

SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

JANUARY 13, 2021

MINUTES

**STATE OF TEXAS
COUNTY OF BEXAR**

The Board of Directors of the San Antonio Municipal Utility District No. 1 convened in Regular Session, open to the public and pursuant to Notice duly given at 6:30 p.m., at 16450 Wildlake Blvd, Helotes, Texas 78023, on the 13th day of January 2021, with the following member's present to-with:

Robert Kuhn, President - Via Skype
Bill Burn, Treasurer
Dale Ferguson, Secretary
Max Hooti, Assistant Secretary

And Zulema Fuentes-Real absent, thus constituting a quorum. Also present were Debra Conkle, Office Manager, John Boekweg of Haynie & Company, District Auditor, Jim Berbiglia, David Echevarria and John Bartholmae San Antonio Ranch residents.

President Kuhn called the meeting to order and announced that the first item of business would be:

IV. (A.) DISCUSSION AND APPROVAL OF 2020 AUDIT

Mr. Boekweg presented the 2020 Audit to the Board for their review. He briefed the board on the audit as presented. After a brief discussion, Director Ferguson moved that the 2020 Audit be approved as presented. Director Burn seconded the motion, and the motion passed by unanimous vote of the Directors present. The audit was executed and notarized and Mr. Boekweg stated that it would be sent to Austin tomorrow.

That 2020 Audit thus approved is as follows:

San Antonio Municipal Utility District No. 1

P.O. BOX 696

Helotes, Texas 78023

(210) 254-6129

January 5, 2021

Haynie & Company
2702 N Loop 1604 East, Suite 202
San Antonio, Texas 78232

This representation letter is provided in connection with your audit(s) of the financial statements of San Antonio Municipal Utility District No. 1 (the District), which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of September 30, 2020, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the disclosures (collectively, the "financial statements"), for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of January 5, 2021, the following representations made to you during your audit.

Financial Statements

- 1) We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated September 9, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
- 2) The financial statements referred to above are fairly presented in conformity with U.S. GAAP and include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
- 3) We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- 4) We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- 5) Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

- 6) Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
- 7) Adjustments or disclosures have been made for all events, including instances of noncompliance, subsequent to the date of the financial statements that would require adjustment to or disclosure in the financial statements [or in the schedule of findings and questioned costs].
- 8) The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole for each opinion unit. A list of the uncorrected misstatements is attached to the representation letter.
- 9) There are no known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
- 10) Guarantees, whether written or oral, under which the District is contingently liable, if any, have been properly recorded or disclosed.

Information Provided

- 11) We have provided you with:
 - a) Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, and other matters.
 - b) Additional information that you have requested from us for the purpose of the audit.
 - c) Unrestricted access to persons within the District from whom you determined it necessary to obtain audit evidence.
 - d) Minutes of the meetings of the District or summaries of actions of recent meetings for which minutes have not yet been prepared.
- 12) All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- 13) We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- 14) We have no knowledge of any fraud or suspected fraud that affects the District and involves—
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- 15) We have no knowledge of any allegations of fraud or suspected fraud affecting the District's financial statements communicated by employees, former employees, regulators, or others.
- 16) We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or waste or abuse, whose effects should be considered when preparing financial statements.
- 17) We have disclosed to you that no attorneys were retained for actual or possible litigation during the fiscal year.

18) We have disclosed to you the names of the District's related parties and all the related party relationships and transactions, including any side agreements.

Government-specific

19) There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

20) We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.

21) The District has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fund balance or net position.

22) We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts, and legal and contractual provisions for reporting specific activities in separate funds.

23) There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

24) As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.

25) The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.

26) The District has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

27) The financial statements include all fiduciary activities required by .

28) The financial statements properly classify all funds and activities in accordance with , as amended, and .

29) All funds that meet the quantitative criteria in and for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.

30) Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.

31) Investments, derivative instruments, and land and other real estate held by endowments are properly valued.

32) Provisions for uncollectible receivables have been properly identified and recorded.

