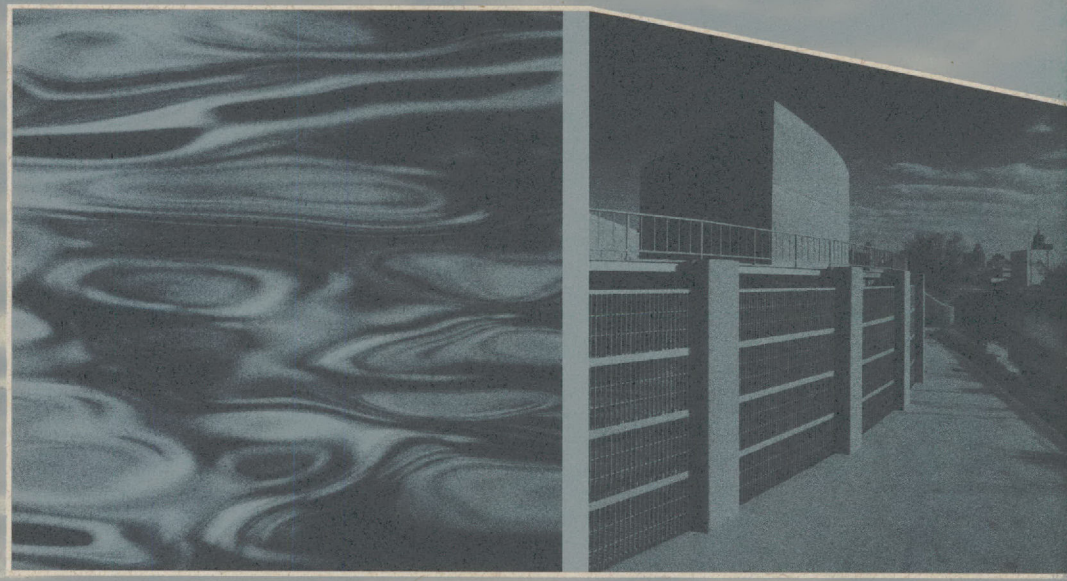


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SAN ANTONIO RIVER AUTHORITY



ANNUAL REPORT 1991

Government Publications  
Texas State Documents

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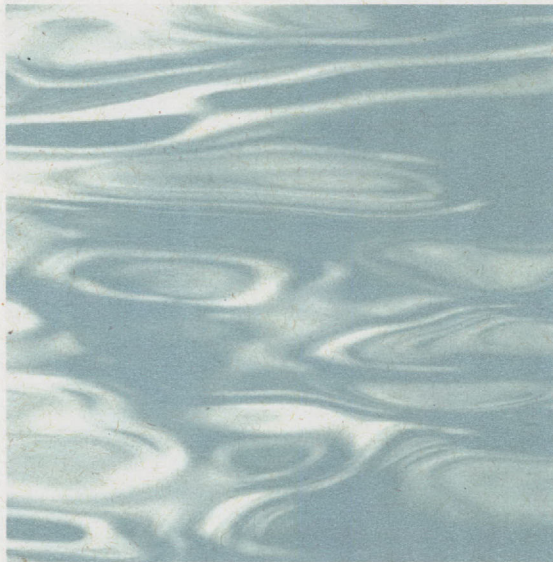


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SAN ANTONIO RIVER AUTHORITY  
ANNUAL REPORT 1991



*Till taught by pain,  
men really know not  
what good water's worth.*

BYRON

# SAN ANTONIO RIVER AUTHORITY

**I**N 1917, THE VOTERS OF TEXAS, RECOGNIZING THE NECESSITY OF DEVELOPING AND CONSERVING THE STATE'S WATER RESOURCES, AND INSPIRED BY DEVASTATING FLOODS OF 1913 AND 1914, PASSED A CONSTITUTIONAL AMENDMENT ALLOWING THE LEGISLATURE TO CREATE SPECIAL PURPOSE POLITICAL SUBDIVISIONS OF THE STATE TO SERVE REGIONAL AREAS GENERALLY COINCIDENTAL WITH RIVER BASINS AND TO BE GENERALLY KNOWN AS RIVER AUTHORITIES.

THE SAN ANTONIO RIVER AUTHORITY, CREATED IN 1937, IS ONE OF 22 SUCH ACTIVE ORGANIZATIONS IN THE STATE. ITS JURISDICTION COVERS 3,677 SQUARE MILES, BEING ALL OF BEXAR, WILSON, KARNES AND GOLIAD COUNTIES, WHICH AREA SUBSTANTIALLY REPRESENTS THE WATERSHED OF THE SAN ANTONIO RIVER.

THE LEGISLATED RESPONSIBILITIES OF THE SAN ANTONIO RIVER AUTHORITY INCLUDE FLOOD CONTROL, POLLUTION PREVENTION, SOIL CONSERVATION, SEWAGE TREATMENT, WATER CONSERVATION (INCLUDING STORAGE, PROCUREMENT, DISTRIBUTION AND SUPPLY), IRRIGATION, NAVIGATION, PARKS, RECREATIONAL FACILITIES, FISH PRESERVATION AND FORESTATION MEASURES.

DEVELOPMENT, PROTECTION AND CONSERVATION OF THE RIVER BASIN'S SCARCE WATER RESOURCES HAVE ALWAYS BEEN THE HIGHEST PRIORITIES OF THE SAN ANTONIO RIVER

## A N N U A L R E P O R T 1 9 9 1

AUTHORITY. STRUCTURES OF THE AUTHORITY'S SALADO CREEK WATERSHED PROTECTION PROJECT ALREADY SERVE TO RECHARGE THE EDWARDS AQUIFER. FOR OVER A DECADE, WATER-EFFICIENT PLUMBING FIXTURES HAVE BEEN REQUIRED IN DEVELOPMENT SERVED BY THE AUTHORITY'S WASTEWATER PLANTS IN EASTERN BEXAR COUNTY. THE BENEFICIAL REUSE OF TREATED WASTEWATER FROM THESE PLANTS IS NOW UNDER CONSIDERATION. WATER QUALITY IMPROVEMENT AND WATER RECYCLING IS PLANNED THROUGH FEATURES BEING CONSTRUCTED AS PART OF THE SAN ANTONIO RIVER FLOOD CONTROL TUNNEL PROJECT. GUARDIAN OF THE ENVIRONMENT IN THE STREAMBED OF THE SAN ANTONIO RIVER, THE AUTHORITY HAS ALSO HELPED TO CREATE RULES PROTECTING WATER QUALITY IN THE EDWARDS AQUIFER. FOR MANY YEARS, AN ADVOCATE OF THE NECESSITY FOR DEVELOPING SURFACE WATER TO SUPPLEMENT THE LIMITED GROUNDWATER SUPPLIES IN THE BASIN, THE SAN ANTONIO RIVER AUTHORITY NOW STANDS READY, IF CALLED, TO CONSTRUCT THE RESERVOIR PROJECTS PREVIOUSLY IDENTIFIED IN THE SAN ANTONIO RIVER BASIN.

THE AUTHORITY IS GOVERNED BY A TWELVE MEMBER BOARD OF DIRECTORS. SIX DIRECTORS ARE ELECTED FROM BEXAR COUNTY AND TWO ARE ELECTED FROM EACH OF THE THREE DOWNSTREAM COUNTIES WITH EACH MEMBER SERVING FOR SIX YEARS. POLICIES ESTABLISHED BY THE BOARD ARE EXECUTED BY A MANAGEMENT ORGANIZATION UNDER THE DIRECTION OF A MANAGER APPOINTED BY THE BOARD.

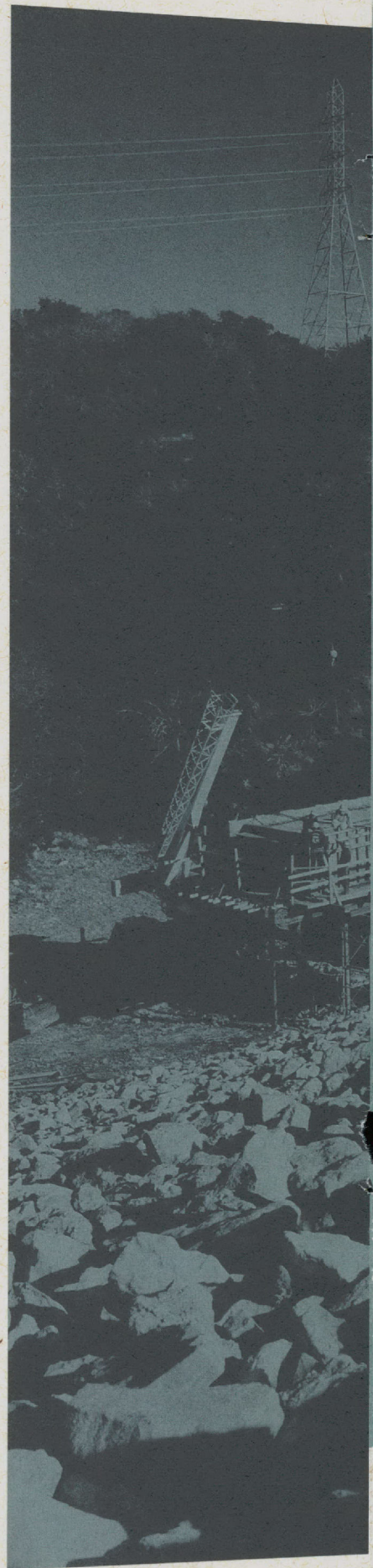
## *Water and Soil Conservation*

**R**ainfall renews our water supply. It replenishes underground aquifers, such as the Edwards and Carrizo, and provides water for surface streams and rivers. Rainfall and waters found in aquifers and rivers are free, but capturing, containing, treating and distributing water is not free.

**T**he San Antonio River Authority has long supported efficient use of existing water supplies and development and utilization of surface water to meet the long range needs of south central Texas.

**C**ibolo Reservoir and Goliad Reservoir are water supply projects sponsored by the San Antonio River Authority in the San Antonio River basin. The Cibolo Project is to be located near Stockdale on the Cibolo Creek in Wilson County and will have a firm yield of 30,000 acre feet per year. Its purpose is to provide additional municipal and industrial water in the San Antonio River basin and it could serve as a staging reservoir for importing water from the Guadalupe or other river basins east of the San Antonio basin. The Goliad Reservoir planned for the San Antonio River near the City of Goliad, having a firm yield of 115,000 acre feet per year could serve municipal and industrial needs in both the San Antonio and Corpus Christi area and increase the yield of the proposed Guadalupe reservoir near Cuero by furnishing their portions of the freshwater inflow requirements to the bay.

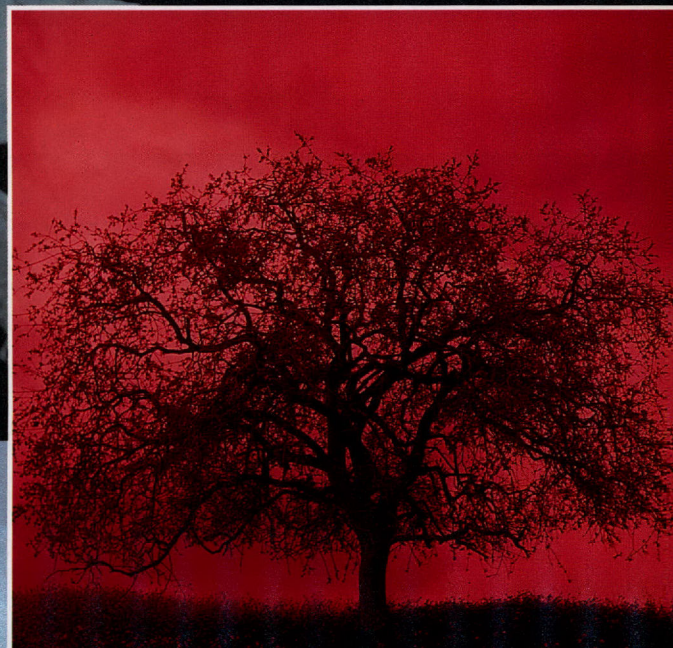
**I**n 1986 the City of San Antonio, San Antonio River Authority and the Guadalupe-Blanco River Authority



Salado Site #10

**R**ain falls to earth to replenish the streams, aquifers and all living creatures. Then it evaporates and returns skyward in constant renewal of the cycle. With growth and complexity comes the need for society to step in and insure the integrity of this circular law.

