

**SAN ANTONIO MUNICIPAL  
UTILITY DISTRICT NO. 1**

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**Financial Statements and  
Independent Auditor's Report**

**September 30, 2019**

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ANNUAL FILING AFFIDAVIT

THE STATE OF TEXAS }

COUNTY OF: BEXAR }

I, Robert L. Kuhn of the SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1  
(Name of Duly Authorized District Representative) (Name of District)

hereby swear, or affirm, that the District named above has reviewed and approved at a meeting of the District's Board of Directors on the \_\_\_ day of February, 2020 its annual audit report for the fiscal period ended September 30, 2019 and that copies of the annual audit report have been filed in the District's office, located at: 16450 Wildlake Boulevard, Helotes, Texas 78023  
(Address of the District's Office)

The annual filing affidavit and the attached copy of the audit report are being submitted to the Texas Commission on Environmental Quality in satisfaction of the annual filing requirements of Texas Water Code Section 49.194.

Date: \_\_\_\_\_ By \_\_\_\_\_  
(Signature of District Representative)

Robert L. Kuhn, President  
(Typed Name and Title of District Representative)

Sworn to and subscribed to before me this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
(Signature of Notary)

(SEAL)


My Commission Expires on: \_\_\_\_\_.  
Notary Public in the State of Texas.


**AUDITED FINANCIAL STATEMENTS**



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San Antonio, TX 78232

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 210-979-0058

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
San Antonio Municipal Utility District No. 1  
Bexar County, Texas

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the San Antonio Municipal Utility District No. 1 (the District) as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of September 30, 2019, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## INDEPENDENT AUDITOR'S REPORT (Continued)

### Other Matters

#### *Restatement*

As disclosed in Note 14 to the financial statements, outstanding checks totaling \$3,131 were cancelled resulting in an increase in beginning cash at October 1, 2018 and a decrease in expenses occurring in 2018.

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-9 and 24 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules in the Texas Supplementary Information Section as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Texas Supplementary Information Section is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Texas Supplementary Information Section information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 16, 2020, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Haynie & Company



San Antonio, Texas  
January 16, 2020

# SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

## Management's Discussion and Analysis September 30, 2019

As management of the San Antonio Municipal Utility District No. 1 (the District), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended September 30, 2019. We encourage readers to consider the information presented here in conjunction with the District's audited financial statements, which follow this section.

### Organization and Business

The District provides garbage pick-up services to residents and businesses within the District.

### Financial Highlights

- ❑ Overall, the District improved its financial position during the fiscal year 2019.
- ❑ The District's Net Position increased by \$158,641 during the period.
- ❑ The District's assets exceeded liabilities at September 30, 2019 by \$110,134 (net position).
- ❑ During the year, the District had expenses of \$189,235 which was \$155,507 less than the \$344,742 generated in general revenues.

### Overview of the Basic Financial Statements

The District's basic financial statements are comprised of two components: (1) Combined Government-Wide and Fund Financial Statements and (2) Notes to the Basic Financial Statements. In addition to the basic financial statements, the report also contains required supplementary information and Texas supplementary information.

In the combined government-wide and fund financial statements, the statement of net position and statement of activities columns are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

- ❑ The statement of net position column presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.
- ❑ The statement of activities column presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Thus, one of the most important questions asked about the District's finances, "Is the District as a whole better or worse off as a result of the year's activities?" The Statement of Net Position and Statement of Activities columns of the basic financial statements report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used in most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

# SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

## Management's Discussion and Analysis September 30, 2019

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

#### Statement of Net Position

As stated earlier, net position may serve over time as a useful indicator of a government's financial position. As previously stated, the District's financial position improved during fiscal period 2019, as District net position increased by \$158,641. The largest part of the District's net position reflects long-term bonded debt that is still outstanding.

The following reflects a comparative condensed Statement of Net Position as of September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Current and Other Assets	\$ 609,543	\$ 492,652
Capital and Other Long-Term Assets	<u>266,801</u>	<u>265,561</u>
Total Assets	<u>876,344</u>	<u>758,213</u>
Current Liabilities	51,210	51,720
Non-Current Liabilities	<u>715,000</u>	<u>755,000</u>
Total Liabilities	<u>766,210</u>	<u>806,720</u>
Net Position:		
Net Investment in Capital Assets	266,801	265,561
Restricted for Debt Service	379,084	344,433
Unrestricted	<u>(535,751)</u>	<u>(658,501)</u>
TOTAL NET POSITION	<u>\$ 110,134</u>	<u>\$ (48,507)</u>



# SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

## Management's Discussion and Analysis September 30, 2019

### Statement of Activities

The Statement of Activities shows how the District paid for the program's cost.

The following reflects a comparative statement of changes in net position of the District as a whole for the years ended September 30, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
<b>EXPENDITURES/EXPENSES</b>		
Public Utilities - Operations	\$ 119,783	\$ 173,291
Debt Service:		
Interest	<u>69,452</u>	<u>72,917</u>
Total Expenditures/Expenses	<u>189,235</u>	<u>246,208</u>
<b>GENERAL REVENUES</b>		
Property Taxes	330,161	329,245
Investment Earnings	11,832	6,336
Tax Penalties and Interest	2,284	2,016
Miscellaneous Revenue	<u>465</u>	<u>1,755</u>
Total General Revenues	<u>344,742</u>	<u>339,352</u>
Change in Net Position	155,507	93,144
Net Position - Beginning	(48,507)	(141,651)
Prior Period Adjustment	3,134	-
Net Position - Ending	<u>\$ 110,134</u>	<u>\$ (48,507)</u>

The District's combined net position increased to \$110,134 from (\$48,507), or 327%, as a result of the increase in net position of \$158,641.

Expenses decreased by 23%.