- 33) Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- 34) Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- 35) Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- 36) Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
- 37) Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated or amortized.
- 38) The government meets the GASB-established requirements for accounting for eligible infrastructure assets using the modified approach.
- 39) We have appropriately disclosed the District's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
- 40) We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
- 41) With respect to the Texas Supplementary Information (TSI)
 - a) We acknowledge our responsibility for presenting the TSI in accordance with accounting principles generally accepted in the United States of America, and we believe the TSI, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the TSI have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - b) If the TSI is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.

Signature: _____



Title: _____

President



2702 N. Loop 1604 E., Ste. 202
San Antonio, TX 78232

210-979-0055

210-979-0058

www.HaynieCPAs.com

January 5, 2021

To the Board of Directors
San Antonio Municipal Utility District No. 1
P.O. Box 696
Helotes, Texas 78203

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of San Antonio Municipal District No. 1 (the District) for the year ended September 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and the Uniform Guidance), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated September 9, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the District's financial statements was (were):

Management's estimate of the depreciable lives of property and equipment is based on the number of years the related assets are expected to be usable to the District. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 5, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the General Fund Budgetary Comparison Schedule, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

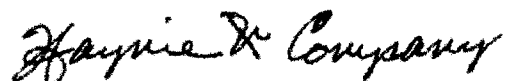
We were engaged to report on the Texas Supplementary Information, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on supplementary information, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the San Antonio Municipal District No. 1 and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Haynie & Company
San Antonio, TX

Client: SA-7363.000 - San Antonio Municipal Utility District No.1
 Engagement: 2020 - San Antonio Municipal Utility District
 Period Ending: 9/30/2020
 Trial Balance: 1001.1 - Trial Balance
 Workpaper: 1100.0 - Combined Journal Entries Report
 Fund Level: All
 Index: All

Account	Description	W/P Ref	Debit	Credit
Adjusting Journal Entries				
Adjusting Journal Entries JE # 1				
To reclass PY interfund expense still on the books in the CY to retained earnings				
100-2800	Retained Earnings		25,000.00	
100-9950	Other Operating Tran			25,000.00
Total			<u>25,000.00</u>	<u>25,000.00</u>
Adjusting Journal Entries JE # 2				
To adjust AP and Expense				
100-2110	Accounts Payable - Trade		554.85	
100-4229	Garbage Services			554.85
Total			<u>554.85</u>	<u>554.85</u>
Adjusting Journal Entries JE # 3				
To adjust Tax receivable and deferred revenue to actual				
100-1148	Prior Year Tax Rec (D&M)		3,133.78	
100-2170	Deferred Income		2,252.24	
100-1149	Allow For Bad Debts			2,252.24
100-2170	Deferred Income			3,133.78
Total			<u>5,386.02</u>	<u>5,386.02</u>
Adjusting Journal Entries JE # 4				
To adjust Tax receivable and deferred revenue to actual				
200-1148	Taxes Receivable		689.91	
200-2140	Deferred Revenue		458.41	
200-1149	Allowance for Bad Debts			458.41
200-2140	Deferred Revenue			689.91
Total			<u>1,148.32</u>	<u>1,148.32</u>
Total Adjusting Journal Entries			<u>32,089.19</u>	<u>32,089.19</u>
Total All Journal Entries			<u>32,089.19</u>	<u>32,089.19</u>

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

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

September 30, 2020

Table of Contents

	<u>Page No.</u>
Annual Filing Affidavit	1
AUDITED FINANCIAL STATEMENTS	
Independent Auditor's Report	2
Management's Discussion and Analysis	4
Statement of Net Position and Governmental Funds Balance Sheet	10
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances	11
Notes to the Basic Financial Statements	12
REQUIRED SUPPLEMENTARY INFORMATION	
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 <i>Governmental Auditing Standards</i>	22
Budgetary Comparison Schedule - General Fund	24
TEXAS SUPPLEMENTARY INFORMATION (TSI)	
TSI-1 Services and Rates	25
TSI-2 General Fund Expenditures	26
TSI-3 Temporary Investments	27
TSI-4 Taxes Levied and Receivable	28
TSI-5 Long-Term Debt Service Requirements - By Years	30
TSI-6 Changes in Long-Term Bonded Debt	31
TSI-7 Comparative Statement of Revenues and Expenditures - General Fund and Debt Service Fund - Five Years	32
TSI-8 Board Members, Key Personnel and Consultants	33