Built on the site of ancient Indian cave dwellings, Salado Site #10 is composed of the earth and stone found on the site. Most of the floodwater impounded by the dam will be diverted through a metal trash filter grate over a sinkhole nearby and into the Edwards limestone.



*You have noticed that everything an Indian does is in a circle,  
and that is because the Power of the World works in a circle and  
everything tries to be round.*

HEHAKA SAPA OR BLACK ELK  
OGLALA DAKOTA 1863-1931

completed comprehensive studies to provide updated cost, yield and availability information on the Cuero I and II Reservoirs as well as the Cibolo and Goliad Reservoirs. These studies are available to the general public at local libraries throughout the San Antonio and Guadalupe River basins.

*A*n often overlooked area of soil and water conservation, as well as flood control, are the small floodwater retention dams on tributary streams of the San Antonio River. The Authority has worked with the Soil Conservation Service and USDA in the rural areas throughout the basin in an effort to promote soil and water conservation and reduce flooding in the Calaveras, Escondido, Hondo, Martinez and Salado Creek watersheds.

*T*hroughout the District, the SARA now operates and maintains forty-one (41) flood control structures constructed under the current Federal P.L. 566 program and the preceding Pilot Watershed Project. In Karnes County, the completed projects include thirteen (13) dams in the Escondido Creek watershed and three (3) dams in the Hondo Creek watershed, as well as 2.07 miles of channel on Nichols Creek in the City of Kenedy. In Bexar County, the completed projects include seven (7) dams in the Calaveras Creek watershed and six (6) dams in the Martinez Creek watershed. These structures, located on private lands, are operated by SARA under easement agreements. Many landowners have incorporated the 20 to 30 acre ponds formed by these structures into their farm or ranch operations and they also benefit from the outdoor recreation these sites provide.

*T*he Salado Creek Watershed Project, located in Bexar County, is an active construction project. This multipurpose fourteen structure project is being constructed to impound stormwater runoff and reduce damaging floods along Salado Creek and its major tributaries in northern Bexar County.



Twelve (12) of the structures are located on the porous limestone of the Edwards Aquifer recharge zone. Increased recharge occurs as floodwaters are retained over and then released at reduced flow rates into the porous streambeds. This project has helped to increase the average annual recharge to the Edwards Aquifer.

*T*welve of the fourteen floodwater retarding structures have been completed and the dam at Site 10 is now under construction. Consisting of a series of "smaller" floodwater retarding structures rather than one large dam or a massive channel improvement project, this project demonstrates that flooding can be reduced without serious negative impact on the environment of the floodplain.

*T*he floodwater retarding structure at Site 10 is the most complex and expensive dam yet designed for this project. Construction will be ongoing for the next two (2) years at an estimated cost of \$3.5 million. The top of this dam will be sixty-two (62) feet above the bottom of Mud Creek and the impoundment will have a maximum stormwater retention capacity of 1,846 acre feet. During recent construction activity, a previously unknown sinkhole was unearthed in the flood pool area on property owned by the Authority. It was determined that the sinkhole was located on an old fault line in the Edwards Aquifer recharge zone and is a direct connection between the Mud Creek channel bottom and the Edwards formation.

*N*ormal construction procedures for this type of situation would result in filling the hole with concrete to plug it. However, at this unique site, the Soil Conservation Service, the Edwards Underground Water District and the San Antonio River Authority devised a plan for keeping the sinkhole open to increase the volume of floodwater that can be recharged into the Edwards Aquifer formation. A protective metal grate will be placed on the sinkhole, and when completed, most floodwater impounded by the dam will be diverted into the sinkhole and down into the Edwards. This diversion system will be very beneficial for both flood control and recharge.

## *Flood Control*

***T***he San Antonio flood of 1921 was the catalyst for the City of San Antonio's adoption of a flood control plan. This resulted in Olmos Dam being built in 1926 to retain flood waters from the northern portion of the City. Additionally, cutoff channels and widening and deepening of specific sections of the San Antonio River and its four tributary creeks were accomplished.

***T***his work, however, was not sufficient and extensive property damage and loss of lives occurred again as a result of the 1946 flood. Following this flood, the U.S. Army Corps of Engineers completed a comprehensive flood control examination and survey of the San Antonio River and its tributaries. This report, entitled the "San Antonio Channel Improvement Project," which recommended the deepening, widening and straightening of 31 miles of the San Antonio River and its tributary creeks within the City, was submitted to Congress for approval and authorization. The Channel Improvement Project was authorized in 1954 and the San Antonio River Authority (SARA) was designated the "local interest" participant.

***U***nder this authorization, the Corps of Engineers was responsible for the design and construction of the project. SARA's responsibility as local sponsor included right-of-way acquisition, utility relocation and construction of bridges and in-channel dams, mainly financed by the Bexar County Flood Control Tax authorized by Bexar County voters in 1951.

### San Pedro Creek Outlet Structure

**T**he San Antonio and San Pedro Creek tunnels were designed to divert surface floodwater below the city. The outlet structure represents an enlightened solution to a longstanding problem: how to implement a cost-efficient flood control plan that doesn't disrupt downtown San Antonio.

At the San Antonio River Tunnel, parks with cascading water features will mask the intake and discharge structures, while aerating water in the tunnel. When water is discharged through downtown and downstream, surrounding areas do not suffer from pollution.



*A*lthough most of the San Antonio Channel Improvement Project has been completed, vital sections remain unimproved and these impact downtown San Antonio. In this highly congested area, Corps of Engineers studies determined that conventional methods of flood control were hydraulically and geometrically complex and would prove to be too costly and disruptive. The Corps, therefore, recommended using flood diversion tunnels, one on the San Antonio River and the other on the San Pedro Creek. The tunnels have been designed to divert and carry a major portion of the floodwater beneath downtown San Antonio. With the diversion, existing channels will then be able to safely contain the remaining floodwater.

*T*he San Antonio River Tunnel is currently under construction by the U.S. Army Corps of Engineers. The tunnel is approximately 3 miles long with a finished inside diameter of 24 feet 4 inches. The intake structure is located on the east bank of the San Antonio River near Josephine Street. This site is immediately south of the Brackenridge Park golf course and is being designed by the San Antonio River Authority Engineering Department to complement the park setting by incorporating landscaping and a waterfeature that will cascade almost 30 feet into the San Antonio River. The multipurpose design of the waterfeature will mask the 120 foot long floodwater intake opening with its trashracks, and aerate recirculated river water to improve water quality.

*F*loodwaters entering the intake structure will be carried through the tunnel and will be discharged at the outlet structure which is located on the west bank of the San Antonio River near Lone Star Boulevard. Stormwaters will flow out of the outlet shaft over a 200 foot concrete apron before combining with the flow in the previously improved San Antonio River channel. A park setting with two waterfeatures that will cascade, in total, approximately 45 feet is being designed to mask the floodwater discharge structures. These waterfeatures will also aerate the river water, thereby improving the water's quality.

*T*he inlet and outlet sites will include pumping facilities for a tunnel recirculation system. The tunnel recirculation system is

*Come forth into the light of things,  
Let nature be your teacher.*

WILLIAM WORDSWORTH  
1770-1850

designed to enhance the base flow in the San Antonio River during low flow periods in order to conserve water, in addition to maintaining the water quality in the San Antonio River Tunnel. The waterfeature aerated water can also be used in the tunnel recirculation system.

*T*he San Pedro Creek Tunnel begins at Interstate 35 between Santa Rosa and Cameron Streets and continues along the alignment of San Pedro Creek to the outlet at Guadalupe Street. It is 6,000 feet long with the same finished inside diameter of 24'-4". The inlet structure includes a bypass pumping system to maintain base flow in San Pedro Creek. The San Pedro Creek Tunnel Project, currently operational, is anticipated to be complete by fall, 1992.

*U*pstream of the San Pedro Creek Tunnel Project, flood containment structures and landscaping amenities for San Pedro Creek from Poplar to Myrtle Street are now being designed by the San Antonio River Authority Engineering Department. This area of San Pedro Creek contains historically and culturally significant features of San Antonio dating back to times of the earliest settlers in Texas, therefore, care is being taken to design a project that will complement this special setting.

*I*n planning for future improvements along the San Antonio River, several studies are in progress from Southwest Military Drive through Brackenridge Park. This planning effort, with active public participation, has as a goal the generation of a vision of what the San Antonio River will be. Issues such as public access, water conservation, and water uses will be addressed in the final report.

*T*he study from Nueva Street to U.S. Highway 281 is near completion and is scheduled for release in the fall of 1991. This study

concentrates on beautification, water uses, adjacent uses, and potential funding sources.

*T*he segment of the river from Guenther Street to Espada Dam is being studied to identify potential improvements for future enhancements. Over 45 groups and organizations are providing their review and comments. This study will include historic areas such as the San Antonio Missions National Historic Park and the King William District.

*T*he study segment from U.S. Highway 281 to Hildebrand Avenue is still in the preliminary stages and will not be ready for public input until spring or summer of 1992.

### *Wastewater Treatment*

*L*iquid and water-carried industrial or domestic wastes from dwellings, commercial buildings, industrial facilities, and institutions are collected in underground sanitary sewer systems and delivered by pipelines to wastewater treatment plants. The Utilities Operations Division of the San Antonio River Authority provides sanitary sewerage service in eastern Bexar County with one sewage treatment plant in the Salatrillo Creek watershed and two sewage treatment plants in the Martinez Creek watershed. These plants use a variety of methods to treat the wastewater so that it can be safely returned to the environment.

*T*he Salatrillo Creek Wastewater System serves the requirements of the cities of Live Oak, Converse, the western part of Universal City,

*To waste, to destroy, our natural resources, to skin and exhaust the land instead of using it so as to increase its usefulness, will result in undermining in the days of our children the very prosperity which we ought by right to hand down to them amplified and developed.*

THEODORE ROOSEVELT  
MESSAGE TO CONGRESS, DECEMBER 3, 1907

and the area outside these cities which is within the gravity drainage basin of the treatment plant. Effluent from the Salatrillo Wastewater Treatment Plant is discharged into the receiving waters of the Salatrillo Creek at an average of 2.7 million gallons daily (MGD), where it is used downstream by private owners for livestock and irrigation. The current treatment capacity of the Salatrillo Plant is 3.52 MGD and it will be expanded to 4.33 MGD in 1992. This plant utilizes the energy efficient carrousel-type extended aeration system. Center-pivot irrigation systems are used for the land application of liquid sludge residual to grow animal feed crops. This environmentally-sound system recycles the by-products of wastewater treatment.

*D*uring FY91, administrative requirements were completed to obtain the renewal of the state and federal permits for the Salatrillo Plant. Complying with regulatory agency requirements to minimize the potential toxic effect of chlorine in the Salatrillo Creek, a new disinfection system using ultraviolet light was designed. Its installation will completely eliminate the use of chlorine for disinfection at the Salatrillo Plant.

*T*he Martinez Creek Wastewater System consists of the Martinez I and Martinez II wastewater treatment plants. These plants provide service to residential and commercial development in an unincorporated area in eastern Bexar County between the City of San Antonio and the Salatrillo System service area. Effluent from the Martinez Wastewater Treatment Plants is discharged into the receiving waters of the Martinez Creek at a combined average of 1.5 million gallons daily (MGD). This discharge is also used downstream for livestock and irrigation. The carrousel-type Martinez I Plant has treatment capacity of 2.21 MGD and utilizes the center-pivot irrigation system for the disposal of liquid sludges. The Martinez II Plant, a similar treatment system, is an extension of the Martinez Creek Wastewater System and provides an additional treatment capacity of 1 MGD for the Martinez Creek

## Salatrillo Sewage Treatment Plant

service area. State permits for both the Martinez I and Martinez II plants were renewed, and dechlorination facilities were installed at each of these plants to meet new permit requirements.

