVERNMENTS**  
**(PER \$100 OF ASSESSED VALUE)**  
**LAST TEN FISCAL YEARS**

<u>SCHOOLS (1)</u>	<u>ALAMO COLLEGE</u>	<u>COUNTY</u>	<u>OTHER</u>
Various	\$ 0.11160	\$ 0.37359	\$ .24469
Various	0.11000	0.35143	.24469
Various	0.10900	0.34427	.24444
Various	0.10900	0.34347	.24444
Various	0.11150	0.34191	.24387
Various	0.10690	0.33946	.24387
Various	0.10690	0.33946	.24387
Various	0.10460	0.32076	.24387
Various	0.10710	0.31757	.26030
Various	0.10705	0.32095	.26030

**TAX LEVIES FOR LAST TEN FISCAL YEARS**

<u>SCHOOLS (2) (3)</u>	<u>ALAMO COLLEGE</u>	<u>COUNTY</u>	<u>OTHER</u>	<u>TOTAL</u>
\$ 479,546,436	\$ 36,921,430	\$ 119,593,207	\$ 90,034,213	\$ 869,030,059
528,627,260	41,542,342	122,304,546	95,880,023	943,701,509
550,693,607	41,852,615	125,310,923	99,500,627	981,558,933
585,984,991	42,982,681	130,485,037	99,847,338	1,029,887,511
622,983,906	46,155,042	136,196,326	104,085,382	1,090,625,619
744,458,186	50,061,809	142,205,334	109,757,236	1,239,642,380
807,757,184	53,493,874	154,157,033	129,477,426	1,353,803,111
862,593,532	57,093,099	159,719,635	129,597,389	1,438,033,665
821,549,416	61,061,789	167,471,307	146,697,561	1,437,079,827
969,551,624	64,884,734	183,094,324	158,978,915	1,633,424,977

———— CITY OF SAN ANTONIO, TEXAS ————

**STATISTICAL DATA**  
**RATIO OF NET GENERAL BONDED DEBT**  
**TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA**  
**LAST TEN FISCAL YEARS**

FISCAL YEAR ENDED	POPULATION	NET ASSESSED VALUE (1)*	GROSS BONDED DEBT*	DEBT SERVICE FUNDS AVAILABLE*	DEBT PAYABLE FROM ENTERPRISE FUNDS (2) *	NET BONDED DEBT*	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1995	1,068,600	\$ 24,309,875	\$ 688,613	\$ 46,493	\$ 26,690	\$ 615,430	2.53%	\$ 575.92
1996	1,109,600	26,793,725	714,318	49,354	26,565	638,399	2.38%	575.34
1997	1,133,000	28,320,799	740,393	52,381	25,260	662,752	2.34%	584.95
1998	1,162,600	29,422,285	734,238	58,052	23,655	652,531	2.22%	561.27
1999	1,187,600	31,253,551	754,958	61,356	21,745	671,857	2.15%	565.73
2000	1,207,500	33,315,479	780,378	65,380	20,220	694,778	2.09%	575.39
2001	1,226,250	36,033,321	768,693	70,423	18,995	679,275	1.89%	553.94
2002	1,241,100	39,587,584	838,428	69,942	13,770	754,716	1.91%	608.10
2003	1,262,800	41,535,547	881,038	64,862	12,610	803,566	1.93%	636.34
2004	1,278,300	44,583,139	883,755	59,833	13,245	810,677	1.82%	634.18

\* Amounts expressed in Thousands

NOTES: (1) From Statistical Data Schedule titled "Assessed and Estimated Appraised Value of Taxable Property."

(2) Includes General Obligation Bonds and Certificates of Obligation being repaid from Parking Facilities.