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)

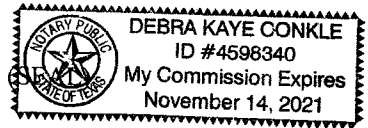
hereby swear, or affirm, that the District named above has reviewed and approved at a meeting of the District's Board of Directors on the day of January, 2021 its annual audit report for the fiscal period ended September 30, 2020 and that copies of the annual audit report have been filed in the District's 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: Jan 13, 2021 By [Signature]
(Signature of District Representative)

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

Sworn to and subscribed to before me this 13th day of January, 2021.
[Signature]
(Signature of Notary)





My Commission Expires on: 11-14-2021
Notary Public in the State of Texas.


AUDITED FINANCIAL STATEMENTS



2702 N. Loop 1604 E., Ste. 202
San Antonio, TX 78232

 210-979-0055

 210-979-0058

 www.HaynieCPAs.com

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, 2020, 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.

INDEPENDENT AUDITOR'S REPORT (Continued)

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, 2020, 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.

Other Matters

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

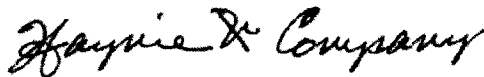
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The schedules in the Texas Supplementary Information Section as listed in the table of contents are presented for purposes of additional analysis 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 5, 2021, 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 5, 2021

SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

Management's Discussion and Analysis September 30, 2020

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, 2020. 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 2020.
- ❑ The District's Net Position increased by \$149,273 during the period.
- ❑ The District's assets exceeded liabilities at September 30, 2020 by \$259,407 (net position).
- ❑ During the year, the District had expenses of \$201,676 which was \$149,273 less than the \$350,949 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, 2020

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 2020, as District net position increased by \$149,273. 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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Current and Other Assets	\$ 712,223	\$ 609,543
Capital and Other Long-Term Assets	<u>272,469</u>	<u>266,801</u>
Total Assets	<u>984,692</u>	<u>876,344</u>
Current Liabilities	55,285	51,210
Non-Current Liabilities	<u>670,000</u>	<u>715,000</u>
Total Liabilities	<u>725,285</u>	<u>766,210</u>
Net Position:		
Net Investment in Capital Assets	272,469	266,801
Restricted for Debt Service	421,103	379,084
Unrestricted	<u>(434,165)</u>	<u>(535,751)</u>
TOTAL NET POSITION	<u>\$ 259,407</u>	<u>\$ 110,134</u>

SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

**Management's Discussion and Analysis
September 30, 2020**

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, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
EXPENDITURES/EXPENSES		
Public Utilities - Operations	\$ 135,845	\$ 119,783
Debt Service:		
Interest	<u>65,831</u>	<u>69,452</u>
Total Expenditures/Expenses	<u>201,676</u>	<u>189,235</u>
 GENERAL REVENUES		
Property Taxes	335,885	330,161
Investment Earnings	5,347	11,832
Tax Penalties and Interest	1,883	2,284
Miscellaneous Revenue	<u>7,834</u>	<u>465</u>
Total General Revenues	<u>350,949</u>	<u>344,742</u>
 Change in Net Position	149,273	155,507
 Net Position - Beginning	110,134	(48,507)
Prior Period Adjustment	-	3,134
Net Position - Ending	<u>\$ 259,407</u>	<u>\$ 110,134</u>

The District's combined net position increased to \$259,407 from \$110,134, or 136%, as a result of the increase in net position of \$149,273.

Expenses increased by 7%.