Capital improvement projects within the Martinez service area consist of the Walzem Road Line Relocation Project and the Mid-Martinez Diversion Outfall Line. Work was completed on the Walzem Road Line Relocation Project to make way for the future widening of Walzem Road by the State Highway Department. The Mid-Martinez Diversion Outfall Line has been designed and will be completed in FY92.

The Texas Water Commission now requires that wastewater permittees investigate the possibility of substituting reclaimed water (effluent) for potable water where the substitution would be both appropriate and cost effective. Effluent reuse for the Salatrillo and Martinez Wastewater Treatment Plant effluents will be studied during FY92.

## *Parks, Recreational Facilities, Fish Preservation*

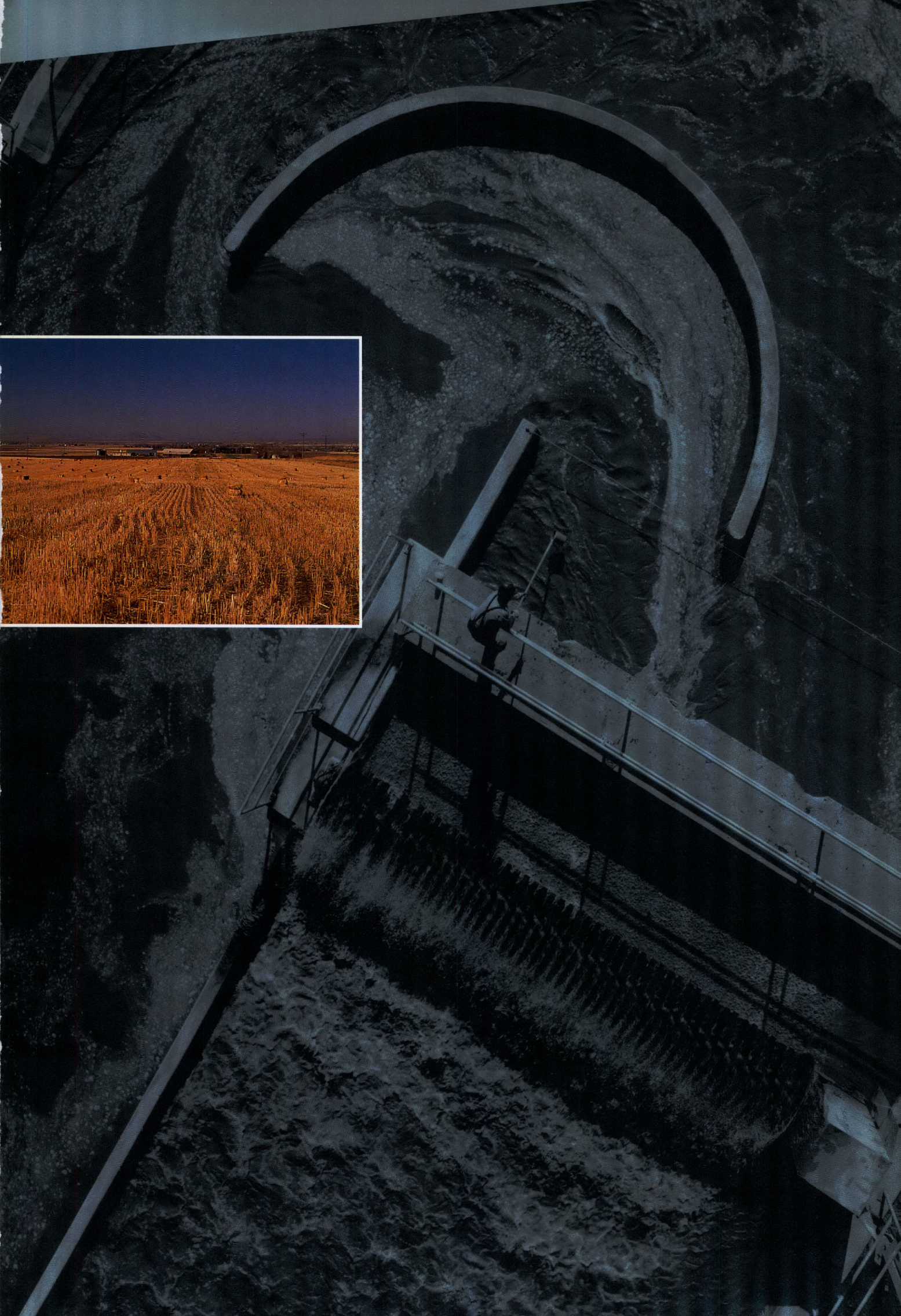
Not only does the San Antonio River Authority deal with water issues in terms of conservation, preservation and flood control, but also in terms of parks and recreation development and fish preservation.

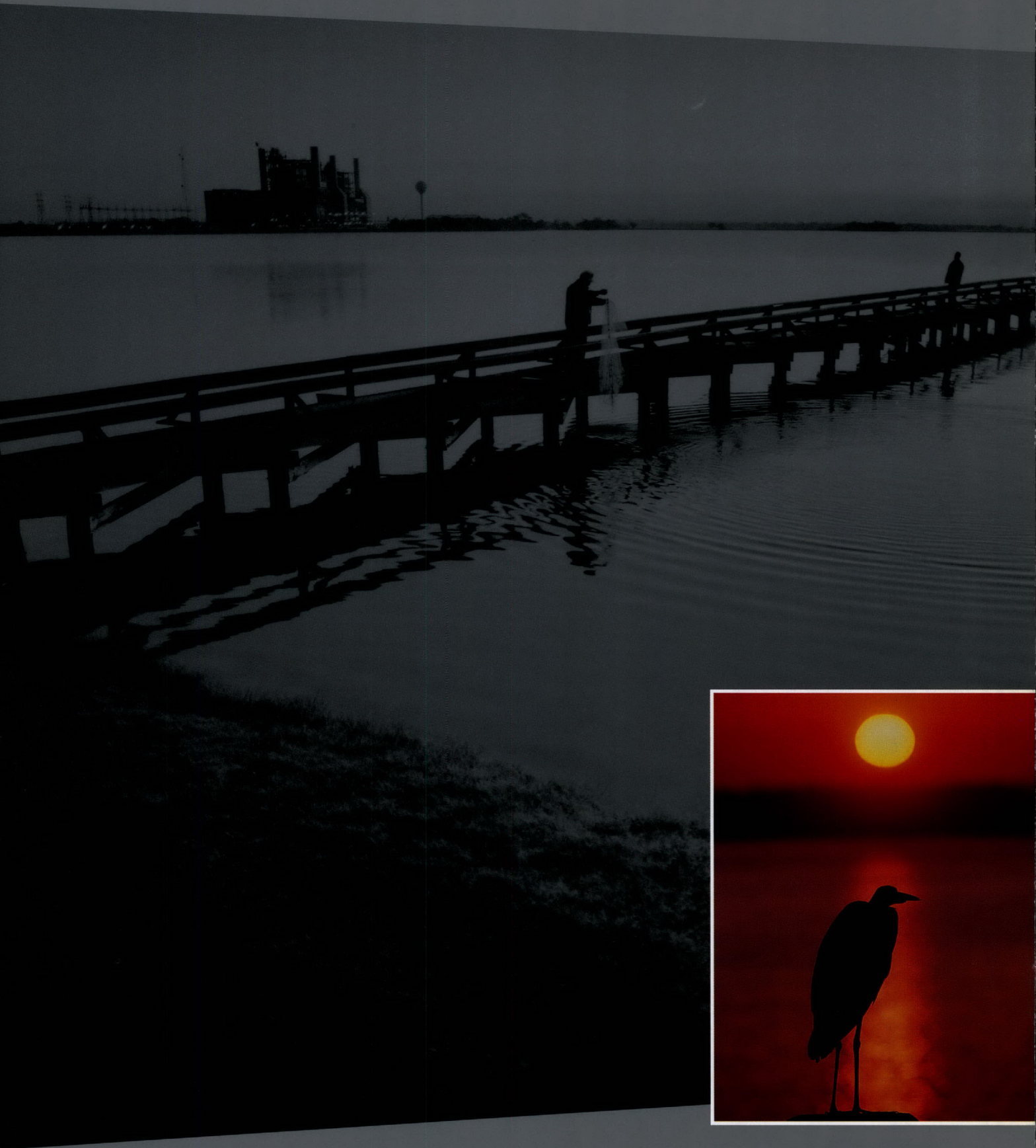
One natural resource that has long been neglected is wastewater. However, scientists and engineers have created more efficient means for purifying industrial and domestic wastewater for a safe return to the environment.

Recycled environmentally sound wastewater byproducts enter Salatrillo Creek at a rate of about 2.7 million gallons a day.


It is eventually used downstream by private owners to water livestock and irrigate crops.







*Braunig Lake is one of two cooling reservoirs for the city's steam-electric power plants. The surrounding land was developed by SARA and serves as a sanctuary for birds, fish and people. SARA, in cooperation with the Texas Parks and Wildlife Department, stocks the lakes with both native and adaptive fish. The beautiful parklands are an example of how industry can be sensitive to the environment. All it takes is respect for nature and the wisdom to work within its laws.*



*Man in the world is God's partner in the act of creation. To shape the natural environment wisely, he should approach it with reverence. The aim of any economic or technical growth should always be directed to the full development of the human person.*

JAN GRZESICA  
PRIEST AND AUTHOR

*The Authority operates two fee-supported public* recreational areas, Calaveras Lake Park and Braunig Lake Park. Lying only four miles apart and within 20 miles of the urban center of San Antonio, both lakes offer a wide variety of water-oriented recreational activities to residents of South Texas. The parks are located on steam-electric power plant "off-channel" cooling reservoirs and are made possible by long term leases between the City Public Service Board of San Antonio and the Authority. The "off-channel" operating procedure requires that the water lost to evaporation be replaced by pumping "make-up" water from the San Antonio River located nearby.

*The pumping of "make-up" water from the San Antonio* River over the last twenty years has increased the dissolved salts in the lakes to a point that the waters will now support adaptive saltwater fish. This enables the Texas Parks and Wildlife Department to stock the lakes with both native and adaptive fish in accordance with their fisheries management program. This program has resulted in the highly successful stocking of the saltwater Red Drum (redfish) which has added an exciting new dimension for the area's freshwater sports fishermen. The current Texas freshwater record Red Drum of 30 pounds 4 ounces came from Braunig Lake in the fall of 1989.

*Calaveras Lake is open to the public 24 hours daily year-* around, as is Braunig Lake except for the months of December and January when this lake is open only for limited operations during daytime hours. Both parks offer boat launch ramps and complete concession

facilities including bait, tackle, picnic supplies and boat rentals. These lakes provide superb fishing for bass, channel and blue catfish, as well as adaptive saltwater fish species. Opportunities for day and overnight camping are also offered with the availability of picnic tables and public restrooms.

*D*uring the past five years the Authority has operated and maintained nursery ponds for the enhancement of largemouth bass fishing at the lakes in a cooperative effort with the Texas Parks and Wildlife and the San Antonio Metropolitan League of Bass Clubs. Texas Parks and Wildlife provides technical assistance and bass fry. Releases from the nursery ponds into Calaveras Lake in the spring of 1991 totaled 116,000 fingerling bass.

### *Pollution Prevention*

*T*he Environmental Services laboratory provides analytical support for the River Authority's basin stream monitoring and surveillance program, and its wastewater treatment facilities. The laboratory also provides analytical services to the Edwards Underground Water District, Nueces River Authority, Texas Department of Highway and Public Transportation, National Park Service and the Texas Water Commission.