———— CITY OF SAN ANTONIO, TEXAS ————

**STATISTICAL DATA**  
**COMPUTATION OF LEGAL DEBT MARGIN**  
**SEPTEMBER 30, 2004**

Assessed Valuations:		
Net Assessed Value	\$	44,583,138,927
Plus Exempt Property		<u>5,140,147,214</u>
Total Assessed Value	\$	<u><u>49,723,286,141</u></u>
Legal Debt Margin:		
Debt Limitation-10 percent of Total Assessed Value (See Note)	\$	4,972,328,614
Debt Applicable to Limitation:		
Total Bonded Debt	\$	883,755,000
Less: Self-Supporting Debt:		
Debt Supplemented by Other Sources	(14,580,000)	
Assets Available for Payment of Principal in:		
Debt Service Fund	<u>(59,833,013)</u>	
Total Debt Applicable to Limitation		<u>809,341,987</u>
Legal Debt Margin	\$	<u><u>4,162,986,627</u></u>
Bonds Authorized - Unissued *	\$	<u><u>96,975,000</u></u>

NOTE: City Charter sets limits of Bond Indebtedness at 10% of Assessed Valuation.

\*The City has authority pursuant to an election held January 26, 1980 to issue \$16,660,000 in bonds for libraries, fire protection, drainage and flood control, and street, bridge and related improvements. The City does not currently intend to issue bonds for any of the remaining purposes authorized in 1980. An Additional \$115,000,000 was authorized November 4, 2003, of which \$80,315,000 remains to be issued.

**STATISTICAL DATA**  
**COMPUTATION OF DIRECT AND OVERLAPPING DEBT**  
**SEPTEMBER 30, 2004**

<u>JURISDICTION</u>	<u>NET DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO THIS GVT. UNIT</u>	<u>AMOUNT APPLICABLE TO THIS GVT. UNIT</u>
Direct:			
City of San Antonio	\$ 810,676,987	100.00%	<u>\$ 810,676,987</u>
Overlapping:			
Alamo Community College District	100,566,450	78.24%	78,683,190
Alamo Heights Independent School District	34,815,322	47.47%	16,526,833
Bexar County	120,075,015	78.42%	94,162,827
Bexar County Hospital District	-0-	0.00%	-0-
East Central Independent School District	52,908,857	40.29%	21,316,978
Edgewood Independent School District	71,064,407	100.00%	71,064,407
Harlandale Independent School District	155,526,150	100.00%	155,526,150
Judson Independent School District	187,050,030	35.92%	67,188,371
Northeast Independent School District	763,346,354	87.71%	669,531,087
Northside Independent School District	786,885,023	82.43%	648,629,324
San Antonio Independent School District	516,052,064	98.96%	510,685,123
San Antonio River Authority	52,464,182	78.42%	41,142,412
Somerset Independent School District	25,702,165	1.60%	411,235
South San Antonio Independent School District	79,679,288	98.96%	78,850,623
Southside Independent School District	34,190,763	15.92%	5,443,169
Southwest Independent School District	53,790,745	42.12%	<u>22,656,662</u>
Total Overlapping Net Debt			<u>2,481,818,391</u>
<u>Total Direct and Overlapping Net Debt</u>			<u>\$ 3,292,495,378</u>

— CITY OF SAN ANTONIO, TEXAS —

**STATISTICAL DATA**  
**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES FOR**  
**GENERAL BONDED DEBT TO TOTAL**  
**GENERAL GOVERNMENT EXPENDITURES**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR ENDED</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL DEBT SERVICE</u>	<u>TOTAL GENERAL GOVERNMENT EXPENDITURES (4)</u>	<u>RATIO OF DEBT SERVICE TO TOTAL GENERAL GOVERNMENT EXPENDITURES</u>
1995	\$ 18,805,000	\$ 39,203,983	\$ 58,008,983	\$ 335,588,960	17.29%
1996	24,075,000	40,144,133 (3)	64,219,133	357,274,213	17.97%
1997	27,145,000	40,382,651 (3)	67,527,651 (1)	372,939,328	18.11%
1998	31,225,000	39,436,301 (3)	70,661,301 (1)	392,705,038	17.99%
1999	36,095,000	40,000,695 (3)	76,095,695 (1)	426,983,817	17.82%
2000	40,750,000	40,837,784 (3)	81,587,784 (1)	457,509,696	17.83%
2001	43,885,000	41,575,075 (3)	85,460,075 (1)	501,548,181	17.04%
2002	66,295,000	49,091,890 (3)	115,386,890 (1)	993,259,844	11.62%
2003	66,650,000	50,928,691 (3)	117,578,691 (1)	1,018,336,970	11.55%
2004	72,410,000	52,557,400 (3)	124,967,400 (1)	1,009,892,639	12.37%