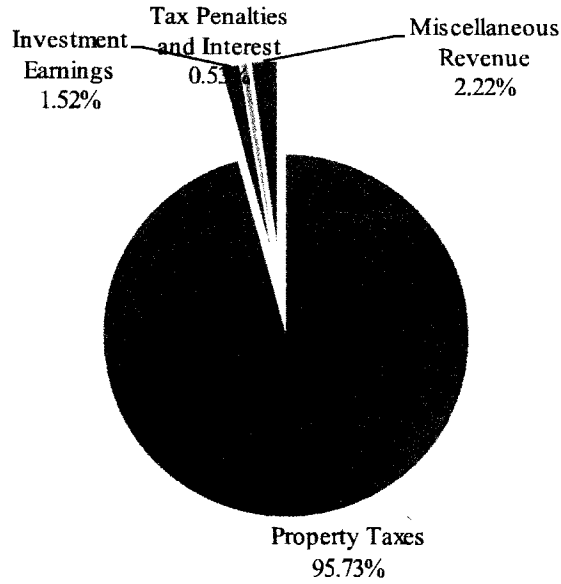
Net Position

The result of fiscal period 2020 governmental activity was an increase of \$149,273 in net position to \$259,407. Of the total governmental activities' net position, \$272,469 is invested in capital assets net of related debt, \$421,103 is restricted for debt service and (\$434,165) is unrestricted, that is, having no legal commitment.

SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

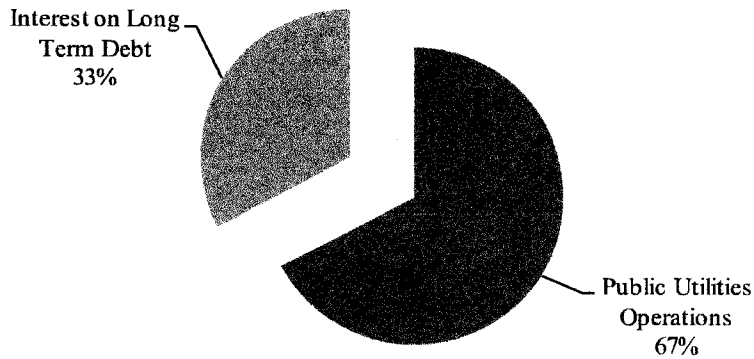
**Management's Discussion and Analysis
September 30, 2020**

Revenues



This year, property tax revenues represent 95.73% of the total revenues. The District maintains a property tax rate at \$0.5889 per \$100 of 2019 values; and collected property tax revenue of \$337,342.

Expenses



Public utility - operations represents \$135,845 of the total expenses of \$201,676.

SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

Management's Discussion and Analysis September 30, 2020

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 \$102,771 for a combined fund balance of \$703,264, reflecting a 17% increase from last year's balance. Of the fund balance, \$421,103 is restricted for debt service and is reported in the debt service fund. The remaining fund balance of \$282,161 is unassigned and is reported in the general fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's budget for the year ending September 30, 2020 was adopted in September 2019.

General fund actual revenues were more than budgeted revenues by \$12,570. The variance in revenue was mainly due to more earnings from investments and proceeds from a land sale to the San Antonio Water System (SAWS).

General fund actual expenditures were less than budgeted expenditures by \$269,939. The variance in expenditures was due to a decrease in maintenance and repairs, professional services, miscellaneous 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, 2020**

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, 2020 was \$272,469, net of depreciation. This represents a net increase of 2%.

Debt Administration

An analysis of changes in long-term debt for the year ended September 30, 2020 is as follows:

Debt Service Fund	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Accrued Interest</u>
Unlimited Tax Refunding Bonds, Series 1997	<u>755,000</u>	<u>-</u>	<u>(40,000)</u>	<u>715,000</u>	<u>45,000</u>	<u>5,194</u>
Total Governmental Activities	<u>\$ 755,000</u>	<u>\$ -</u>	<u>\$ (40,000)</u>	<u>\$ 715,000</u>	<u>\$ 45,000</u>	<u>\$ 5,194</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, 2020**