*W*ater quality is monitored at 173 sampling stations throughout the San Antonio River basin, including stations at Braunig, Calaveras, and

Medina Lakes. Biological integrity of aquatic habitats at selected sites is also monitored in the Salado Creek and Upper Cibolo Creek watersheds.

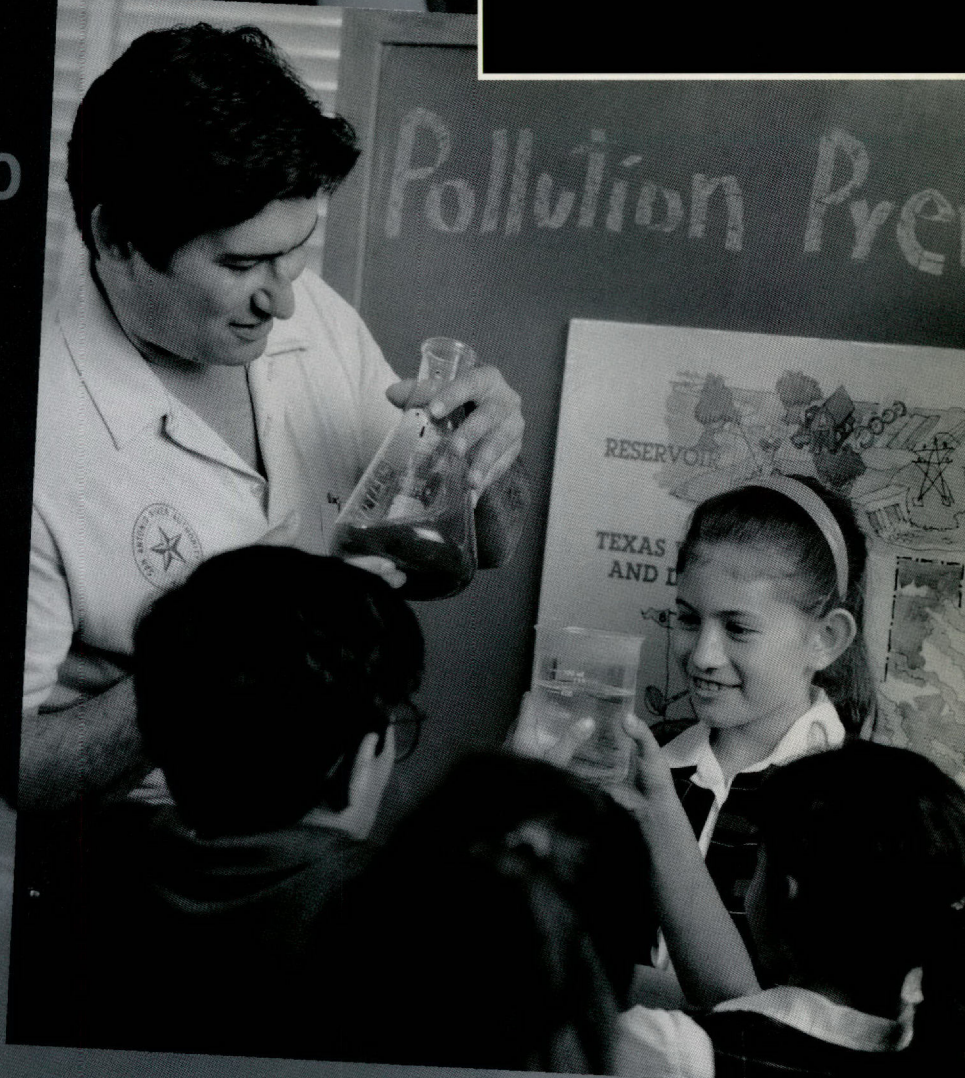
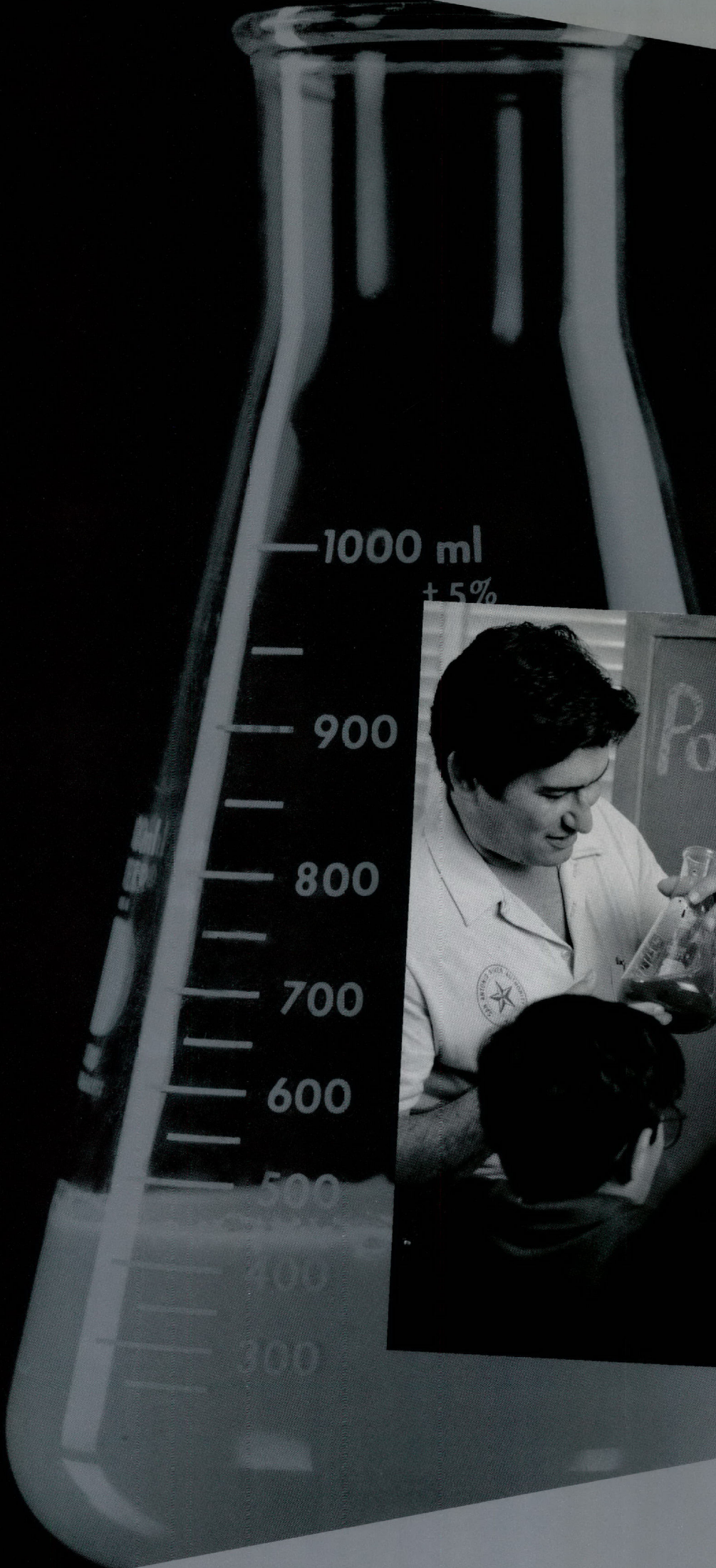
*W*astewater effluent samples are tested in the laboratory for sixteen municipalities and seven commercial activities who are concerned about regular compliance with State and Federal wastewater discharge permits.

*I*n an effort to assist area wastewater treatment facilities to remain in compliance with new monitoring requirements, the Environmental Services laboratory has expanded its capabilities to include on site and laboratory biomonitoring of aquatic organisms and toxicity testing of wastewater treatment plant effluents.

*T*he SARA laboratory is certified for bacterial analysis of drinking water by the Texas Department of Health. The lab now provides analysis of potable water supplies for municipalities, water suppliers and private water wells throughout the SARA basin and South Texas.

*E*nvironmental Services personnel also conducted an ecological assessment of the upper San Antonio River. The assessment documented existing conditions of the aquatic community compared with the terrestrial community and ecosystem trends impacted by channelization or water level fluctuations and the enhancements provided by channel design features. The information gathered will serve to improve the design of future projects along the San Antonio River and will enhance the management of the San Antonio Metropolitan area flood control tunnels and their water features when completed.

*S*an Antonio River Authority Environmental Services personnel are involved in research with the Freeman Aquatic Station at Southwest Texas State University to adapt methodology, based on fish community structure, for the evaluation of stream ecosystems in Central and South Texas. This methodology is also under consideration by the Texas Parks and Wildlife Department as a means for assessing stream habitats and ecosystems.



**P**ollution is such a threat to human and environmental health that it requires constant attention. SARA's Environmental Services Division investigates pollution complaints, fish-kills, and chemical spills as well as monitoring and surveillance of basin streams and wastewater treatment facilities.

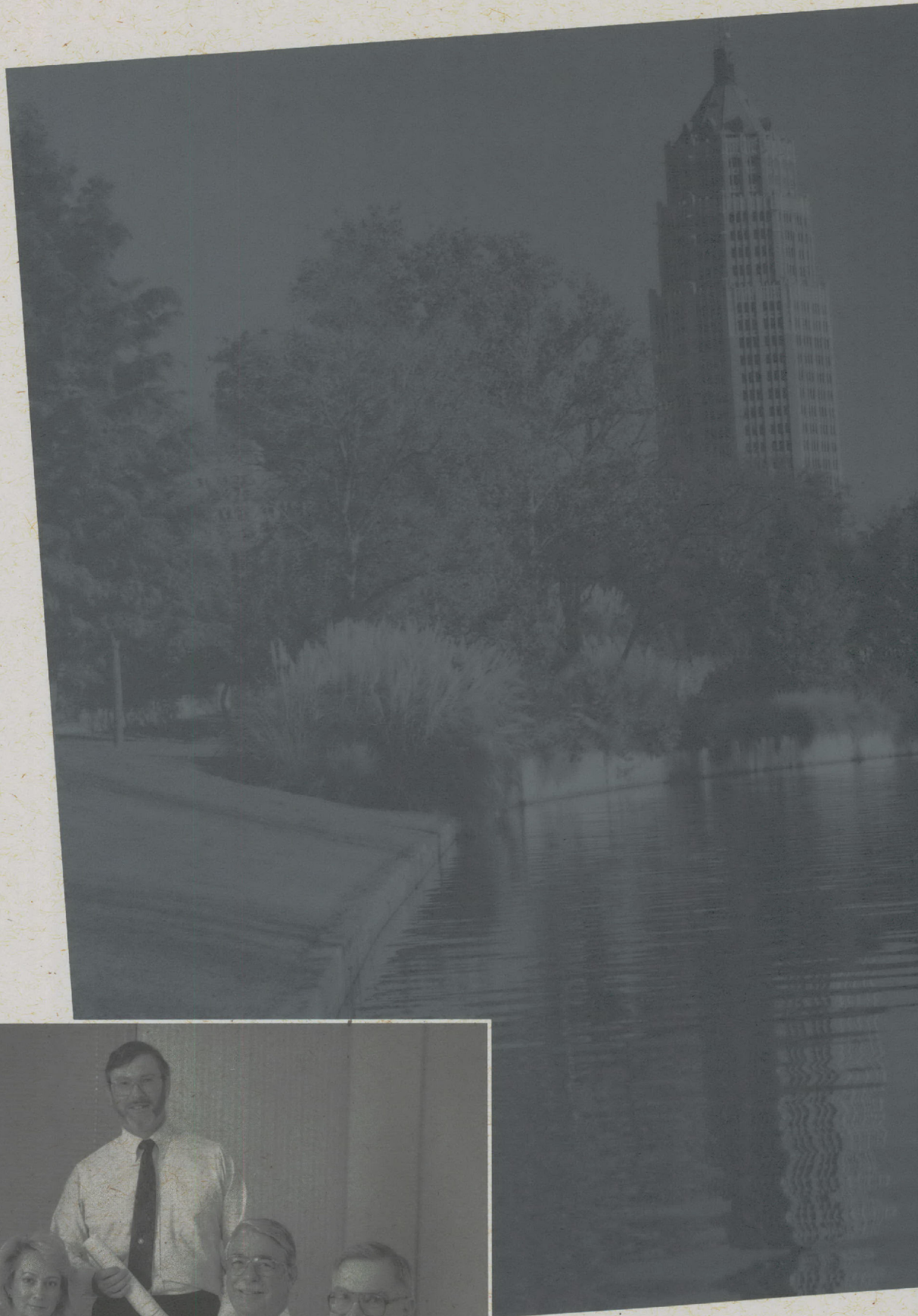
SARA also realizes that its monitoring efforts alone will not resolve the problems of pollution. The public, as well, must be responsible. SARA's educational outreach program promotes public awareness of water pollution, conservation and resource protection. After all, pollution control begins with each one of us.