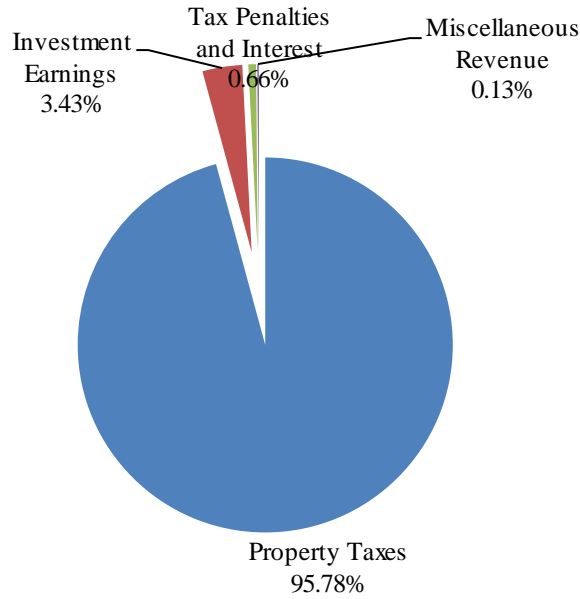
### Net Position

The result of fiscal period 2019 governmental activity was an increase of \$158,641 in net position to \$110,134. Of the total governmental activities' net position, \$266,801 is invested in capital assets net of related debt, \$379,084 is restricted for debt service and (\$535,751) is unrestricted, that is, having no legal commitment.

**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**Management's Discussion and Analysis  
September 30, 2019**

Revenues



This year, property tax revenues represent 95.78% of the total revenues. The District maintains a property tax rate at \$0.5971 per \$100 of 2018 values; and collected property tax revenue of \$330,161.

Expenses



Public utility - operations represents \$119,783 of the total expenses of \$189,235.

# SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

## Management's Discussion and Analysis September 30, 2019

### Reporting the District's Most Significant Funds

The District, like other governments, uses fund accounting to ensure and demonstrate compliance with finance and related legal requirements. The District's major funds – the general fund and debt service fund – are both governmental funds.

The District reports in accordance with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as detailed in Note A of the Notes to the Basic Financial Statements. GASB Statement No. 54 requires fund balances to be classified into the following categories: nonspendable, restricted, committed, assigned, and unassigned.

- Governmental funds are used to account for essentially the same functions reported as governmental activities in the governmental-wide columns of the financial statements. The District's services are reported in the general fund, which focuses on how money flows into and out of that fund and the balances left at year end that are available for spending. The debt service fund is used to account for principal and interest payments on long-term debt as they become due. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's program. We describe the relationship between the Statement of Net Position and the Statement of Activities and governmental funds by making the adjustments to the fund financial statements.

In summary, fund financial statements are considered the traditional method of portraying available funds for immediate spending needs. It is a relative measure of the District's ability to meet program costs in the near future. Therefore, the District's fund balance does not reflect the equity value of the investment the District has in its capital assets or the long-term debt owed by the District. The government-wide statements of net position and activities are therefore designed to reflect the value of all capital assets of the District and to report debt outstanding, so that the total net position figures compare similar to a private entity's retained earnings.

### FUND FINANCIAL ANALYSIS

#### Governmental Type Funds

Total Governmental fund revenues exceeded expenses by \$113,372 for a combined fund balance of \$600,493, reflecting a 23% increase from last year's balance. Of the fund balance, \$379,084 is restricted for debt service and is reported in the debt service fund. The remaining fund balance of \$221,409 is unassigned and is reported in the general fund.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget for the year ending September 30, 2019 was adopted in September 2018.

General fund actual revenues were more than budgeted revenues by \$6,066. The variance in revenue was mainly due to more earnings from investments.

General fund actual expenditures were less than budgeted expenditures by \$172,534. The variance in expenditures was due to a decrease in maintenance and repairs, professional services and capital outlay purchases that did not occur during the year.

# SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

## Management's Discussion and Analysis September 30, 2019

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

The District's capital assets include land, land improvements, buildings, and furniture and equipment. The investment in capital assets as of September 30, 2019 was \$266,801, net of depreciation. This represents an increase of 0.5%.

#### Debt Administration

An analysis of changes in long-term debt for the year ended September 30, 2019 is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Accrued Interest
Unlimited Tax Refunding Bonds, Series 1997	795,000	-	(40,000)	755,000	40,000	5,513
Total Governmental Activities	<u>\$ 795,000</u>	<u>\$ -</u>	<u>\$ (40,000)</u>	<u>\$ 755,000</u>	<u>\$ 40,000</u>	<u>\$ 5,513</u>

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The economic outlook for the District remains stable. Budget levels remain similar to previous years.

#### Request for Information

This financial report is designed to provide a general overview of the District's finances 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 San Antonio Municipal Utility District No. 1, P.O. Box 696, Helotes, Texas 78023.

## **BASIC FINANCIAL STATEMENTS**

**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**Statement of Net Financial Position and Governmental Funds Balance Sheet  
As of September 30, 2019**

	<u>General</u> <u>Fund</u>	<u>Debt Service</u> <u>Fund</u>	<u>Total</u>	<u>Adjustments</u>		<u>Statement</u> <u>of Net Position</u>
<b>ASSETS</b>						
Cash	\$ 37,924	\$ 278	\$ 38,202	\$ -		\$ 38,202
Investments	175,614	392,374	567,988	-		567,988
Receivables						
Property Taxes, net of allowance	2,197	1,156	3,353	-		3,353
Due from Other Funds	13,568		13,568	(13,568)	(1)	-
Land	-	-	-	112,070	(2)	112,070
Land Improvements, net of depreciation	-	-	-	47,580	(2)	47,580
Buildings, net of depreciation	-	-	-	106,079	(2)	106,079
Other Capital Assets, net of depreciation	-	-	-	1,072	(2)	1,072
<b>TOTAL ASSETS</b>	<u>\$ 229,303</u>	<u>\$ 393,808</u>	<u>\$ 623,111</u>	<u>\$ 253,233</u>		<u>\$ 876,344</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ 5,132	\$ -	\$ 5,132	\$ -		\$ 5,132
Accrued Interest	-	-	-	5,513	(5)	5,513
Customer Deposits	565	-	565	-		565
Due to Other Funds	-	13,568	13,568	(13,568)	(1)	-
Long-Term Liabilities						
Due within one year	-	-	-	40,000	(4)	40,000
Due after one year	-	-	-	715,000	(4)	715,000
<b>Total Liabilities</b>	<u>5,697</u>	<u>13,568</u>	<u>19,265</u>	<u>746,945</u>		<u>766,210</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue	\$ 2,197	\$ 1,156	\$ 3,353	\$ (3,353)	(3)	\$ -
<b>FUND BALANCES / NET POSITION</b>						
Fund Balances:						
Restricted for Debt Service	-	379,084	379,084	(379,084)		-
Unassigned	221,409	-	221,409	(221,409)		-
Total Fund Balance	<u>221,409</u>	<u>379,084</u>	<u>600,493</u>	<u>(600,493)</u>		<u>-</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 229,303</u>	<u>\$ 393,808</u>	<u>\$ 623,111</u>			
<b>NET POSITION:</b>						
Net Investment in Capital Assets						
of related debt				266,801		266,801
Restricted for Debt Service				379,084		379,084
Unrestricted				(535,751)		(535,751)
<b>TOTAL NET POSITION</b>				<u>\$ 110,134</u>		<u>\$ 110,134</u>

The following adjustments are required by GASB Statement No. 34 and are for presentation purposes only:

- (1) Internal balances (due to/due from other funds) are eliminated in the statement of net position.
- (2) When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of the District.
- (3) Some assets will not be available to pay current period expenditures. Property taxes receivable are offset by deferred revenues in the governmental funds.
- (4) Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term are reported in the statement of net position.
- (5) Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

The Accompanying Notes are an Integral Part of These Basic Financial Statements.