NOTE: (1) Expenditures in Debt Service Fund exclude issue costs and payment to refunded bond escrow agent.

(2) Includes principal and interest requirements on the Taxable Combination Tax and Stadium Agreement Revenue Refunding Obligations, Series 1992 composed of a November 1, 1993 regularly scheduled principal payment of \$19,070,000 plus the redemption of \$25,875,000 on July 15, 1994 which was regularly scheduled for payment in fiscal year 1995.

(3) Excludes interest payments on Hotel Occupancy Tax Revenue Bonds.

(4) Commencing in Fiscal Year 2002, expenditures were adjusted to reflect General Government amounts, which include the General Fund, Special Revenue Fund, and the Debt Service Fund.

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUND DEBT COVERAGE**  
**AIRPORT SYSTEM REVENUE BONDED DEBT**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR ENDED</u>	<u>GROSS REVENUES (1)</u>	<u>EXPENSES (2)</u>	<u>NET REVENUE AVAILABLE FOR DEBT SERVICE</u>	<u>ANNUAL DEBT SERVICE REQUIREMENTS</u>	<u>COVERAGE</u>
1995	\$ 32,248,195	\$ 17,335,575	\$ 14,912,620	\$ 9,413,772	1.58
1996	35,426,390	19,593,232	15,833,158	9,454,783	1.67
1997	35,897,243	18,874,441	17,022,802	11,570,093	1.47
1998	37,134,969	19,469,337	17,665,632	11,669,744	1.51
1999	38,128,184	21,449,007	16,679,177	11,957,544	1.39
2000	41,579,509	21,588,034	19,991,475	11,965,869	1.67
2001	42,928,794	23,612,635	19,316,159	11,960,544	1.61
2002	42,377,654	22,296,698	20,080,956	13,441,791	1.49
2003	43,930,686	25,363,607	18,567,079	12,782,896	1.45
2004	44,729,251	25,127,533	19,601,718	12,628,169	1.55

NOTES: (1) Revenues consist of Operating Revenue plus Nonoperating Revenues (excluding Federal Contributions and Consignment Sales).

(2) Expenses consist of Operating Expenses plus Nonoperating Expenses (excluding Depreciation, Loss on Disposal of Fixed Assets, Interest on Debt Expense and Extraordinary Items).

CITY OF SAN ANTONIO, TEXAS

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUND DEBT COVERAGE**  
**PARKING FACILITIES GENERAL IMPROVEMENT BONDED DEBT**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR ENDED</u>	<u>GROSS REVENUES (1)</u>	<u>EXPENSES (2)</u>	<u>NET REVENUE AVAILABLE FOR DEBT SERVICE</u>	<u>ANNUAL DEBT SERVICE REQUIREMENTS</u>	<u>COVERAGE</u>
1995	\$ 6,491,317	\$ 3,866,105	\$ 2,625,212	\$ 1,428,136	1.84
1996	7,109,327	4,257,742	2,851,585	1,661,544	1.72
1997	7,124,200	4,236,062	2,888,138	1,716,514	1.68
1998	7,126,636	4,539,211	2,587,425	1,930,171	1.34
1999	7,786,796	5,093,349	2,693,447	2,163,143	1.25
2000	7,632,443	5,241,523	2,390,920	2,477,770	0.96
2001	8,364,904	4,949,441	3,415,463	3,082,075	1.11
2002	8,093,994	5,628,930	2,465,064	3,374,377	0.73
2003	8,548,640	4,768,836	3,779,804	3,181,446	1.19
2004	10,090,470	3,778,382	6,312,088	3,159,706	2.00

- NOTES: (1) Revenues consist of Operating Revenues plus Nonoperating Revenues (excluding Gain on Disposal of Fixed Assets and Interest Income in the Construction Fund).
- (2) Expenses consist of Operating Expenses plus Nonoperating Expenses (excluding Depreciation, Loss on Disposal of Fixed Assets and Interest on Debt Expense).