*Life is not linear, it is round. If we pollute the Earth and others do the same, the pollution will come up over the horizon one day and destroy us.*

ALLAN GUSSOW  
EARTH DAY, APRIL 22, 1970

*T*he Authority has continued its long-standing practice of pollution complaint and fish-kill investigations within the basin and assisted the Texas Water Commission, Texas Parks and Wildlife Department and the San Antonio Metropolitan Health District in those investigations. The Authority has also been active in the monitoring of accidents and chemical spills that have upset the aquatic ecology in portions of the drainage basin. Water quality data gathered by Environmental Services personnel from fish-kill investigations and accidental spills is made available to other agencies involved in impact assessment.

*I*n coordination with the City of San Antonio, the United States Geological Survey (USGS) and others, the Authority is participating in the expanded USGS Water Resource and Water Quality Monitoring program. The expanded system provides instantaneous information on basin stream flow and surface water quality via satellite transmission. The Authority also participates in the Texas Natural Resource Information System (TNRIS). Stream monitoring and water quality data generated by SARA field and laboratory personnel are reported to the State. This information is available to the public through TNRIS. As a long term aid to pollution abatement in the SARA basin, the Authority promotes public awareness of aquatic ecology, water pollution, conservation and resource protection. SARA Environmental Services Division personnel continue to present educational programs to scout troops, senior citizen groups, fishing clubs, schools and civic organizations interested in aquatic ecology and environmental preservation.



**MANAGERS**

*From left:*

**DENNIS MARRIN, CHIEF ADMINISTRATIVE SERVICES**

**JUDITH T. PAVLIK, CONTROLLER**

**DORIAN FRENCH, CHIEF ENGINEER**

**F. BLAIR WARREN, ASSISTANT MANAGER**

**FRED N. PFEIFFER, GENERAL MANAGER**





**BOARD OF DIRECTORS**

*Back row, from left:*

**MR. R. H. RAMSEY**  
**MR. CECIL W. BAIN**  
**MR. J. C. TURNER**  
**MR. ALLAN B. POLUNSKY**  
**MS. MARTHA CLIFTON MCNEEL**  
**MR. H. B. RUCKMAN, III**

*Front row, from left:*

**MR. PAUL K. HERDER, CHAIRMAN**  
**MR. JESSE OVIEDO**  
**MR. W. W. LORENZ, SECRETARY**  
**MS. NANCY M. STEVES**  
**MR. OTIS WALKER, TREASURER**

**MR. TRUETT HUNT, VICE-CHAIRMAN**  
**(Not Pictured)**

*The San Antonio Channel Improvement Project, Urit 8-3-2 won an Honors Award in 1991 from the Chief of Engineers Design and Environmental Awards Program. SARA, in conjunction with the U. S. Army Corps of Engineers, Fort Worth District, developed a flood control channel to reduce recurrent flood damage while protecting the surrounding historical structures. Landscaping features include using native Texas plants to integrate the concrete structures with the environment and to complement the revitalized, historic King William neighborhood.*

SAN ANTONIO RIVER AUTHORITY  
ANNUAL REPORT 1991

FINANCIAL  
INFORMATION

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San Antonio, Texas 78299

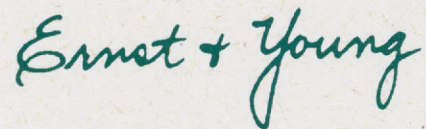
## REPORT OF INDEPENDENT AUDITORS

Board of Directors  
San Antonio River Authority

We have audited the accompanying general purpose financial statements of the San Antonio River Authority as of and for the year ended June 30, 1991, as listed in the table of contents. These general purpose financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the San Antonio River Authority as of June 30, 1991, and the results of its operations and the changes in financial position of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.



August 27, 1991

SAN ANTONIO RIVER AUTHORITY

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1991

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>ASSETS AND OTHER DEBITS</b>				
Assets:				
Cash—Note B	\$ 22,871	\$ 18,753	\$ 6,848	\$ 5,525
Investments—Note B	9,939,789	2,150,023	2,907,741	3,163,331
Receivables:				
Accounts	12,467			
Intergovernmental	110,095	119,048		1,376,134
Accrued Interest	142,831	5,651		
Taxes	10,441			
Allowances for Delinquent Taxes (Deduction)	(10,441)			
	<u>Total Receivables</u>	<u>124,699</u>		<u>1,376,134</u>
Due from Other Funds—Note C	265,393			
Prepaid Expenses and Other Assets	1,505,547	2,585		27,311
Concession Inventory	2,717			
Investments by Agent to Fund Deferred Compensation Annuities—Note B				
Restricted Assets—Notes F and G:				
Cash—Note B				67,988
Cash with Fiscal Agent			2,163,098	
Accounts Receivable				
Investments				
Bond Sale Expense—Net of Amortization				
Office Furniture, Fixtures, and Equipment				
Other Machinery and Equipment				
Automobiles and Trucks				
Building				
Improvements Other Than Buildings				
Sewage Treatment Facilities				
Construction in Progress (Estimated Cost of Completion—\$1,324,804)				
Allowances for Depreciation (Deduction)				
Land				
Soil Conservation Service Projects				
Model Cities Project				
Flood Control Projects—Note I				
Other Debits:				
Amount Available in Debt Service Funds				
Amount to be Provided for Retirement of General Long-Term Debt				
	<u>Total Assets and Other Debits</u>	<u>\$ 2,296,060</u>	<u>\$ 5,077,687</u>	<u>\$ 4,640,289</u>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>				
Liabilities:				
Accounts Payable	\$ 617,903	\$ 4,414		\$ 753,226
Performance Deposit	1,500			
Amounts Held in Custody for Other Taxing Units				
Payroll Deductions	18			
Employees' Deferred Compensation				
Due to Other Funds—Note C	9,752	62,451	\$ 45,027	1,105,303
Other Accrued Liabilities	514,231			500
Deferred Income—Connection Fees				
Liabilities of Restricted Assets:				
Accounts Payable				
Accrued Bond Interest Payable				
Bonds Payable Within One Year				
Matured Interest Coupons Payable			1,213,098	
Other Bonds Payable—Notes F, G, H, and M				
	<u>Total Liabilities</u>	<u>66,865</u>	<u>1,258,125</u>	<u>1,859,029</u>
Equity and Other Credits:				
Contributed Capital				
Investment in General Fixed Assets:				
From Revenues				
From Contributions				
Retained Earnings				
Fund Balances:				
Reserved for Flood Control Administration—Note J	70,799			
Reserved for Encumbrances	107,889	9,997		821,855
Unreserved:				
Designated by Management	14,843			
Designated for Self Insurance—Note J	300,000			
Designated for Debt Service			3,819,562	
Undesignated	10,099,382	2,219,198		1,959,405
	<u>Total Equity and Other Credits</u>	<u>2,229,195</u>	<u>3,819,562</u>	<u>2,781,260</u>
<u>Total Liabilities, Equity, and Other Credits</u>	<u>\$ 11,736,317</u>	<u>\$ 2,296,060</u>	<u>\$ 5,077,687</u>	<u>\$ 4,640,289</u>

See notes to financial statements.

Proprietary Fund Type	Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
		General Fixed Assets— Note K	General Long-Term Debt	
Enterprise— Note L	Agency			
\$ 45,390	\$ 3,652			\$ 103,039
2,815,041				20,975,925
206,914				219,381
53,723	192,089			1,797,366
				202,205
				10,441
				(10,441)
260,637	192,089			2,218,952
8,331	230			1,544,004
7,626				10,343
21,104				21,104
	218,238			218,238
9,174	97,903			175,065
531,863				2,694,961
365,000				365,000
5,421,274				5,421,274
77,671				77,671
109,096		\$ 981,555		1,090,651
488,467		668,865		1,157,332
346,477		298,024		644,501
576,360		3,165,817		3,742,177
1,518,175		70,041		1,588,216
18,431,175				18,431,175
663,459				663,459
(5,396,911)				(5,396,911)
1,468,723		118,973		1,587,696
		14,538,320		14,538,320
		9,109,195		9,109,195
		158,450,477		158,450,477
			\$ 3,819,562	3,819,562
			28,250,438	28,250,438
<u>\$ 27,768,132</u>	<u>\$ 512,112</u>	<u>\$187,401,267</u>	<u>\$ 32,070,000</u>	<u>\$ 271,501,864</u>
\$ 143,346	\$ 232,474			\$ 1,751,363
	212			1,500
				212
				18
	218,238			218,238
260,283	61,188			1,544,004
2,000				516,731
249,480				249,480
78,771				78,771
251,791				251,791
285,000				285,000
				1,213,098
6,260,000			\$ 32,070,000	38,330,000
7,530,671	512,112		32,070,000	44,440,206
8,441,193				8,441,193
		\$ 46,147,834		46,147,834
		141,253,433		141,253,433
11,796,268				11,796,268
				70,799
				939,741
				14,843
				300,000
				3,819,562
				14,277,985
20,237,461		187,401,267		227,061,658
<u>\$ 27,768,132</u>	<u>\$ 512,112</u>	<u>\$187,401,267</u>	<u>\$ 32,070,000</u>	<u>\$ 271,501,864</u>

SAN ANTONIO RIVER AUTHORITY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES—  
ALL GOVERNMENT FUND TYPES**

YEAR ENDED JUNE 30, 1991

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Revenues and Other Financing Sources:</b>					
Revenues:					
Taxes	\$ 809				\$ 809
Interest Income	1,434,662	\$ 27,598			1,462,260
Intergovernmental	64,374	3,503,261		\$ 2,476,422	6,044,057
Charges for Services	233,108	27,226			260,334
Miscellaneous	24,396			10,536	34,932
Total Revenues	1,757,349	3,558,085		2,486,958	7,802,392
Other Financing Sources:					
Proceeds from Sale of Property				14,300	14,300
Operating Transfers In			\$ 2,165,100	25,026	2,190,126
<b>Total Revenues and Other Financing Sources</b>	<b>1,757,349</b>	<b>3,558,085</b>	<b>2,165,100</b>	<b>2,526,284</b>	<b>10,006,818</b>
<b>Expenditures and Other Financing Uses:</b>					
Expenditures:					
Current:					
General Government	79,435				79,435
Administration	137,776	26,854		9,326	173,956
Environmental Services	188,863				188,863
Engineering Services	224,052				224,052
Flood Control Dam Maintenance	265,476	120,392		25,026	410,894
Total Current Expenditures	895,602	147,246		34,352	1,077,200
Capital Outlay	152,643	17,570		3,691,560	3,861,773
Debt Service:					
Bond Principal			\$ 880,000		\$ 880,000
Interest on Bonds			2,426,154		2,426,154
Total Expenditures	\$ 1,048,245	\$ 164,816	3,306,154	\$ 3,725,912	8,245,127
Other Financing Uses:					
Operating Transfers to Interest and Redemption Fund		2,165,100			2,165,100
Operating Transfers to Capital Projects Funds		25,026			25,026
<b>Total Expenditures and Other Financing Uses</b>	<b>1,048,245</b>	<b>2,354,942</b>	<b>3,306,154</b>	<b>3,725,912</b>	<b>10,435,253</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	709,104	1,203,143	(1,141,054)	(1,199,628)	(428,435)
Fund Balances, July 1, 1990	9,883,809	1,026,052	4,960,616	3,980,888	19,851,365
<b>Fund Balances, June 30, 1991</b>	<b>\$10,592,913</b>	<b>\$2,229,195</b>	<b>\$3,819,562</b>	<b>\$2,781,260</b>	<b>\$19,422,930</b>

See notes to financial statements.