	General Fund	Debt Service Fund	Total	Adjustments	Statement of Net Position
ASSETS					
Cash	\$ 15,528	\$ 278	\$ 15,806	\$ -	\$ 15,806
Investments	258,156	434,393	692,549	-	692,549
Receivables					
Property Taxes, net of allowance	2,604	1,264	3,868	-	3,868
Due from Other Funds	13,568	-	13,568	(13,568) (1)	-
Land	-	-	-	111,880 (2)	111,880
Land Improvements, net of depreciation	-	-	-	56,733 (2)	56,733
Buildings, net of depreciation	-	-	-	102,903 (2)	102,903
Other Capital Assets, net of depreciation	-	-	-	953 (2)	953
TOTAL ASSETS	\$ 289,856	\$ 435,935	\$ 725,791	\$ 258,901	\$ 984,692
LIABILITIES					
Accounts Payable	\$ 4,526	\$ -	\$ 4,526	\$ -	\$ 4,526
Accrued Interest	-	-	-	5,194 (5)	5,194
Customer Deposits	565	-	565	-	565
Due to Other Funds	-	13,568	13,568	(13,568) (1)	-
Long-Term Liabilities					
Due within one year	-	-	-	45,000 (4)	45,000
Due after one year	-	-	-	670,000 (4)	670,000
Total Liabilities	5,091	13,568	18,659	706,626	725,285
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue	\$ 2,604	\$ 1,264	\$ 3,868	\$ (3,868) (3)	\$ -
FUND BALANCES / NET POSITION					
Fund Balances:					
Restricted for Debt Service	-	421,103	421,103	(421,103)	-
Unassigned	282,161	-	282,161	(282,161)	-
Total Fund Balance	282,161	421,103	703,264	(703,264)	-
TOTAL LIABILITIES AND FUND BALANCES	\$ 289,856	\$ 435,935	\$ 725,791		
NET POSITION:					
Net Investment in Capital Assets			272,469		272,469
Restricted for Debt Service			421,103		421,103
Unrestricted			(434,165)		(434,165)
TOTAL NET POSITION			\$ 259,407		\$ 259,407

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

- (1) Internal balances (due to/duo 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, 2020**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Total</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
EXPENDITURES/EXPENSES					
Public Utilities - Operations	\$ 127,056	\$ 1,047	\$ 128,103	\$ 7,742 (1)	\$ 135,845
Capital Outlay	14,268	-	14,268	(14,268) (1)	-
Debt Service:					
Principal	-	40,000	40,000	(40,000) (2)	-
Interest	-	66,150	66,150	(319) (3)	65,831
Total Expenditures/Expenses	<u>141,324</u>	<u>107,197</u>	<u>248,521</u>	<u>(46,845)</u>	<u>201,676</u>
GENERAL REVENUES					
Property Taxes	228,188	108,040	336,228	(343) (4)	335,885
Investment Earnings	2,251	3,096	5,347	-	5,347
Tax Penalties and Interest	1,351	532	1,883	-	1,883
Miscellaneous Revenue	7,286	548	7,834	-	7,834
Total General Revenues	<u>239,076</u>	<u>112,216</u>	<u>351,292</u>	<u>(343)</u>	<u>350,949</u>
Excess of Revenues over Expenditures	<u>97,752</u>	<u>5,019</u>	<u>102,771</u>	<u>46,502</u>	<u>149,273</u>
Other Financing Sources (Uses)					
Transfers In	-	37,000	37,000	(37,000) (5)	-
Transfers Out	<u>(37,000)</u>	<u>-</u>	<u>(37,000)</u>	<u>37,000</u> (5)	<u>-</u>
Change in Fund Balances	60,752	42,019	102,771	46,502	149,273
FUND BALANCE/NET POSITION					
Beginning of the Year	<u>221,409</u>	<u>379,084</u>	<u>600,493</u>	<u>(490,359)</u>	<u>110,134</u>
End of the Year	\$ <u>282,161</u>	\$ <u>421,103</u>	\$ <u>703,264</u>	\$ <u>(443,857)</u>	\$ <u>259,407</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 \$14,268 and current year depreciation expense was \$7,742.
- (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, 2020

1. Nature of the Entity

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.