**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**Statement of Activities and Governmental Fund Revenues, Expenditures  
and Changes in Fund Balances  
For the Year Ended September 30, 2019**

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>					
Public Utilities - Operations	\$ 109,582	\$ 1,088	\$ 110,670	\$ 9,113 (1)	\$ 119,783
Capital Outlay	10,353	-	10,353	(10,353) (1)	-
Debt Service:					
Principal	-	40,000	40,000	(40,000) (2)	-
Interest	-	69,750	69,750	(298) (3)	69,452
Total Expenditures/Expenses	<u>119,935</u>	<u>110,838</u>	<u>230,773</u>	<u>(41,538)</u>	<u>189,235</u>
<b>GENERAL REVENUES</b>					
Property Taxes	218,290	111,274	329,564	597 (4)	330,161
Investment Earnings	3,420	8,412	11,832	-	11,832
Tax Penalties and Interest	1,481	803	2,284	-	2,284
Miscellaneous Revenue	465	-	465	-	465
Total General Revenues	<u>223,656</u>	<u>120,489</u>	<u>344,145</u>	<u>597</u>	<u>344,742</u>
 Excess of Revenues over Expenditures	 <u>103,721</u>	 <u>9,651</u>	 <u>113,372</u>	 <u>42,135</u>	 <u>155,507</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	-	25,000	25,000	(25,000) (5)	-
Transfers Out	(25,000)	-	(25,000)	25,000 (5)	-
 Change in Fund Balances	 78,721	 34,651	 113,372	 42,135	 155,507
<b>FUND BALANCE/NET POSITION</b>					
Beginning of the Year	139,554	344,433	483,987	(532,494)	(48,507)
Prior Period Adjustment	3,134	-	3,134	-	3,134
Restated Beginning	<u>142,688</u>	<u>344,433</u>	<u>487,121</u>	<u>(532,494)</u>	<u>(45,373)</u>
End of the Year	<u>\$ 221,409</u>	<u>\$ 379,084</u>	<u>\$ 600,493</u>	<u>\$ (490,359)</u>	<u>\$ 110,134</u>

The following adjustments are required by GASB Statement No. 34 and are for presentation purposes only:

- (1) When capital assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the costs of those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The District's current capital outlay expenditures were \$10,353 and current year depreciation expense was \$9,113.
- (2) Repayment of bond principal is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balance because current financial resources have been used. For the District, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.
- (3) Interest expense in the statement of activities differs from the amount reported in governmental funds due to accrued interest on long-term debt.
- (4) Because some property taxes will not be collected for several months after the District's fiscal year ends, they are not considered as "available" revenues in the governmental funds and are not reported as revenue in the funds. These amounts are reported as revenues in the statement of activities.

The Accompanying Notes are an Integral Part of These Basic Financial Statements.

# SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

## Notes to the Basic Financial Statements September 30, 2019

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### 1. Nature of the Entity

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#### Reporting Entity

San Antonio Municipal Utility District No. 1 was created by an order of the Texas Water Rights Commission on January 16, 1974, to operate under Chapter 54 of the Texas Water Code and was confirmed by an election held on October 26, 1974. The Board of Directors held its first meeting on March 15, 1974, and the first bonds were sold in July 1976.

In evaluating how to define the District for financial reporting purposes, management has 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 GAAP. 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. The other 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 District is able to exercise oversight responsibilities. Based upon the application of these criteria, the District's reporting entity consists only of the primary government; the District has no component units, as defined by GASB Statement No. 14.

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### 2. Summary of Significant Accounting Policies

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#### Basis of Presentation

The financial statements of the San Antonio Municipal Utility District No. 1 (the District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

As a special purpose government engaged in a single governmental program - a municipal utility district - the District is permitted to combine government-wide and fund financial statements according to GASB No. 34, paragraph 136. In this manner, the District's financial statements begin like governmental fund financial statements and are then adjusted to the full accrual basis of accounting for the statement of net position and statement of activities, or government-wide, presentation.

#### Fund Accounting

The District's accounts are organized within two separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which are comprised of each fund's assets, liabilities, fund balance, revenues and expenditures. Both funds are governmental funds and are considered major funds. The following is a description of the funds used by the District in the accompanying financial statements.

#### Governmental Fund Types:

##### General Fund

The general fund accounts for the resources used to finance the fundamental operations of the District. It is the basic fund of the District and covers all activities for which a separate fund is not required.

##### Debt Service Fund

The debt service fund is used to account for the accumulation of resources for the payment of principal and interest on long-term debt of the District.



# SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

## Notes to the Basic Financial Statements September 30, 2019

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### 2. Summary of Significant Accounting Policies (Continued)

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#### **Basis of Accounting and Measurement Focus**

The basis of accounting determines when transactions and economic events are reflected in financial statements, and measurement focus identifies which transactions and events should be recorded.

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

For the Statement of Net Position and the Statement of Activities, the “economic resources” measurement focus is used. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as net position.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred, except for general obligation bond principal and interest which are reported when due.

All governmental funds utilize a “current financial resources” measurement focus. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balances as their measure of available spendable financial resources at the end of the period.

Revenues susceptible to accrual are property taxes, interest revenue and charges for services. Revenue from fines and permits are not susceptible to accrual because generally they are not measurable until received in cash.

Property taxes, though measurable, are not available soon enough in the subsequent period to finance current obligations. Therefore, in the governmental funds, property tax receivables are recorded and deferred until they become available. In the fund financial statements, property taxes are recorded as revenue in the period levied to the extent they are collected within 60 days of year-end. In the government-wide statement of activities, property taxes are recorded as revenue in the period levied.