SAN ANTONIO RIVER AUTHORITY

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL - GENERAL AND SPECIAL REVENUE FUND TYPES

YEAR ENDED JUNE 30, 1991

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues and Other Financing Sources:</b>						
Revenues:						
Taxes	\$ 200	\$ 809	\$ 609			
Interest Income	1,200,000	1,434,662	234,662	\$ 23,500	\$ 15,139	\$ (8,361)
Intergovernmental	50,000	64,374	14,374	3,637,000	3,503,261	(133,739)
Charges for Services	201,320	233,108	31,788	1,500	16,226	14,726
Miscellaneous	24,000	24,396	396			
<b>Total Revenues and Other Financing Sources</b>	<b>1,475,520</b>	<b>1,757,349</b>	<b>281,829</b>	<b>3,662,000</b>	<b>3,534,626</b>	<b>(127,374)</b>
<b>Expenditures and Other Financing Uses:</b>						
Expenditures:						
Current:						
General Government	97,950	79,435	18,515			
Administration	297,051	137,776	159,275	111,877	15,950	95,927
Environmental Services	220,942	188,863	32,079			
Engineering Services	342,236	224,052	118,184			
Flood Control Dam Maintenance	284,090	265,476	18,614	130,100	120,392	9,708
Total Current Expenditures	1,242,269	895,602	346,667	241,977	136,342	105,635
Capital Outlay	2,593,003	152,643	2,440,360	32,394	17,570	14,824
Total Expenditures	3,835,272	1,048,245	2,787,027	274,371	153,912	120,459
Other Financing Uses:						
Operating Transfers to Interest and Redemption Fund				3,306,500	2,165,100	1,141,400
Operating Transfers to Capital Projects Funds				33,570	25,026	8,544
<b>Total Expenditures and Other Financing Uses</b>	<b>3,835,272</b>	<b>1,048,245</b>	<b>2,787,027</b>	<b>3,614,441</b>	<b>2,344,038</b>	<b>1,270,403</b>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(2,359,752)	709,104	3,068,856	47,559	1,190,588	1,143,029
Fund Balances, July 1, 1990	9,883,809	9,883,809		850,598	850,598	
<b>Fund Balances, June 30, 1991</b>	<b>\$7,524,057</b>	<b>\$10,592,913</b>	<b>\$3,068,856</b>	<b>\$ 898,157</b>	<b>\$2,041,186</b>	<b>\$1,143,029</b>

See notes to financial statements.





SAN ANTONIO RIVER AUTHORITY

**COMBINED STATEMENT OF CASH FLOWS -  
ALL PROPRIETARY FUND TYPES**

YEAR ENDED JUNE 30, 1991

	Enterprise Funds		
	Sewage Treatment Funds	Parks and Recreation Fund	Combined Total
<b>Cash Flows From Operating Activities:</b>			
Cash Received from Customers	\$ 2,401,741		\$ 2,401,741
Cash Received from Concession Sales		\$ 408,135	408,135
Entrance Fee Revenue		675,481	675,481
Annual Permit Sales Revenue		117,975	117,975
Payments to Employees	(675,760)	(543,062)	(1,218,822)
Payments to Vendors	(395,240)	(329,773)	(725,013)
Cash Paid for Quasi-external Operating Funds	(374,676)	(304,473)	(679,149)
Other Operating Revenues	30,371	7,907	38,278
Net Cash Provided by Operating Activities	986,436	32,190	1,018,626
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Proceeds from Sale of Assets	6,103	35	6,138
Acquisition and Construction of Capital Assets	(597,756)	(1,856)	(599,612)
Principal Paid on Revenue Bond Maturities	(250,000)		(250,000)
Interest Paid on Revenue Bonds	(503,426)		(503,426)
Net Cash Used by Capital and Related Financing Activities	(1,345,079)	(1,821)	(1,346,900)
<b>Cash Flows from Investing Activities:</b>			
Purchase of Investment Securities	(30,191,360)	(1,764,671)	(31,956,031)
Proceeds from Sales and Maturities of Investment Securities	29,981,663	1,585,714	31,567,377
Interest on Investments	586,708	26,031	612,739
Net Cash Provided (Used) By Investing Activities	377,011	(152,926)	224,085
Net Increase (Decrease) in Cash and Cash Equivalents	18,368	(122,557)	(104,187)
Cash and Cash Equivalents at Beginning of Year	\$ 522,954	\$ 167,660	\$ 690,614
Cash and Cash Equivalents at End of Year	\$ 541,322	\$ 45,103	\$ 586,427
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>			
Operating Income (Loss)	\$ 226,909	\$ (92,792)	\$ 134,117
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	684,995	145,309	830,304
Changes in Assets/Liabilities:			
Decrease in Accounts Receivable	2,449		2,449
Increase in Inventory		(2,860)	(2,860)
Increase in Prepays	(125)	(3,701)	(3,826)
Increase in Accounts Payable	94,416	4,645	99,061
Decrease in Other Liabilities	(206)	(6,988)	(7,194)
Decrease in Interfund Payable	(22,002)	(11,423)	(33,425)
Net Cash Provided by Operating Activities	\$ 986,436	\$ 32,190	\$ 1,018,626

See notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1991

**NOTE A—REPORTING ENTITY AND SIGNIFICANT ACCOUNTING POLICIES**

**FINANCIAL REPORTING ENTITY:**

For financial reporting purposes, the San Antonio River Authority (the Authority) includes all funds and account groups and component units for which the Authority's Board of Directors may exercise oversight responsibility.

In evaluating how to define the entity, for financial reporting purposes, management has considered all potential component units. The decisions to include a potential component unit in the reporting entity was made by applying the criteria of the Governmental Accounting Standards Board (GASB). The basic—but not the only—criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public service. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within the geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities.

Based on the foregoing criteria, the San Antonio River Industrial Development Authority (SARIDA) is a component unit of the San Antonio River Authority; therefore, its financial statements are included in the accompanying financial statements as a special revenue fund. On July 18, 1979, the Board of Directors of the Authority approved the formation of SARIDA, an industrial development corporation, to act on behalf of the Authority. SARIDA was officially formalized July 27, 1979, through issuance of a Certificate of Incorporation by the Secretary of State of the State of Texas for the purpose of promoting industrial growth within the four county area serviced by the Authority. Eligible applicants are furnished financial assistance through the sale of tax-free industrial development bonds. The Authority has no direct or contingent liability for these bonds. Assets and revenue of SARIDA may ultimately be transferred to the Authority through passage of a resolution by the directors of the Corporation.

**FUND ACCOUNTING:**

The Authority uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds), the acquisition or construction of general fixed assets (capital projects funds), and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to outside parties (enterprise funds) as described in Note L.

Fiduciary funds consist of agency funds that are used to account for assets that the Authority holds on behalf of others as their agent.

**BASIS OF ACCOUNTING:**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types and agency funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Amounts receivable from property taxes are due from years prior to 1981 and are fully reserved because amounts that might be considered "available" are immaterial. The Authority uses a one-year availability period for other revenue recognition for all governmental funds. Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, with the following exception that is in conformity with generally accepted accounting principles: costs for accumulated unpaid vacation and sick leave are reported as expenditures in the period due rather than in the period earned by employees, and any such amounts due are immaterial. Interest due July 1, 1991, on general bonded debt has been accrued and reported as matured interest coupons payable in the Debt Service Fund because resources have been provided during the fiscal year for payment of such expenditures and because the cash to pay this interest is on deposit with the fiscal agent at June 30, 1991.

Those revenues susceptible to accrual are interest income and charges for services. Fees, sale of hay, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash. Intergovernmental revenues are recognized as revenues when reimbursable expenditures are incurred under contract terms with other governments or when contract payments are due from other governments.

The accrual basis of accounting has been utilized in the enterprise funds. Under the accrual basis, revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable.

Unencumbered appropriations lapse at the end of the fiscal year. Encumbrances outstanding at year end are reported as reservations of fund balances of the governmental fund types. These outstanding encumbrances are reappropriated for expenditures in the following fiscal year.

**FIXED ASSETS AND DEPRECIATION:**

All fixed assets purchased or constructed for general purposes are recorded as expenditures in the fund that finances the asset acquisition. Such assets are capitalized at cost in the General Fixed Assets account group. Gifts or contributions are recorded in General Fixed Assets at fair market value at the time received. It is the Authority's policy to report public domain or infrastructure fixed assets which include dams, river and creek channel improvements, bridges, curbs, gutters, and

# SAN ANTONIO RIVER AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1991

similar assets that are immovable. In some cases, the fixed assets have been constructed or installed on sites owned by other governments, such as streets and rights-of-way of the City of San Antonio. Records of all fixed assets, including these infrastructure fixed assets, are maintained for both management and accountability purposes.

All fixed assets of the enterprise funds are recorded in those funds at cost or at fair market value in the case of contributed or donated assets. Depreciation is provided using the straight-line method over the estimated useful lives of the assets of the enterprise funds. Estimated useful lives of major classes of enterprise fund fixed assets are as follows:

Asset Class	Life
Office Furniture, Fixtures, and Equipment	5 - 20 years
Other Machinery and Equipment	3 - 20 years
Automobiles and Trucks	3 - 10 years
Buildings	3 - 20 years
Improvements Other Than Buildings	5 - 30 years
Sewage Treatment Facilities	5 - 50 years

The Authority's policy is to expense interest on proprietary fund construction projects as incurred due to the immateriality of amounts involved.

### AMORTIZATION OF BOND SALE EXPENSES:

Bond sale expenses related to enterprise funds are amortized using the straight-line method over the life of the bonds.

### AD VALOREM TAX:

In 1961, an ad valorem tax of two cents per one hundred dollars assessed valuation was approved by Authority voters and was collected annually at its maximum rate by the tax collector of each county. Effective July 1, 1977, the tax was reduced to one and one-half cents per one hundred dollars, and effective July 1, 1979, the tax was further reduced to one cent per one hundred dollars valuation by action of the Authority. Use of this tax income is limited to general administration, maintenance of completed projects, and updating of the Authority's master plan for water resource development. This tax revenue may not be pledged to debt service on any bonds nor may it be used to construct works of improvement. No tax was levied for fiscal year 1981 and subsequent years, and it is anticipated that no tax will be levied in future years; however, the authority to levy the tax is being retained for usage if required.

### BUDGETING:

By-laws of the Authority require the Board of Directors to adopt an annual budget in which is estimated the amount of funds available from all sources and to allocate the amount of funds which may be expended during the forthcoming fiscal year. The responsibility for such allocation rests in the manager of the Authority. After adoption of the allocations by the Board of Directors, the manager has full authority to expend within the departmental allocations which become the appropriation level. In practice, the manager submits all changes in departmental line items to the Board for its approval. The annual budgetary data for governmental fund types included in the financial statements represents the original budget and immaterial amendments as adopted by the Board of Directors of the Authority and is on the same modified accrual basis used to reflect revenues and expenditures of the General Fund and Special Revenue Funds except SARIDA. The Debt Service Fund is controlled by provisions of the bond orders and appropriated transfers from the General Fund. The Capital Projects Funds are budgeted by project period rather than by fiscal year.

The Board of Directors of SARIDA adopts an annual budget which authorizes total expenditures based on estimated revenues and available resources. As a not-for-profit corporation, SARIDA's budget is not a legally appropriated budget as is the River Authority's. SARIDA's budget is, however, managed similarly to the River Authority's own special revenue fund budgets. The budget comparison in the general purpose financial statements therefore excludes SARIDA's budgeted and actual amounts, as reconciled in Note N.