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUND DEBT COVERAGE**  
**ENVIRONMENTAL SERVICES DEBT**  
**LAST TEN FISCAL YEARS (3)**

<u>FISCAL YEAR ENDED</u>	<u>GROSS REVENUES (1)</u>	<u>EXPENSES (2)</u>	<u>NET REVENUE AVAILABLE FOR DEBT SERVICE</u>	<u>ANNUAL DEBT SERVICE REQUIREMENTS</u>	<u>COVERAGE</u>
1995	\$ 35,875,280	\$ 30,290,049	\$ 5,585,231	\$ 452,305	12.35
1996	38,760,380	32,943,474	5,816,906	442,880	13.13
1997	36,528,803	35,398,013 (4)	1,130,790	449,200	2.52
1998	37,178,902	34,640,088	2,538,814	449,000	5.65
1999	39,835,646	38,414,716	1,420,930	452,400	3.14
2000	41,444,685	41,168,905	275,780	0	0
2001	42,027,420	44,429,392	(2,401,972)	0	0
2002	46,983,025	46,420,710	562,315	0	0
2003	49,940,815	47,193,672	2,747,143	0	0
2004	50,556,263	48,981,194	1,575,069	0	0

- NOTES:
- (1) Revenues consist of Operating Revenues plus Nonoperating Revenues (excluding Gain on Disposal of Fixed Assets and Interest Income in the Construction Fund).
  - (2) Expenses consist of Operating Expenses plus Nonoperating Expenses (excluding Depreciation, Loss on Disposal of Fixed Assets and Interest on Debt Expense).
  - (3) Environmental Service Debt Service Fund established FY 1993.
  - (4) Excludes Nonoperating Expenses related to a Capital Project.

———— CITY OF SAN ANTONIO, TEXAS ————

**STATISTICAL DATA**  
**DEMOGRAPHIC STATISTICS**  
**LAST TEN FISCAL YEARS**

<u>FISCAL YEAR</u>	<u>POPULATION (1)</u>	<u>PER CAPITA INCOME (1)</u>	<u>MEDIAN AGE (1)</u>	<u>EDUCATION LEVELS IN YEARS OF FORMAL SCHOOLING (1)</u>	<u>SCHOOL ENROLLMENT (2)</u>	<u>UNEMPLOYMENT RATE (3)</u>
1995	1,068,600	16,700	30.9	13.7	237,348	5.3%
1996	1,109,600	18,200	31.0	13.7	240,676	4.1%
1997	1,133,000	18,600	31.7	13.8	245,812	4.1%
1998	1,162,600	19,500	32.1	13.9	245,946	4.3%
1999	1,187,600	19,770	32.2	13.9	247,471	3.8%
2000	1,207,500	19,950	32.5	13.9	262,567	4.0%
2001	1,226,250	20,200	31.8	13.9	267,184	4.1%
2002	1,241,100	19,300	32.0	14.0	270,025	5.1%
2003	1,262,800	19,960	32.2	14.0	275,796	5.5%
2004	1,278,300	18,969	32.2	14.2	273,560	5.2%

NOTES: (1) Source: Planning Department, City of San Antonio, Texas.

(2) Individual School Districts Annual Census.

(3) Texas Workforce Commission.