#### **Cash and Cash Equivalents**

The District’s cash and cash equivalents consists of cash on hand and demand deposits.

#### **Receivables**

Receivables are reported net of the allowance for bad debts. The receivables bad debt allowance for property taxes in the general and debt service funds are \$8,423 and \$5,973, respectively.

#### **Pension**

The District is an employer; however, there is no pension plan.

# SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

## Notes to the Basic Financial Statements September 30, 2019

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### 2. Summary of Significant Accounting Policies (Continued)

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#### Use of Estimates

The process of preparing financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

#### Debt Service

Debt service expenditures are financed by an ad valorem tax levy on all taxable property within the District and are restricted to payment of current interest and matured principal on bonds, paying agent's fees, and the costs of property and tax collection. (See "Property Tax" section below.)

#### Due To and Due From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. This internal activity is eliminated in the government-wide statement of net position.

#### Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent February 1 of the following year. The District has contracted with the Bexar County Tax Assessor/Collector to bill and collect taxes. District property tax revenues are recognized when collected. An allowance is established for all delinquent taxes and revenue is recognized when taxes are received.

#### Capital Assets

The accounting and reporting treatment applied to the capital assets associated with a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and reported as capital assets in the government-wide financial statements. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical cost based on replacement cost. The minimum capitalization threshold is any individual item with a total cost greater than or equal to \$500. Repairs, maintenance, and minor purchases of equipment are charged to expenses as incurred.

The District has no infrastructure as it was previously sold to another governmental entity.

Depreciation of capital assets is computed using the straight-line method. Estimated useful lives of the various classes of depreciable capital assets are as follows:

Building and Improvements	7-50 years
Furniture and Equipment	5-20 years
Land Improvements	10-30 years

The District follows the policy of capitalizing interest as a component of the cost of fixed assets constructed for its own use.

# SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

## Notes to the Basic Financial Statements September 30, 2019

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### 2. Summary of Significant Accounting Policies (Continued)

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#### Equity Classifications

##### *Government-Wide Financial Statements*

Equity is classified as net position and displayed in three components:

- a. Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted - Consists of assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted - All other assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

##### *Fund Financial Statements*

Governmental Accounting Standards Board (GASB) Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (Statement) requires that fund balances for each of the District’s governmental funds (General Fund, special revenue funds, capital projects funds, and debt service funds) be displayed in the following classifications depicting the relative strength of the spending constraints placed on the purposes for which resources can be used:

- *Nonspendable fund balance*—amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. The District did not have any nonspendable fund balances as of September 30, 2019.
- *Restricted fund balance*—amounts that can be spent only for specific purposes because of constraints imposed by external providers (such as grantors, bondholders, and higher levels of government), or imposed by constitutional provisions or enabling legislation.
- *Committed fund balance*—amounts that can be spent only for specific purposes determined by a formal action of the government’s highest level of decision-making authority. The District did not have any committed fund balances as of September 30, 2019.
- *Assigned fund balance*—amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed. The District did not have any assigned fund balances as of September 30, 2019.
- *Unassigned fund balance*—amounts that are available for any purpose; these amounts can be reported only in the District’s General Fund.

In addition, the Statement clarifies the definitions of the various types of governmental funds. Interpretations of certain terms within the new definition of special revenue funds may affect which activities the District can report in special revenue funds.

The District would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**Notes to the Basic Financial Statements  
September 30, 2019**

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**3. Long-Term Debt**

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Changes in long-term obligations for the period ended September 30, 2019 are as follows:

<b>Debt Service Fund</b>	Beginning		Ending		Due Within	Accrued
	<u>Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u>	<u>One Year</u>	<u>Interest</u>
Unlimited Tax Refunding Bonds, Series 1997	795,000	-	(40,000)	755,000	40,000	5,513
Total Governmental Activities	\$ 795,000	\$ -	\$ (40,000)	\$ 755,000	\$ 40,000	\$ 5,513

**Unlimited Tax Refunding Bonds, Series 1997**

The Unlimited Tax Refunding Bonds, Series 1997 are direct and general obligations of the District, payable from an ad valorem tax levied against all taxable property within the District without legal limit as to rate or amount, with such tax sufficient to provide for the payment of principal and interest on the bonds when due and, subject to allowances for delinquencies, to pay the expenses of assessing and collecting the taxes. The proceeds from the tax are pledged for debt service and are to be placed in an "interest and sinking fund", no less frequently than monthly.

The bonds bear a 9% interest rate with interest payable on March 1<sup>st</sup> and September 1<sup>st</sup> until the bonds mature on March 1, 2027. The cash and temporary cash investments balance in the Debt Service fund was \$392,652 at September 30, 2019.

Paying agent for the Unlimited Tax Refunding Bonds, Series 1997, is:

Bank of New York Mellon, N.A.  
2001 Bryan Street, 9<sup>th</sup> Floor  
Dallas, TX 75201

Bond Authority:	<u>Tax Bonds</u>	<u>Other Bonds</u>	<u>Unlimited Tax Refunding Bonds</u>
Amount Authorized By Voters	\$ 26,896,000	None	\$ 1,575,000
Amount Issued	-	None	1,575,000
Amount Issued and Retired	2,500,000	None	-
Remaining to be Issued	\$ 24,396,000	None	\$ -

**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**Notes to the Basic Financial Statements  
September 30, 2019**

---

**3. Long-Term Debt**

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**Unlimited Tax Refunding Bonds, Series 1997 (Continued)**

Long-term debt service requirements for the District's bonds are summarized as follows:

<u>Due During Fiscal Years Ending</u>	<u>Principal Due 03/01</u>	<u>Interest Due 03/01, 09/01</u>	<u>Total</u>
2020	\$ 40,000	\$ 66,150	\$ 106,150
2021	45,000	62,325	107,325
2022	60,000	57,600	117,600
2023	100,000	50,400	150,400
2024	110,000	40,950	150,950
2025	120,000	30,600	150,600
2026	135,000	19,125	154,125
2027	145,000	6,525	151,525
	<u>\$ 755,000</u>	<u>\$ 333,675</u>	<u>\$ 1,088,675</u>

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**4. Property Tax Revenues and Receivables**

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For the year ended September 30, 2019, the District levied an ad valorem tax at the rate of \$0.5971 per \$100 of the 2018 assessed valuation (\$0.2012 for debt service and \$0.3959 for maintenance) with a 20% homestead exemption, which resulted in a tax levy of \$335,963 on a net taxable valuation of \$56,265,830.