### ALLOCATION OF ADMINISTRATIVE EXPENSES:

An allocation plan is utilized to charge the various operating divisions for administrative costs recorded in the General Fund. The allocations are recorded as reimbursements of expenses (negative expenditures) in the General Fund and as expenditures/expenses in each fund receiving an allocation.

### TOTAL COLUMNS — MEMORANDUM ONLY:

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

### STATEMENT OF CASH FLOWS:

As of June 30, 1991, the Authority adopted Statement No. 9 of the GASB, "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting," which requires a statement of cash flows (instead of a statement of changes in financial position) as part of a full set of financial statements for those funds and entities in the statement title. The Authority has applied Statement 9 retrospectively by presenting in its comprehensive annual financial report statements of cash flows for individual proprietary funds for the year ended June 30, 1990. For the purpose of the statements of cash flows, the Authority considers all highly liquid investments, generally with a maturity of three months or less, to be cash equivalents.

## NOTE B—CASH AND INVESTMENTS

Statutes and bond covenants allow the Authority to invest in (1) obligations guaranteed or insured by the United States of America, which in the opinion of the Attorney General of the United States are backed by its full faith and credit or represent its general obligations; (2) obligations of the United States of America, including, but not limited to, evidence of indebtedness issued, insured, or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, United States Postal Service, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, Federal Housing Association, or Participation Certificates in the Federal Assets Financing Trust; (3) certificates of deposit that are insured by the Federal Deposit Insurance Corporation or secured by obligations having a market value of at least the principal amount of the certificates; and (4) fully collateralized direct repurchase agreements.

The Authority's deposits and investments in repurchase agreements were entirely covered by federal depository insurance and collateral held in safekeeping by agents of the Authority in the Authority's name throughout the fiscal year.

SAN ANTONIO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1991

The Authority's investments are categorized below to give an indication of the level of risk (Category 1 – lowest level of risk to category 3 – highest level of risk) assumed by the Authority at June 30, 1991. Category 1 includes investments that are insured or registered or for which the securities are held by the Authority's agent in the Authority's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the Authority's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by the counterparty's trust department or agent, but not in the Authority's name. The Authority does not have any investments in Categories 2 or 3. Investments are carried at cost or amortized cost in all funds except the agency fund for the deferred compensation plan which are reported at current market value.

	Carrying Amount	Market Value
U.S. Government Securities	\$ 26,326,524	\$ 26,468,264
Certificates of Deposit	70,675	70,675
	<u>\$ 26,397,199</u>	<u>\$ 26,538,939</u>

NOTE C—INTERFUND RECEIVABLES AND PAYABLES

The interfund receivables and payables consist primarily of items arising at year end from the allocation of administrative costs for the year.

Receivable Fund	Payable Fund	Amount
General	Deferred Compensation Trust	\$ 1
	Parks and Recreation	84,419
	Debt Service	45,027
	Original SACIP	308
	SACIP Phase II	7,028
	Berg's Mill & Salado Creek	
	Maintenance	36,143
	SACIP Phase III	1,095,705
	SARA/City of San Antonio ROW	61,187
	Pollution Control Contract	2
	Contract Plant	10
	Martinez-Salatrillo System	174,823
	San Antonio River Industrial	
	Development Authority	894
	General	428
Improvement Bonds Revenue		
Berg's Mill & Salado Creek	General	596
Maintenance	Parks and Recreation	1,030
	SACIP Phase II	472
	SACIP Phase III	59
SACIP Phase III	General	589
	Improvement Bond Revenue	25,026
	Original SACIP	1,421
	Berg's Mill & Salado Creek	
	Maintenance	275
	SACIP Phase III	230
SARA/City of San Antonio ROW	General	5,570
Martinez-Salatrillo System	SACIP Phase III	75
	General	2,573
Parks and Recreation	Berg's Mill & Salado Creek	
	Maintenance	113
		<u>\$ 1,544,004</u>

NOTE D—PENSION PLAN

The Authority has a defined contribution (money purchase) pension plan which was adopted in 1979. To be eligible for the Plan, a participant must be a full-time employee with one year's service. A participant is fully vested after 7 years of service. The Authority is required to contribute 8% of eligible payroll each plan year. The Plan also allows voluntary after-tax employee contributions. Effective January 1, 1987, voluntary employee contributions (made after December 31, 1986) may no longer be withdrawn without penalty. The Plan allows for early and late retirement.

The Authority's covered payroll for the year ended June 30, 1991 was \$2,508,903, compared to total current-year payroll for all employees (full-time and part-time) of \$2,656,641. Employer contributions to the Plan were \$193,873 or 8% of covered payroll for 1991. The Authority's policy is to fund all pension plan costs as they accrue.

NOTE E—DEFERRED COMPENSATION PLAN

The Authority offers its employees a deferred compensation plan created September 2, 1975 in accordance with the Internal Revenue Code Section 457. The Plan, available to all Authority employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Contributions to the Plan are handled on a payroll deduction basis and are remitted to a trustee biweekly. The fund which accounts for the Plan is reported as an agency fund. Plan assets are reported at fair market value. All amounts of compensation deferred under the Plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the Authority (without being restricted to the provisions of benefits under the Plan), subject only to

# SAN ANTONIO RIVER AUTHORITY

## NOTES TO FINANCIAL STATEMENTS

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the claims of the Authority's general creditors. Participants' rights under the Plan are equal to those of general creditors of the Authority in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the Authority's legal counsel that the Authority has no liability for losses under the Plan but does have the duty of due care that would be required of an ordinary prudent investor. The Authority believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

### NOTE F—SAN ANTONIO CHANNEL IMPROVEMENT PROJECT (SACIP) FUNDS

A 1955 contract and amendments with Bexar County, Texas, have provided to the Authority all proceeds from a flood control tax levied by the County. The last amendment to the contract that applies to the year ended June 30, 1991, referred to as The 1979 Amendatory Contract, provides that the County will set a tax rate which, at 90% current collections, will provide revenues sufficient to pay each year's requirements for principal and interest of Authority bonds which are payable from the proceeds of the County flood control tax. The tax is levied against all taxable property in Bexar County, and the tax rate set by the County may not exceed 15¢ per \$100 assessed valuation. SACIP Improvement Bonds have been issued pledging revenues of the Bexar County flood control tax for retirement of the bonds.

In order to comply with the contract and bond resolutions authorizing the bonds issued thereunder, the River Authority has established various funds, as follows:

#### CAPITAL PROJECTS FUNDS:

These funds were created for projects designated in the 1955 contract and amendments. They received proceeds from the various Channel Improvement Bonds. Individual funds are as follows:

Original SACIP – Channel improvements of the San Antonio River and Alazan, Apache, San Pedro, and Martinez Creeks.

SACIP Phase II – Improvements to Berg's Mill section of the San Antonio River and development of the Salado Creek Watershed and Flood Prevention Project.

SACIP Phase III – Various additional flood control projects in Bexar County.

#### SPECIAL REVENUE FUND—IMPROVEMENT BONDS REVENUE FUND:

This fund is the "Gross Revenue Fund" designated by the bond resolutions. It receives all revenues from the contract with Bexar County. From it deposits are made to the debt service funds required by the bond resolutions. Any surplus amounts in the Gross Revenue Fund may be used for any lawful purpose under provisions of the Amendatory Contract.

#### DEBT SERVICE FUND:

The bond resolutions require accounts (called funds) to be established, as follows, and they are accounted for in the Debt Service Fund:

The Channel Improvement Revenue Bonds Interest and Sinking Fund (the "Interest and Sinking Fund")—Established for the purpose of paying the principal and interest on all bonds. Deposits from the Gross Revenue Fund to the Interest and Sinking Fund are made on or before each December 31 and June 30 in amounts sufficient to pay the principal and interest coming due on the bonds on the next succeeding interest payment date.

The Channel Improvement Revenue Bonds Reserve Fund (the "Reserve Fund")—Established to pay the principal and interest on any bonds to the extent the amounts in the Interest and Sinking Fund are not sufficient for such purpose. No additional deposits are to be made into the Reserve Fund as long as the market value of investments and money is at least equal to the average annual principal and interest requirements on all outstanding bonds, which was \$2,617,714 at June 30, 1991.

At June 30, 1991, the balances of cash and investments in the required funds were: Interest and Sinking Fund, \$2,165,592; and Reserve Fund, \$2,912,095.

#### CHANNEL IMPROVEMENT REVENUE BONDS:

These bonds are reported in the General Long-Term Debt account group. See Note M.

Effective January 1, 1980, all outstanding SACIP bonds in the amount of \$17,135,000 were defeased in-substance by issuance of \$13,045,000 in San Antonio River Authority Channel Improvement Refunding Revenue Bonds, Series 1980. The defeased bonds have a final maturity date of July 1, 2013. At June 30, 1991, the outstanding balance of the defeasec bonds was \$13,720,000. Proceeds from the refunding bonds were placed in escrow for the payment of all future principal and interest of the refunded bonds. The refunding bonds provided for issuance of additional bonds which are payable from revenues derived from the contract with Bexar County, particularly the 1976 and 1979 amendments.

On October 17, 1990, the Authority and Bexar County further amended their contract to increase the scope and term to provide additional specific flood control programs and projects in Bexar County. The 1990 Amendatory Contract provides for continuation and expansion of the capital expenditures or payment of debt service incurred for capital expenditures as described in this Note. The 1990 Amendatory Contract further provides for an operation and maintenance component of the Flood Control Tax for each year after 1990 provided that such annual rate shall not exceed 0.1 cent per \$100 of assessed valuation.

### NOTE G—REVENUE BONDS PAYABLE—MARTINEZ-SALATRILLO CREEKS SEWAGE SYSTEM

The Authority has issued revenue bonds for the purpose of constructing sewage facilities and improvements to the Martinez-Salatrillo Creeks Sewage System. The bond covenants authorizing issuance of these bonds provide for creation and maintenance of separate accounts which are accounted for within an enterprise fund as follows:

1. Revenue Fund: All gross revenues of the System must be deposited into this account, from which disbursements for current expenses of the System are made. After all required deposits have been made to the Interest and Sinking Fund and Reserve Fund, at the end of each fiscal year one-half of the money remaining in the Revenue Fund, to the extent considered available, is to be deposited into the Contingency and Improvement Fund.
2. Interest and Sinking Fund: This account is to be used only for the payment of principal and interest on outstanding bonds. On or before the fifteenth day of each month, in equal monthly installments, an amount must be deposited as is necessary for the payment of principal and interest on the next interest and/or principal payment date.
3. Reserve Fund: The minimum amount to be in this account is an amount equal in market value to the average annual principal and interest requirements of all outstanding sewage system revenue bonds. The Reserve Fund complied with this requirement during fiscal 1991. The Fund

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may be used only to pay principal of and interest on the bonds for which the Interest and Sinking Fund is not adequate.

4. Contingency and Improvement Fund: This account is used only for making replacements that are not considered as current expenses; improvements, additions, and extensions to the System; payment of principal and interest on bonds if the Interest and Sinking Fund and Reserve Fund are insufficient; and for the purchase of outstanding bonds for redemption.
5. Construction Fund: Moneys in this account are used only for paying the cost of constructing improvements to the System.

At June 30, 1991, the balances of cash, investments, and cash with fiscal agent in the required funds were: Interest and Sinking Fund, \$532,037; Reserve Fund, \$767,289; Contingency and Improvement Fund, \$4,559,385; and Construction Fund, \$103,599.

Interest expense on bonded debt for the Martinez-Salatrillo Creeks Sewage System is apportioned between Martinez and Salatrillo plant operations based on the ratio of the net book values of noncontributed assets. The interest earned on investments from the Construction Fund and Reserve Fund accounts is apportioned based on the same ratio. Other interest income is apportioned based on the ratio of the prior year's revenues for the System.