———— CITY OF SAN ANTONIO, TEXAS ————

**STATISTICAL DATA**  
**PROPERTY VALUE AND CONSTRUCTION**  
**LAST TEN FISCAL YEARS**

(Dollar amounts expressed in Thousands)

FISCAL YEAR	COMMERCIAL CONSTRUCTION		RESIDENTIAL CONSTRUCTION		NET ASSESSED VALUE (2)
	PERMITS (1) (3)	VALUE (1) *	PERMITS (1)	VALUE (1) *	
1995	8,022	\$ 409,359	8,152	\$ 328,643	\$ 24,309,875
1996	7,581	510,336	9,242	355,228	26,793,725
1997	7,273	559,023	8,243	314,140	28,320,799
1998	7,540	962,383	8,891	400,151	29,422,285
1999	8,990	894,587	9,999	533,100	31,253,551
2000	9,686	904,295	9,647	528,807	33,315,479
2001	7,837	1,108,770	10,542	567,077	36,033,321
2002	12,646	939,264	10,910	605,120	39,587,584
2003	6,043 (4)	811,098	16,285 (4)	566,660	41,535,547
2004	6,684	1,379,321	18,789	813,616	44,583,139

\* Amounts expressed in Thousands

- NOTES: (1) Source: Departments of Building Inspection and Zoning, City of San Antonio, Texas.
- (2) Source: Finance Department, City of San Antonio, Texas.
- (3) Certificates of Occupancy are included with permits, the certificates have no monetary value.
- (4) Variances from prior year due to the implementation of the enhanced permit-tracking system of the Hansen Software. This software provides better tracking of residential and commercial permits.

———— CITY OF SAN ANTONIO, TEXAS ————

**STATISTICAL DATA**  
**PRINCIPAL TAXPAYERS**  
**SEPTEMBER 30, 2004**

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>	<u>PRINCIPAL TAXPAYER TAXABLE VALUATION</u>	<u>PERCENTAGE TO NET TAXABLE VALUATION</u>
H.E. Butt Grocery Stores	Retail/Grocery	\$ 535,579,740	1.20%
Southwestern Bell Telephone Company	Telecommunications	450,247,950	1.01%
United Services Automobile Association	Insurance/Banking/Real Estate	334,845,716	0.75%
Wal-Mart Stores, Inc.	Retail/Grocery	221,621,100	0.50%
Marriott Corporation	Hotels	185,485,810	0.42%
Humana/Methodist Healthcare System	Hospital/Healthcare Provider	166,171,180	0.37%
Time Warner	Cable Television	118,125,330	0.26%
North Star Mall	Shopping Centers	109,891,450	0.25%
Hyatt Regency	Hotels	109,578,170	0.25%
Simon Property Group (Texas)	Shopping Centers	<u>108,064,661</u>	<u>0.24%</u>
<u>TOTALS</u>		<u><u>\$ 2,339,611,107</u></u>	<u><u>5.25%</u></u>