Property taxes receivable at September 30, 2019 are as follows:

	<u>Uncollected Taxes</u>	<u>Estimated Uncollectible</u>	<u>Net Receivable</u>
General Fund	\$ 10,620	\$ (8,423)	\$ 2,197
Debt Service Fund	<u>7,129</u>	<u>(5,973)</u>	<u>1,156</u>
	<u>\$ 17,749</u>	<u>\$ (14,396)</u>	<u>\$ 3,353</u>

**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**Notes to the Basic Financial Statements  
September 30, 2019**

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**5. Employees Retirement System**

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The San Antonio Municipal Utility District has six employees; however, no retirement plan is provided.

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**6. Capital Assets and Depreciation**

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A summary of capital assets is as follows:

	Balance 9/30/2018	Additions	Deductions	Balance 9/30/2019
Not Being Depreciated:				
Land	\$ 112,070	\$ -	\$ -	\$ 112,070
Other Capital Assets				
Office Building	172,410	-	-	172,410
Furniture & Equipment	32,997	1,191	-	34,188
Land Improvements	90,749	9,162	-	99,911
Subtotal	<u>296,156</u>	<u>10,353</u>	<u>-</u>	<u>306,509</u>
Accumulated Depreciation				
Office Building	(63,076)	(3,255)	-	(66,331)
Furniture & Equipment	(32,063)	(1,053)	-	(33,116)
Land Improvements	(47,526)	(4,805)	-	(52,331)
Subtotal	<u>(142,665)</u>	<u>(9,113)</u>	<u>-</u>	<u>(151,778)</u>
Net Other Capital Assets	<u>153,491</u>	<u>1,240</u>	<u>-</u>	<u>154,731</u>
Net Capital Assets	\$ <u>265,561</u>	\$ <u>1,240</u>	\$ <u>-</u>	\$ <u>266,801</u>

Depreciation expense of \$9,113 is reported in the statement of activities within Public Utility - Operations Expense.

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**7. Due To/Due From Other Funds**

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As of September 30, 2019, interfund receivables and payable that resulted from various interfund transactions were as follows:

	Due To Other Funds	Due From Other Funds
General Fund	\$ -	\$ 13,568
Debt Service	13,568	-
	<u>\$ 13,568</u>	<u>\$ 13,568</u>

# SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

## Notes to the Basic Financial Statements September 30, 2019

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### 8. Pledged Revenue

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At elections held within the District on October 25, 1974, the voters of the District authorized the issuance of an aggregate of \$26,896,000 in unlimited tax bonds. After the sale of the \$2,500,000 Series 1976 issue, \$24,396,000 in bonds of the District remained authorized but unissued. During 1997, the Series 1976 Bonds were defeased and \$1,575,000 in unlimited tax refunding bonds, Series 1997, were issued. At September 30, 2019, \$24,396,000 in bonds of the District remain authorized but unissued.

The bonds are direct and general obligations of the District, payable from an ad valorem tax levied against all taxable property within the District without legal limit as to rate or amount, with such tax sufficient to provide for the payment of principal and interest on the bonds when due and, subject to allowances for delinquencies, to pay the expenses of assessing and collecting the taxes. The proceeds from the tax are pledged for debt service and are to be placed in an "interest and sinking fund", no less frequently than monthly.

No service revenues are pledged for debt service.

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### 9. Compliance with Debt Service Requirements

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As of September 30, 2019, the debt service fund had a fund balance of \$379,084. For the year ended September 30, 2019, the debt service fund is being managed and utilized in accordance with the bond resolutions.

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### 10. Redemption of Bonds

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#### Unlimited Tax Refunding Bonds, Series 1997

The bond order provides that the bonds shall be subject to redemption at the option of the District, as a whole or from time to time in part in integral multiples of \$5,000 principals, on any date upon obtaining the written consent of any or all of the purchasers or their assigns or successors and upon payment of a redemption price equal to the principal amount thereof together with interest, if any, accrued thereon from the most recent interest payment date to the redemption date.

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### 11. Deposits and Investments

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#### Deposits

The District maintains cash accounts at a financial institution that is insured by the Federal Deposit Insurance Company (FDIC). At times, balances deposited with financial institutions may have exceeded FDIC coverage; however, the District has not experienced any historical losses as a result of this risk.

#### Investments

At September 30, 2019, all of the District's investments were in the Texas Local Government Investment Pool (TexPool). The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with TexPool. The Advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAAm by Standard and Poors. As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard and Poors, as well as the office of the Comptroller of Public Accounts for review.

TexPool operates in a manner consistent with SEC Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

# SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

## Notes to the Basic Financial Statements September 30, 2019

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### 11. Deposits and Investments (Continued)

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#### Investments (Continued)

District policy allows the District to invest in the following:

- obligations of the United States or its agencies and instrumentalities;
- direct obligations of the State of Texas or its agencies;
- certificates of deposit issued by the state and national banks domiciled in Texas that are guaranteed or insured by the FDIC;
- certificates of deposit issued by savings and loan associations domiciled in Texas that are guaranteed or insured by the FSLIC;
- prime domestic bankers acceptances;
- commercial paper;
- fully collateralized repurchase agreements;
- TexPool, as authorized under Texas Government Code Section 404.101;
- and other legal investments of the District's as stated in the policy of the District.

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### 12. Fund Balance/Net Position

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In accordance with GASB Statement No. 54, fund balances are classified as either nonspendable, restricted, committed, assigned, or unassigned, as described in Note A.

#### Restricted Fund Balance

Bond agreements require that an ad valorem property tax be restricted for the payment of principal and interest on the District's long-term debt. This restriction is reported in the District's Debt Service Fund. As of September 30, 2019, the fund balance restricted for debt service was \$379,084. For the Statement of Net Position, the restricted fund balance is reported as restricted.

#### Unassigned Fund Balance

The District's general fund reports an unassigned fund balance of \$221,409 as of September 30, 2019. For the Statement of Net Position, the unassigned fund balance is reported as unrestricted.

#### Implementation of New Accounting Principles

*Governmental Accounting Standards Board Statement No. 65*

The District adopted the provisions of GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement modifies financial reporting of certain assets and liabilities to be reclassified as deferred outflows of resources or deferred inflows of resources. This statement mandates that debt issuance costs, which had previously been capitalized and amortized over the life of the related debt, be expensed as incurred.

#### Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District does not have any items that qualify for reporting in this category. In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an



# SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

## Notes to the Basic Financial Statements September 30, 2019

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### 12. Fund Balance/Net Position (Continued)

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#### Deferred Outflows/Inflows of Resources (Continued)

acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from uncollected property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

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### 13. Risk Management

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The District is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. These risks of loss are covered through participation in the Texas Municipal League, a public entity risk pool. The District also obtains commercial insurance to manage its risk of loss.

Management believes the insurance coverage is sufficient to preclude any significant losses to the District. Settled claims have not exceeded the insurance coverage in any of the past three fiscal years.

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### 14. Restatement

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The fund balance at the beginning of the year has been adjusted to reflect the reversal of long outstanding expense checks. The District had outstanding checks ranging from 2 to 5 years old totaling \$3,131. These checks were voided thereby increasing cash and the fund balance.

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### 15. Subsequent Events

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Management has evaluated subsequent events through January 16, 2020, which is the date the financial statements were available to be issued. No such events have occurred subsequent to the balance sheet date and through the date of the District's evaluation that would require adjustment to, or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION



2702 N. Loop 1604 E.  
San Antonio, TX 78232

 210-979-0055

 210-979-0058

 [www.HaynieCPAs.com](http://www.HaynieCPAs.com)

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
San Antonio Municipal Utility District No. 1

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of the San Antonio Municipal Utility District No. 1 (the District), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 16, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

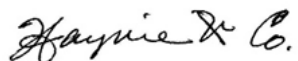
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND  
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***  
*(Continued)*

**Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Haynie & Company



San Antonio, Texas  
January 16, 2020

**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**Required Supplementary Information  
Budgetary Comparison Schedule - General Fund  
For the Year Ended September 30, 2019**

	Budgeted Amounts		Actual	Variance
	Original	Final		Positive (Negative)
<b>Revenues:</b>				
Property Taxes	\$ 217,590	\$ 217,590	\$ 218,290	\$ 700
Investment Earnings	-	-	3,420	3,420
Penalties and Interest	-	-	1,481	1,481
Miscellaneous Revenue	-	-	465	465
Total Revenues	<u>217,590</u>	<u>217,590</u>	<u>223,656</u>	<u>6,066</u>
<b>Expenditures:</b>				
Current				
Purchased Services	54,448	54,448	50,582	3,866
Professional Fees	31,300	31,300	17,703	13,597
Contract Services	-	-	2,761	(2,761)
Personnel Services	25,577	25,577	22,072	3,505
Utilities	4,000	4,000	2,169	1,831
Maintenance and Repairs	22,000	22,000	9,471	12,529
Insurance	2,500	2,500	2,402	98
Miscellaneous and Other	4,150	4,150	2,422	1,728
Capital Outlay	148,494	148,494	10,353	138,141
Total Expenditures	<u>292,469</u>	<u>292,469</u>	<u>119,935</u>	<u>172,534</u>
Excess of Revenues Over (Under) Expenditures	(74,879)	(74,879)	103,721	178,600
Fund Balance - Beginning of Year, GAAP Basis	139,554	139,554	139,554	-
Transfers Out	(25,000)	(25,000)	(25,000)	-
Prior Period Adjustment	3,134	3,134	3,134	-
Fund Balance - End of Year, GAAP Basis	<u>\$ 42,809</u>	<u>\$ 42,809</u>	<u>\$ 221,409</u>	<u>\$ 178,600</u>

**NOTES: Budgets and Budgetary Accounting**

The District adopts an annual budget for the General Fund. The annual budget for the General Fund is prepared using the basis of accounting utilized by this governmental fund. Any revisions to the budget that alter the total expenditures must be approved by the Board to the District.

The budget for the General Fund for the year ended September 30, 2019 was approved and adopted by the board of directors at a meeting held in September 2018.

TEXAS SUPPLEMENTARY INFORMATION (TSI)

**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**TSI-1 Services and Rates  
September 30, 2019**

1. Services Provided by the District:

<u>          </u> Retail Water (See note below)	<u>          </u> Wholesale Water	<u>          </u> Drainage
<u>          </u> Retail Wastewater (See note below)	<u>          </u> Wholesale Wastewater	<u>          </u> Irrigation
<u>          </u> Parks/Recreation	<u>          </u> Fire Protection	<u>          </u> Security
<u>  X  </u> Solid Waste/Garbage	<u>          </u> Flood Control	<u>          </u> Roads
<u>          </u> Participants in joint venture, regional system and/or wastewater service (other than emergency interconnect)		
<u>          </u> Other (Please Specify): _____		

During fiscal year ended September 30, 1997, the District sold its water and wastewater operations; therefore, items #2, 3, and 4 are not applicable.

2. a) Retail Rates Based on 5/8" Meter: N/A

b) Number of retail water and/or wastewater connections within the District as of the fiscal year end. N/A

3. Total water consumption (rounded to the nearest 1,000) during the fiscal year. N/A

4. Standby Fees: Does the District assess standby fees? Yes \_\_\_ No X

5. Anticipated sources of funds to be used for debt service payments in the District's following year:

	<u>Amount</u>
a. Debt Service Tax Receipts	\$ -
b. Surplus Connection Funds	-
c. Water and/or Wastewater Revenue	-
d. Standby Fees	-
e. Beginning Debt Service Fund Balance	106,150
f. Interest Revenues	-
g. Other (Describe)	-
_____	-
_____	-
<b>TOTAL ANTICIPATED FUNDS TO BE USED *</b>	<b>\$ <u>106,150</u></b>

\*This total should equal the District's total annual debt service for the fiscal year following the fiscal year reported or in the audited financial statements.

6. Location of District:

County in which District is located. Bexar

Is the District located entirely within one county? X Yes \_\_\_ No

City in which District is located. None

Is the District located within a city's extra territorial jurisdiction (Helotes)?

X Entirely \_\_\_ Partly \_\_\_ Not at all

ETJ's in which District is located. Helotes

Is the general membership of the Board appointed by an office outside the District?