The Martinez-Salatrillo Creeks Sewage System Revenue Bonds are due serially through the year 2006, with interest rates of 5.5% to 10.0% and are callable at a premium from July 1, 1995 through January 1, 2000 on any interest payment date.

Additional bonds on a parity with all outstanding bonds may be issued when the net revenues of the System are (1) at least 1.25 times the average annual principal and interest requirements on all outstanding bonds and the then proposed additional bonds for the past fiscal year or twelve-month period ending within ninety days of the sale of the additional bonds, and (2) are estimated by a Registered Professional Engineer to be at least 1.50 times the future principal and interest requirement on the then outstanding bonds and the then proposed additional bonds.

**NOTE H—POLLUTION CONTROL CONTRACT FUND—CITY OF KENEDY**

On May 15, 1974, the Authority entered into an agreement with the City of Kenedy, Texas, whereby the Authority would issue revenue bonds for the purpose of constructing sewage facilities for the City of Kenedy. The Authority issued bonds dated April 1, 1974 in the amount of \$365,000 for this purpose. The bond resolution authorizing the issuance of these bonds provides for the creation of a Revenue Fund to account for all revenues received by the Authority under the contract with the City and an Interest and Sinking Fund which can only be used for the payment of principal and interest on outstanding bonds. On or before March 25 and September 25 of each year, as long as bonds are outstanding, deposits must be made to the Interest and Sinking Fund for the interest and principal due. The Authority has established the Pollution Control Contract Fund as an enterprise fund to account for the requirements.

The City of Kenedy Waste Disposal Contract Revenue Bonds are due serially from fiscal year 1994 through fiscal year 2002, with interest of 5.4%. Annual interest requirements through 1993 are \$19,710; thereafter, principal and interest requirements range from a high of \$53,765 in fiscal year 1994 to a low of \$48,640 in fiscal year 1999.

**NOTE I—PARTICIPATION IN FEDERAL CONSTRUCTION PROJECTS**

The Authority and the United States Army Corps of Engineers have entered into an agreement which provides that the agencies will cooperate in improving the channel of the San Antonio River and its four tributaries within the City of San Antonio. The agreement further provides that the Authority will pay 2.65% of actual federal costs. The Authority paid \$1,764,210 during the year ended June 30, 1991. Pursuant to the agreement, the Corps transfers to the Authority all improvements as they are completed, and the cost to the Corps of Engineers is used as the basis of the additions to the Authority's General Fixed Assets Account Group.

**NOTE J—RESERVATIONS AND DESIGNATIONS OF FUND BALANCE — GENERAL FUND**

In prior years, the Legislature of the State of Texas donated certain ad valorem taxes to the San Antonio River Authority. At June 30, 1991, the fund balance of the General Fund included \$70,799 of these State-donated taxes which are restricted for the construction of improvements, structures, dams, reservoirs, and other works suitable for use in connection with flood control, for the employment of necessary personnel, maintenance of offices, financial aid to the U. S. Army Corps of Engineers and other governmental agencies.

The Authority had been self-insured in prior years. As a result of various claims still outstanding and unresolved, the Authority's management has designated \$300,000 of the fund balance of the General Fund for resolution of these claims.

**NOTE K—GENERAL FIXED ASSETS**

The following table summarizes the changes in the components of the General Fixed Assets Account Group:

	Balance July 1, 1990	Additions	Deletions	Balance June 30, 1991
Office Furniture, Fixtures, and Equipment	\$ 954,697	\$ 26,858		\$ 981,555
Other Machinery and Equipment	662,432	9,434	\$ 3,001	668,865
Automobiles and Trucks	300,748	11,178	13,902	298,024
Buildings	3,006,054	159,763		3,165,817
Improvements Other Than Buildings	70,041			70,041
Land	118,973			118,973
Soil Conservation Service Projects	13,241,274	1,297,046		14,538,320
Model Cities Project	9,109,195			9,109,195
Flood Control Projects	144,421,601	14,028,996	120	158,450,477
	<u>\$ 171,885,015</u>	<u>\$ 15,533,275</u>	<u>\$ 17,023</u>	<u>\$ 187,401,267</u>

SAN ANTONIO RIVER AUTHORITY

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NOTE L—SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The significant portion of the Authority's enterprise funds consists of the Sewage Treatment Funds and the Parks and Recreation Fund. Segment information for the year ended June 30, 1991, is as follows:

	Sewage Treatment Funds	Parks and Recreation Fund	Other Funds	Total Enterprise Funds
Property, Plant, and Equipment	\$ 21,367,768	\$ 2,234,164		\$ 23,601,932
Property Additions	597,756	1,856		599,612
Accumulated Depreciation	4,431,134	965,777		5,396,911
Working Capital	2,327,651	419,222	\$ 4,927	2,751,800
Total Equity	18,549,152	1,688,309		20,237,461
Total Assets	25,599,664	1,798,538	369,930	27,768,132
Long-Term Liabilities:				
Payable From Operating Revenues	5,895,000			5,895,000
Payable From Other Sources			365,000	365,000
Operating Revenues	2,429,731	981,733	730	3,412,194
Depreciation	684,995	145,309		830,304
Operating Income (Loss)	226,909	(92,792)		134,117
Net Income (Loss)	315,065	(63,071)		251,994

NOTE M—SUMMARY OF LONG-TERM DEBT

The following is a summary of changes in long-term debt of the Authority during the year ended June 30, 1991:

Series	Effective Interest Rate	Original Amount	Outstanding July 1 1990	Additions	Deletions	Outstanding June 30 1991
<b>GENERAL BONDED DEBT</b>						
SACIP Improvement Bonds:						
1980 Refunding	7.7923%	\$ 13,045,000	\$ 13,045,000			\$ 13,045,000
1980	8.5477	4,000,000	260,000		\$ 260,000	
1982	9.97	6,000,000	875,000		185,000	690,000
1983	9.3697	6,000,000	630,000		135,000	495,000
1987	8.3502	6,060,000	5,800,000		160,000	5,640,000
1989	6.8145	12,340,000	12,340,000		140,000	12,200,000
		<u>\$ 47,445,000</u>	<u>\$ 32,950,000</u>	<u>\$ -</u>	<u>\$ 880,000</u>	<u>\$ 32,070,000</u>
<b>ENTERPRISE FUND BONDS</b>						
<u>Sewage Treatment Funds</u>						
Martinez-Salatrillo Creeks Sewage System Revenue Bonds:						
1969	5.4976%	\$ 300,000	\$ 115,000		\$ 20,000	\$ 95,000
1972	5.249258	500,000	340,000		10,000	330,000
1982	5.5	2,200,000	1,600,000		100,000	1,500,000
1985	9.14	4,750,000	4,375,000		120,000	4,255,000
		<u>7,750,000</u>	<u>6,430,000</u>		<u>250,000</u>	<u>6,180,000</u>
<u>Contract Funds</u>						
San Antonio River Authority - City of Kenedy, Waste Disposal Contract Revenue Bonds:						
1974	5.35636%	365,000	365,000			365,000
		<u>\$ 8,115,000</u>	<u>\$ 6,795,000</u>	<u>\$ -</u>	<u>\$ 250,000</u>	<u>\$ 6,545,000</u>

SAN ANTONIO RIVER AUTHORITY

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JUNE 30, 1991

Principal and interest requirements to maturity for all long-term debt of the River Authority as of June 30, 1991 are as follows:

	Principal	Interest	Total
<b>General Long-Term Debt</b>			
Channel Improvement			
Bonds—Note F			
1992	\$ 950,000	\$ 2,387,260	\$ 3,337,260
1993	1,025,000	2,306,022	3,331,022
1994	1,100,000	2,217,893	3,317,893
1995	1,180,000	2,130,996	3,310,996
1996	1,255,000	2,045,666	3,300,666
1997-2000	5,975,000	7,212,509	13,187,509
2001-2005*	10,175,000	6,148,354	16,323,354
2006-2010*	5,735,000	2,917,556	8,652,556
2011-2014*	4,675,000	771,164	5,446,164
TOTAL	<u>\$ 32,070,000</u>	<u>\$ 28,137,420</u>	<u>\$ 60,207,420</u>

\* Series 1980 Refunding Bonds covenants require mandatory early redemption of fixed amounts of bonds through random selection of bonds each year. The fixed amount of required redemption for bonds with July 1, 2013 maturity is included for years 2001 through 2013.

	Principal	Interest	Total
<b>Enterprise Funds</b>			
Martinez-Salatrillo Creeks			
Sewage System Revenue Bonds—			
Note G			
1992	\$ 285,000	\$ 482,834	\$ 767,834
1993	325,000	459,612	784,612
1994	350,000	433,887	783,887
1995	370,000	406,176	776,176
1996	420,000	375,736	795,736
1997-2001	2,290,000	1,355,292	3,645,292
2002-2006	2,140,000	497,660	2,637,660
TOTAL	<u>\$ 6,180,000</u>	<u>\$ 4,011,197</u>	<u>\$ 10,191,197</u>

City of Kenedy Waste			
Disposal Contract			
Bonds—Note H			
1992		\$ 19,710	\$ 19,710
1993		19,710	19,710
1994	\$ 35,000	18,765	53,765
1995	35,000	16,875	51,875
1996	35,000	14,985	49,985
1997-2001	210,000	42,660	252,660
2002	50,000	1,350	51,350
TOTAL	<u>\$ 365,000</u>	<u>\$ 134,055</u>	<u>\$ 499,055</u>

Pollution Control Bonds: San Antonio River Authority Pollution Control Revenue Bonds totaling \$7,535,000 have been issued in prior fiscal years by the River Authority pursuant to applicable laws including the Texas Clean Air Financing Act. These bonds were issued for the construction of pollution control facilities on premises of various local corporations. The River Authority has entered into installment sales agreements which provide for funding of these bonds from the various corporations. The bonds are special revenue obligations of the River Authority, and the principal, redemption premium, and interest on the bonds are payable solely from and secured by a first lien on the pledge of the payments from the installment sale agreements. The corporations are absolutely and unconditionally obligated to pay each installment. At June 30, 1991, the outstanding balance of these Pollution Control Bonds was \$3,986,000.

The River Authority has assigned and transferred to a Trustee all payments under the installment sales agreements. The Trustee has agreed to hold debt service funds and construction funds required by the bond resolutions and to administer such funds in accordance with the bond resolutions and trust indentures. As a result of these agreements, the obligations for these bonds have not been recorded in the financial statements of the River Authority.



SAN ANTONIO RIVER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1991

**NOTE N—RECONCILIATION OF BUDGETARY ENTITY DIFFERENCES**

The Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – Budget and Actual – General and Special Revenue Fund Types (Exhibit 3) does not include in Special Revenue Funds amounts for the San Antonio River Industrial Development Authority (SARIDA). As explained in Note A, SARIDA is a component unit of the River Authority and does not adopt an “appropriated” budget. Since these entity differences exist between Exhibit 3 and the Combined Statement of Revenues, Expenditures, and Changes in Fund Balances – All Governmental Fund Types (Exhibit 2), a reconciliation of the differences is presented as follows:

	Totals Exhibit 3	SARIDA	Totals Exhibit 2
Total Revenues and Other Financing Sources	\$ 3,534,626	\$ 23,459	\$ 3,558,085
Total Expenditures and Other Financing Uses	<u>2,344,038</u>	<u>10,904</u>	<u>2,354,942</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>\$ 1,190,588</u>	<u>\$ 12,555</u>	<u>\$ 1,203,143</u>

**NOTE O—CONTINGENCIES**

The San Antonio River Authority was named as defendant in a cause filed by a contractor. The complaint arose from disagreements between the parties concerning a construction contract. The cause has been submitted to the American Arbitration Association for determination, and such determination will be binding on both parties. An accrual has been recorded in the General Fund to provide for that portion of the claim considered by the Authority's counsel to be a probable loss.

The Authority is subject to various other litigation and claims arising out of the course of its operations. While the results of the lawsuits cannot be predicted with certainty, management does not believe these matters will have an adverse effect on the Authority's financial position.





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