2. Summary of Significant Accounting Policies

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, 2020

2. Summary of Significant Accounting Policies (Continued)

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 \$9,396 and \$6,387, 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, 2020**

2. Summary of Significant Accounting Policies (Continued)

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, 2020

2. Summary of Significant Accounting Policies (Continued)

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, 2020.
- *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, 2020.
- *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, 2020.
- *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, 2020**

3. Long-Term Debt

Changes in long-term obligations for the period ended September 30, 2020 are as follows:

Debt Service Fund	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Accrued Interest</u>
Unlimited Tax Refunding Bonds, Series 1997	755,000	-	(40,000)	715,000	45,000	5,194
Total Governmental Activities	<u>\$ 755,000</u>	<u>\$ -</u>	<u>\$ (40,000)</u>	<u>\$ 715,000</u>	<u>\$ 45,000</u>	<u>\$ 5,194</u>

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 1st and September 1st until the bonds mature on March 1, 2027. The cash and temporary cash investments balance in the Debt Service fund was \$434,393 at September 30, 2020.

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

Bank of New York Mellon, N.A.
2001 Bryan Street, 9th 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	<u>\$ 24,396,000</u>	<u>None</u>	<u>\$ -</u>

SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

**Notes to the Basic Financial Statements
September 30, 2020**

3. Long-Term Debt

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>
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>\$ 715,000</u>	<u>\$ 267,525</u>	<u>\$ 982,525</u>

4. Property Tax Revenues and Receivables

For the year ended September 30, 2020, the District levied an ad valorem tax at the rate of \$0.5889 per \$100 of the 2019 assessed valuation (\$0.1889 for debt service and \$0.4000 for maintenance) with a 20% homestead exemption, which resulted in a tax levy of \$340,660 on a net taxable valuation of \$57,846,862.

Property taxes receivable at September 30, 2020 are as follows:

	<u>Uncollected Taxes</u>	<u>Estimated Uncollectible</u>	<u>Net Receivable</u>
General Fund	\$ 12,000	\$ (9,396)	\$ 2,604
Debt Service Fund	7,651	(6,387)	1,264
	<u>\$ 19,651</u>	<u>\$ (15,783)</u>	<u>\$ 3,868</u>

SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

**Notes to the Basic Financial Statements
September 30, 2020**

5. Employees Retirement System

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

6. Capital Assets and Depreciation

A summary of capital assets is as follows:

	Balance 9/30/2019	Additions	Deductions	Balance 9/30/2020
Not Being Depreciated:				
Land	\$ 112,070	\$ -	\$ (190)	\$ 111,880
Other Capital Assets				
Office Building	172,410	-	-	172,410
Furniture & Equipment	34,188	-	-	34,188
Land Improvements	99,911	13,600	-	113,511
Subtotal	<u>306,509</u>	<u>13,600</u>	<u>-</u>	<u>320,109</u>
Accumulated Depreciation				
Office Building	(66,331)	(3,176)	-	(69,507)
Furniture & Equipment	(33,116)	(119)	-	(33,235)
Land Improvements	(52,331)	(4,447)	-	(56,778)
Subtotal	<u>(151,778)</u>	<u>(7,742)</u>	<u>-</u>	<u>(159,520)</u>
Net Other Capital Assets	<u>154,731</u>	<u>5,858</u>	<u>-</u>	<u>160,589</u>
Net Capital Assets	<u>\$ 266,801</u>	<u>\$ 5,858</u>	<u>\$ (190)</u>	<u>\$ 272,469</u>

Depreciation expense of \$7,742 is reported in the statement of activities within Public Utility - Operations Expense.

7. Due To/Due From Other Funds

As of September 30, 2020, 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, 2020

8. Pledged Revenue

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, 2020, \$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.

9. Compliance with Debt Service Requirements

As of September 30, 2020, the debt service fund had a fund balance of \$421,103. For the year ended September 30, 2020, the debt service fund is being managed and utilized in accordance with the bond resolutions.

10. Redemption of Bonds

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.