\_\_\_ Yes X No

If Yes, by whom? Not Applicable

**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**TSI-2 General Fund Expenditures  
September 30, 2019**

CURRENT:		
Personnel (Including Benefits)	\$	22,072
Professional Fees:		
Auditing		15,343
Legal		2,240
Other		120
Purchased Services for Resale:		
Solid Waste Disposal		50,582
Contracted Services:		
Bexar County A/C Fees		498
Bexar Appraisal Fees		1,295
Security Services		882
Other		86
Utilities		2,169
Repairs and Maintenance		9,471
Administrative Expenditures:		
Postage/Printing/Office Supplies		1,360
Legal Notices and Publications		640
Insurance		2,402
Other Administrative – Miscellaneous		22
Election		305
Travel & Per Diem		95
TOTAL EXPENDITURES	\$	<u>109,582</u>

Number of persons employed by the District:                      0   full-time      6   part-time  
(Do not include independent contractors or consultants)



**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**TSI-3 Temporary Investments  
September 30, 2019**

Funds	Identification Number	Stated Interest Rate	Maturity Date	Balance at Year-End	Accrued Interest Receivable at Year-End
<b>Investments in Texpool</b>					
Debt Service Fund	0158500001	Variable	N/A	\$ 392,374	-
General Fund (Operating)	0158500002	Variable	N/A	170,185	-
General Fund (Clearing)	0158500003	Variable	N/A	5,429	-
Total Investments				<u>\$ 567,988</u>	<u>-</u>

**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**TSI-4 Taxes Levied and Receivable  
Fiscal Year Ending September 30, 2019**

	Maintenance	Debt Service
	<u>Taxes</u>	<u>Taxes</u>
TAXES RECEIVABLE, BEGINNING OF YEAR	\$ 9,198	\$ 6,629
 ORIGINAL TAX ROLL		
(less abatements)	<u>225,419</u>	<u>114,560</u>
Total to be Accounted for	<u>234,617</u>	<u>121,189</u>
Tax Collections:		
Current Year	(219,238)	(111,419)
Prior Years	<u>94</u>	<u>53</u>
Total Collections	<u>(219,144)</u>	<u>(111,366)</u>
 Adjustments to Prior Year Tax Rolls		
Adjustments	<u>(4,853)</u>	<u>(2,694)</u>
	<u>(4,853)</u>	<u>(2,694)</u>
 TAXES RECEIVABLE, END OF YEAR	\$ <u>10,620</u>	\$ <u>7,129</u>

TAXES RECEIVABLE, BY YEARS

1997	5	12
1998	-	1
1999	25	51
2000	4	7
2001	25	48
2002	25	48
2003	36	38
2004	31	41
2005	135	179
2006	99	127
2007	105	101
2008	138	109
2009	138	99
2010	62	45
2011	51	39
2012	336	246
2013	3,481	2,639
2014	469	338
2015	559	341
2016	499	313
2017	876	521
2018	<u>3,521</u>	<u>1,786</u>
TAXES RECEIVABLE, END OF YEAR	\$ <u>10,620</u>	\$ <u>7,129</u>

PROPERTY VALUATIONS:

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Land and Improvements	\$ 56,938,351	\$ 51,617,702	\$ 51,241,742	\$ 51,474,931
Exemptions	<u>(672,521)</u>	<u>(211,191)</u>	<u>(131,013)</u>	<u>(2,134,611)</u>
TOTAL PROPERTY VALUATIONS	\$ <u>56,265,830</u>	\$ <u>51,406,511</u>	\$ <u>51,110,729</u>	\$ <u>49,340,320</u>

TAX RATES PER \$100 VALUATION

Debt Service Tax Rates	\$ 0.2012	\$ 0.2377	\$ 0.2445	\$ 0.2377
Maintenance Tax Rates	<u>0.3959</u>	<u>0.4000</u>	<u>0.3900</u>	<u>0.3900</u>
TOTAL TAX RATES PER \$100 VALUATION	\$ <u>0.5971</u>	\$ <u>0.6377</u>	\$ <u>0.6345</u>	\$ <u>0.6277</u>

TAX ROLLS	\$ <u>335,963</u>	\$ <u>327,819</u>	\$ <u>324,298</u>	\$ <u>309,709</u>
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Percent of Taxes Collected to Taxes Levied	<u>98%</u>	<u>99%</u>	<u>99%</u>	<u>97%</u>
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**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**TSI-4 Taxes Levied and Receivable (Continued)  
Fiscal Year Ending September 30, 2019**

Tax rate for any other special district which (a) encompass less than a county, (b) provide water, wastewater collection, drainage or roads to property in the district AND (c) tax property in the district. [Do not include taxes levied by the district.]

Name of Special District(s)	Service Provided	Tax Rate
None		\$ -
		\$ -
Total Rate(s) of Special District(s)		\$ -

Tax rate for all overlapping jurisdictions. Include any taxing entities which overlap **10% or more** of the District.

Taxing Jurisdiction	Tax Rate
a. County: <u>Bexar</u>	\$ <u>0.721394</u>
b. City: <u>None</u>	\$ <u>-</u>
c. School District: <u>Northside Independent School District</u>	\$ <u>1.3755</u>
d. Special Districts not includes above:	
<u>Emergency Services District No. 7</u>	\$ <u>-</u>
	\$ <u>-</u>
e. Total Special District (from top of this page)	\$ <u>-</u>
f. Total District Tax Rate (from previous page)	\$ <u>0.5971</u>
g. TOTAL OVERLAPPING TAX RATE (Sum of a. - f.)	\$ <u>2.693994</u>

**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**TSI-5 Long-Term Debt Service Requirements – By Years  
September 30, 2019**

Due During Fiscal Years Ending	Annual Requirements For All Bond Series		
	Principal Due 03/01	Interest Due 03/01, 09/01	Total
2020	\$ 40,000	\$ 66,150	\$ 106,150
2021	45,000	62,325	107,325
2022	60,000	57,600	117,600
2023	100,000	50,400	150,400
2024	110,000	40,950	150,950
2025	120,000	30,600	150,600
2026	135,000	19,125	154,125
2027	145,000	6,525	151,525
	<u>\$ 755,000</u>	<u>\$ 333,675</u>	<u>\$ 1,088,675</u>

Cash and Temporary Investment Balance as of September 30, 2019:

Debt Service \$ 392,652



**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**TSI-7 Comparative Statement of Revenues and Expenditures  
General Fund and Debt Service Fund - Five Years  
Fiscal Year Ended September 30, 2019**