**STATISTICAL DATA**  
**SPECIAL ASSESSMENTS LEVY AND COLLECTIONS**  
**SEPTEMBER 30, 2004**

FISCAL YEAR ENDED	TAX ROLL YEAR	SPECIAL ASSESSMENTS LEVY (1)	CURRENT SPECIAL ASSESSMENTS COLLECTED	PERCENT OF CURRENT ASSESSMENTS COLLECTED	OUTSTANDING CURRENT YEAR LEVY	DELINQUENT TAX COLLECTIONS (3)	DELINQUENT TAX ADJUSTMENTS/ CANCELLATIONS	OUTSTANDING DELINQUENT TAXES	PERCENT OF DELINQUENT TAXES COLLECTED	TOTAL SPECIAL ASSESSMENTS COLLECTED
1995	1994	\$ 746,618	\$ 718,410	96.22%	\$ 28,208	\$ 18,506	\$ (10,478)	\$ 37,187	67.33%	\$ 736,916
1996	1995	762,068	753,941	98.93%	8,127	8,848	(16,101)	20,365	41.96%	762,789
1997	1996	708,103	706,283	99.74%	1,820	9,452	(5,844)	6,889	65.09%	715,735
1998	1997	733,830	728,148	99.23%	5,682	(1,007)	(4,919)	8,658	-51.09%	727,141
1999	1998	761,909	736,533	96.67%	25,376	(5,015)	(6,744)	32,304	-61.96%	731,518
2000	1999	1,966,307 (2)	1,958,774	99.62%	7,533	11,285	(8,869)	15,282	48.15%	1,970,059
2001	2000	1,216,971 (2)	1,186,429	97.49%	30,542	2,785	(310)	1,926	56.24%	1,189,214
2002	2001	1,182,348 (2)	1,168,584	98.84%	13,764	21,659	(3,201)	13,518	66.71%	1,190,243
2003	2002	1,177,972 (2)	1,152,404	97.83%	25,568	7,255	-	17,728	26.59%	1,159,659
2004	2003	1,262,714 (2)	1,239,256	98.14%	23,458	20,320	-	20,866	46.93%	1,259,576

NOTES: (1) Assessment District was established by City Resolution dated November 20, 1986. The final Levy was assessed in Fiscal Year 2000.

(2) Public Improvement District was established by Ordinance No. 89696, approved by City Council on April 29, 1999.

(3) Penalty and interest collections are excluded.



**STATISTICAL DATA**  
**MISCELLANEOUS STATISTICAL DATA**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

Date of Incorporation	December 14, 1837
Date of Adoption of City Charter	October 2, 1951
Form of Government	Council-Manager
Area	505.86 square miles
Miles of Sewer:	
Storm	498.0
Sanitary (SAWS)	5,164
Building Permits:	
Permits Issued	25,473
Estimated Cost	\$2,192,936,517
Fire Protection and Emergency Medical Services:	
Number of Fire Stations	49
Number of Firefighters	1,090
Number of EMS Units	26
Number of EMS Paramedics	297
Police Protection:	
Number of Stations	6
Number of Police Officers	1,995
Number of School Crossing Guards	255
Recreation:	
Parks Acreage	15,600
Number of Parks and Recreation Areas over One Acre	198
Number of Municipal Golf Courses	6
Number of Municipal Swimming Pools	24
Number of Recreation Centers - All Year	27
Number of Recreation Centers - Summer	74
Sewer Service:	
Number of Sewer Customers	303,482
Estimated Number of Persons Served	1,297,350
Water Service:	
Number of Water Customers	315,116
Estimated Number of Persons Served	1,196,437

———— CITY OF SAN ANTONIO, TEXAS ————

**STATISTICAL DATA**  
**MISCELLANEOUS STATISTICAL DATA**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2004**

## Education:

(Twelve School Districts Wholly or Partly  
 Within San Antonio City Limits)

Number of Schools	379
Number of Teachers	19,317
Number of Students Registered	273,560
Average Daily Attendance	259,319

## City Employees:

## Unclassified:

Regular	111
Part-time (Annual)	10
Temporary	1,199
Part-time	642

## Classified:

Regular	9,481
Other	112

Total	11,555
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## Election:

Registered Voters	703,476	(2)
Number of Votes Cast Last City Regular Election	57,408	(2)
Percentage of Registered Voters voting	8.2%	(2)

## Population

		Increase
1900	53,321	-----
1910	96,614	81.2%
1920	161,379	67.0%
1930	231,543	43.5%
1940	253,854	9.6%
1950	408,442	60.9%
1960	587,718	43.9%
1970	654,153	11.3%
1980	786,023	20.2%
1990	938,900	19.4%
2000	1,207,500	28.6%
2004	1,278,300 (1)	5.9%

NOTE: Source of this information is the Bureau of Census

(1) Estimate By City of San Antonio, Texas, Planning Department, as of September 30, 2004.

(2) Information taken from last City Election held May, 2004.