	Amount					Percent of Fund Total Revenue				
	2019	2018	2017	2016	2015	2019	2018	2017	2016	2015
<b>General Fund Revenue:</b>										
Tax Revenue	\$ 218,290	\$ 206,824	\$ 195,944	\$ 192,856	\$ 188,238	97.60%	98.05%	98.78%	87.47%	98.68%
Other	1,946	3,006	1,720	27,443	2,482	0.87%	1.43%	0.87%	12.45%	1.30%
Interest on Investments	3,420	1,096	695	171	46	1.53%	0.52%	0.35%	0.08%	0.02%
Total Revenue	<u>223,656</u>	<u>210,926</u>	<u>198,359</u>	<u>220,470</u>	<u>190,766</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
<b>General Fund Expenditures:</b>										
Purchase Solid Waste Disposal	50,582	44,528	47,610	52,422	34,937	22.62%	21.11%	24.00%	23.78%	18.31%
Contracted Services	2,761	2,956	3,695	5,031	5,389	1.23%	1.40%	1.86%	2.28%	2.82%
Professional Fees	17,703	45,567	27,389	27,658	22,600	7.92%	21.60%	13.81%	12.55%	11.85%
Personnel Services	22,072	30,267	34,397	35,010	33,984	9.87%	14.35%	17.34%	15.88%	17.81%
Repairs and Maintenance	9,471	29,641	43,801	45,279	45,199	4.23%	14.05%	22.08%	20.54%	23.69%
Other	6,993	8,696	7,247	11,656	9,558	3.13%	4.12%	3.65%	5.29%	5.01%
Notes Payable Principal, Int. & Fees	-	20,000	36,075	31,379	59,403	0.00%	9.48%	18.19%	14.23%	31.14%
Capital Outlay	10,353	-	-	9,600	-	4.63%	0.00%	0.00%	4.35%	0.00%
Total Expenditures	<u>119,935</u>	<u>181,655</u>	<u>200,214</u>	<u>218,035</u>	<u>211,070</u>	<u>53.63%</u>	<u>86.11%</u>	<u>100.93%</u>	<u>98.90%</u>	<u>110.63%</u>
<b>Excess Revenue (Expenditures) Before Other Funding Sources</b>										
	<u>\$ 103,721</u>	<u>\$ 29,271</u>	<u>\$ (1,855)</u>	<u>\$ 2,435</u>	<u>\$ (20,304)</u>	<u>46.37%</u>	<u>13.89%</u>	<u>-0.93%</u>	<u>1.10%</u>	<u>-10.63%</u>
<b>Debt Service Fund Revenue:</b>										
Tax Revenue	\$ 111,274	\$ 122,280	\$ 124,141	\$ 118,589	\$ 129,307	92.35%	95.32%	97.53%	71.33%	98.88%
Penalties and Interest on Taxes	803	765	814	870	1,326	0.67%	0.60%	0.64%	0.52%	1.01%
Interest on Investments	8,412	5,240	2,335	850	144	6.98%	4.08%	1.83%	0.51%	0.11%
Other	-	-	-	45,944	-	0.00%	0.00%	0.00%	27.63%	0.00%
Total Revenue	<u>120,489</u>	<u>128,285</u>	<u>127,290</u>	<u>166,253</u>	<u>130,777</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>99.99%</u>	<u>100.00%</u>
<b>Debt Service Fund Expenditures:</b>										
Appraisal District Fees	1,088	1,131	1,107	1,103	1,118	0.90%	0.88%	0.87%	0.66%	0.85%
Debt Service Principal, Int. & Fees	109,750	118,575	117,400	115,775	124,150	91.09%	92.43%	92.23%	69.64%	94.93%
Other	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Total Expenditures	<u>110,838</u>	<u>119,706</u>	<u>118,507</u>	<u>116,878</u>	<u>125,268</u>	<u>91.99%</u>	<u>93.31%</u>	<u>93.10%</u>	<u>70.30%</u>	<u>95.78%</u>
<b>Excess Revenue (Expenditures) Before Other Funding Sources</b>										
	<u>\$ 9,651</u>	<u>\$ 8,579</u>	<u>\$ 8,783</u>	<u>\$ 49,375</u>	<u>\$ 5,509</u>	<u>8.01%</u>	<u>6.69%</u>	<u>6.90%</u>	<u>29.69%</u>	<u>4.22%</u>

**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**TSI-8 Board Members, Key Personnel, and Consultants  
September 30, 2019**

Complete District Mailing Address: PO Box 696, Helotes, Texas 78023  
Telephone Number: 210/254-6129

<u>Name and Address</u>	<u>Term of Office</u>	<u>Fees and Reimbursements 9/30/2019</u>	<u>Title at Year End</u>	<u>Resident of District</u>	<u>Relationship With Major Land Owners, Developers or Consultants</u>
<b>Board Members:</b>					
Robert Kuhn 16716 Puma Valley Helotes, Texas 78023	May 2016 May 2020	\$12	President	Yes	None
Zulema Fuentes_Real 11426 Mountain Climb Helotes, Texas 78023	May 2016 May 2020	\$12	Vice President	Yes	None
John Leroy King 17202 Laurel Crossing Helotes, Texas 78023	May 2018 Resigned July 2019	\$9	Secretary	Yes	None
William R. Burn 16509 Yaupon Valley Helotes, Texas 78023	February 2017 May 2020	\$12	Treasurer	Yes	None
Masoud Hooti 11149 Round Tree Patch Helotes, Texas 78023	May 2018 May 2022	\$12	Asst. Secretary	Yes	None

**SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1**

**TSI-8 Board Members, Key Personnel, and Consultants (Continued)  
September 30, 2019**

Name and Address	Date Hired	Fees and Reimbursements 9/30/2019	Position
<b>Consultants:</b>			
Jeffrey Kuhn Norton, Rose, Fulbright US, LLP 300 Convent Street San Antonio, Texas 78205	1985	\$ 2,240	Attorney
Bexar Appraisal District PO Box 830248 San Antonio, Texas 78283-0248	1981	\$ 1,294	Appraisal District
Albert Uresti, MPA Tax Assessor - Collector Vista Verde Plaza 233 N. Pecos PO Box 839950 San Antonio, Texas 78283-3950	1987	\$ 726	Tax Assessor/ Collector
Haynie & Co. Certified Public Accountants 2702 N. Loop 1604 East, Suite 202 San Antonio, Texas 78232	1986	\$ 15,343	Independent Auditors
<b>Key Personnel:</b>			
Debra Conkle PO Box 186 Helotes, Texas 78023	1990	\$ 20,507	Office Manager