STATISTICAL DATA  
SCHEDULE OF ENTERPRISE FUNDS INSURANCE COVERAGE  
AIRPORT SYSTEM  
SEPTEMBER 30, 2004

AIRPORT SYSTEM PROPERTIES

Type of Policy: Property Insurance  
Insurance Co.: Allianz Insurance Company  
Policy No. : CLP3004032  
Policy Period : December 31, 2003 to December 31, 2004

\$500,000 per occurrence deductible  
Maximum Limits: \$200,000,000 (Subject to certain sublimits)

Type of Policy: Excess Property Insurance  
Insurance Co.: RSUI Indemnity Company  
Policy No. : NHD 333017  
Policy Period : December 31, 2003 to December 31, 2004

Maximum Limits: \$100,000,000 excess of Allianz's \$200,000,000 underlying limit

Type of Policy: Property Insurance - Boiler and Machinery Insurance  
Insurance Co.: Allianz Insurance Company  
Policy No. : CLP3004032  
Policy Period : December 31, 2003 to December 31, 2004

\$10,000 any one loss deductible  
Maximum Limits: \$100,000,000 per accident (Subject to certain sublimits)

Type of Policy: Crime Policy (Blanket Dishonesty and 3-D Policy)  
Insurance Co.: Great American Insurance Company  
Policy No. : GVT2687625  
Policy Period : October 1, 2001 to October 1, 2004

Employee Dishonesty:	Limit	\$1,000,000	Deductible	\$10,000*
Forgery and Alteration:	Limit	\$100,000	Deductible	\$2,500*
Theft, Disappearance, Destruction:	Limit	\$150,000	Deductible	\$5,000*
Credit Card Forgery	Limit	\$25,000	Deductible	\$250*

\* Subject to certain exclusions

This policy insures the City against loss or destruction of monies and securities, and damage to property as the result of a safe robbery or holdup, when the loss is caused by other than a City employee. Covers loss caused by any fraudulent or dishonest act or acts committed by any City employee(s).

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUNDS INSURANCE COVERAGE**  
**AIRPORT SYSTEM**  
**SEPTEMBER 30, 2004**

AIRPORT SYSTEM PROPERTIES (Continued)

Type of Policy: Airport Liability  
Insurance Co.: ACE Property and Casualty Insurance  
Policy No. : AAP N00976258 001  
Policy Period : March 31, 2004 to March 31, 2005

Maximum Limits: \$10,000,000 (Subject to certain exclusions and limits)  
\$10,000 per occurrence deductible, any one loss, \$100,000 aggregate per year deductible

Type of Policy: Aircraft Hull & Liability  
Insurance Co.: Westchester Fire Insurance Co  
Policy No. : AAC N0097626A001  
Policy Period : March 31, 2004 to March 31, 2005

Maximum Limits: \$10,000,000 per occurrence (Subject to certain exclusions and limits)

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUNDS INSURANCE COVERAGE**  
**PARKING SYSTEM**  
**SEPTEMBER 30, 2004**

PARKING FACILITIES PROPERTIES

Type of Policy: Property Insurance  
Insurance Co.: Allianz Insurance Company  
Policy No. : CLP3004032  
Policy Period : December 31, 2003 to December 31, 2004

\$500,000 per occurrence deductible  
Maximum Limits: \$200,000,000 (Subject to certain sublimits)

Type of Policy: Excess Property Insurance  
Insurance Co.: RSUI Indemnity Company  
Policy No. : NHD 333017  
Policy Period : December 31, 2003 to December 31, 2004

Maximum Limits: \$100,000,000 excess of Allianz's \$200,000,000 underlying limit

Type of Policy: Property Insurance - Boiler and Machinery Insurance  
Insurance Co.: Allianz Insurance Company  
Policy No. : CLP3004032  
Policy Period : December 31, 2003 to December 31, 2004

\$10,000 any one loss deductible  
Maximum Limits: \$100,000,000 per accident (Subject to certain sublimits)

Type of Policy: Crime Policy (Blanket Dishonesty and 3-D Policy)  
Insurance Co.: Great American Insurance Company  
Policy No. : GVT2687625  
Policy Period : October 1, 2001 to October 1, 2004

Employee Dishonesty:	Limit	\$1,000,000	Deductible	\$10,000*
Forgery and Alteration:	Limit	\$100,000	Deductible	\$2,500*
Theft, Disappearance, Destruction:	Limit	\$150,000	Deductible	\$5,000*
Credit Card Forgery	Limit	\$25,000	Deductible	\$250*

\* Subject to certain exclusions

This policy insures the City against loss or destruction of monies and securities, and damage to property as the result of a safe robbery or holdup, when the loss is caused by other than a City employee. Covers loss caused by any fraudulent or dishonest act or acts committed by any City employee(s).

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUNDS INSURANCE COVERAGE**  
**PARKING SYSTEM**  
**SEPTEMBER 30, 2004**

PARKING FACILITIES PROPERTIES (Continued)

Type of Policy:	Excess General Liability and Workers' Compensation
Insurance Co.:	State National Insurance Company
Policy No. :	MDB0219168
Policy Period :	December 31, 2003 to December 31, 2004
Maximum Limits:	\$5,000,000 (each accident)
	\$10,000,000 (policy aggregate limit)

(\$500,000 per occurrence deductible, any one loss)

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUNDS INSURANCE COVERAGE**  
**ENVIRONMENTAL SERVICES**  
**SEPTEMBER 30, 2004**

ENVIRONMENTAL SERVICES PROPERTIES

Type of Policy: Property Insurance  
Insurance Co.: Allianz Insurance Company  
Policy No. : CLP3004032  
Policy Period : December 31, 2003 to December 31, 2004

\$500,000 per occurrence deductible  
Maximum Limits: \$200,000,000 (Subject to certain sublimits)

Type of Policy: Excess Property Insurance  
Insurance Co.: RSUI Indemnity Company  
Policy No. : NHD 333017  
Policy Period : December 31, 2003 to December 31, 2004

Maximum Limits: \$100,000,000 excess of Allianz's \$200,000,000 underlying limit

Type of Policy: Property Insurance - Boiler and Machinery Insurance  
Insurance Co.: Allianz Insurance Company  
Policy No. : CLP3004032  
Policy Period : December 31, 2003 to December 31, 2004

\$10,000 any one loss deductible  
Maximum Limits: \$100,000,000 per accident (Subject to certain sublimits)

Type of Policy: Crime Policy (Blanket Dishonesty and 3-D Policy)  
Insurance Co.: Great American Insurance Company  
Policy No. : GVT2687625  
Policy Period : October 1, 2001 to October 1, 2004

Employee Dishonesty:	Limit	\$1,000,000	Deductible	\$10,000 *
Forgery and Alteration:	Limit	\$100,000	Deductible	\$2,500 *
Theft, Disappearance, Destruction:	Limit	\$150,000	Deductible	\$5,000 *
Credit Card Forgery	Limit	\$25,000	Deductible	\$250 *

\* Subject to certain exclusions

This policy insures the City against loss or destruction of monies and securities, and damage to property as the result of a safe robbery or holdup, when the loss is caused by other than a City employee. Covers loss caused by any fraudulent or dishonest act or acts committed by any City employee(s).

**STATISTICAL DATA**  
**SCHEDULE OF ENTERPRISE FUNDS INSURANCE COVERAGE**  
**ENVIRONMENTAL SERVICES**  
**SEPTEMBER 30, 2004**

ENVIRONMENTAL SERVICES PROPERTIES (Continued)

Type of Policy:	Excess General Liability and Workers' Compensation
Insurance Co.:	State National Insurance Company
Policy No. :	MDB0219168
Policy Period :	December 31, 2003 to December 31, 2004
Maximum Limits:	\$5,000,000 (each accident)
	\$10,000,000 (policy aggregate limit)

(\$500,000 per occurrence deductible, any one loss)