11. Deposits and Investments

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, 2020, 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, 2020**

11. Deposits and Investments (Continued)

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.

12. Fund Balance/Net Position

In accordance with GASB Statement No. 54, fund balances are classified as either nonspendable, restricted, committed, assigned, or unassigned, as described in Note 1.

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, 2020, the fund balance restricted for debt service was \$421,103. 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 \$282,161 as of September 30, 2020. 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, 2020**

12. Fund Balance/Net Position (Continued)

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.

13. Risk Management

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.

14. Subsequent Events


The District has evaluated subsequent events through January 5, 2021, the date which the financial statements were available to be issued.


In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in Wuhan, China and has since spread to other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, multiple jurisdictions in the U.S. have declared a state of emergency. It is anticipated that these impacts will continue for some time. There has been no immediate impact to the District's operations. Future potential impacts may include disruptions or restrictions on our employees' ability to work or the Board of Directors' ability to provide oversight. Changes to the operating environment may increase operating costs. Additional impacts may include the residents' ability to pay property taxes as a result of job loss or other pandemic related issues. The future effects of these issues are unknown.


REQUIRED SUPPLEMENTARY INFORMATION



2702 N. Loop 1604 E., Ste. 202
San Antonio, TX 78232

 210-979-0055

 210-979-0058

 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, 2020, 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 5, 2021.

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

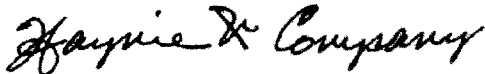
As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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 5, 2021

SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

**Required Supplementary Information
Budgetary Comparison Schedule - General Fund
For the Year Ended September 30, 2020**

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Property Taxes	\$ 226,506	\$ 226,506	\$ 228,188	\$ 1,682
Investment Earnings	-	-	2,251	2,251
Penalties and Interest	-	-	1,351	1,351
Miscellaneous Revenue	-	-	7,286	7,286
Total Revenues	<u>226,506</u>	<u>226,506</u>	<u>239,076</u>	<u>12,570</u>
Expenditures:				
Current				
Purchased Services	57,199	57,199	52,244	4,955
Professional Fees	35,400	35,400	26,209	9,191
Contract Services	-	-	3,099	(3,099)
Personnel Services	26,602	26,602	23,324	3,278
Utilities	4,000	4,000	2,218	1,782
Maintenance and Repairs	22,000	22,000	12,715	9,285
Insurance	2,500	2,500	2,416	84
Miscellaneous and Other	21,332	21,332	4,831	16,501
Capital Outlay	242,230	242,230	14,268	227,962
Total Expenditures	<u>411,263</u>	<u>411,263</u>	<u>141,324</u>	<u>269,939</u>
Excess of Revenues Over (Under) Expenditures	(184,757)	(184,757)	97,752	282,509
Fund Balance - Beginning of Year, GAAP Basis	221,409	221,409	221,409	-
Transfers Out	(25,000)	(25,000)	(37,000)	(12,000)
Fund Balance - End of Year, GAAP Basis	<u>\$ 11,652</u>	<u>\$ 11,652</u>	<u>\$ 282,161</u>	<u>\$ 270,509</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, 2020 was approved and adopted by the board of directors at a meeting held in September 2019.

TEXAS SUPPLEMENTARY INFORMATION (TSI)

SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

**TSI-1 Services and Rates
September 30, 2020**

1. Services Provided by the District:

_____	Retail Water (See note below)	_____	Wholesale Water	_____	Drainage
_____	Retail Wastewater (See note below)	_____	Wholesale Wastewater	_____	Irrigation
_____	Parks/Recreation	_____	Fire Protection	_____	Security
<u> X </u>	Solid Waste/Carbage	_____	Flood Control	_____	Roads
_____	Participants in joint venture, regional system and/or wastewater service (other than emergency interconnect)				
_____	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	107,325
f. Interest Revenues	-
g. Other (Describe)	-
_____	-
_____	-
TOTAL ANTICIPATED FUNDS TO BE USED *	\$ <u>107,325</u>

*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, 2020**

CURRENT:		
Personnel (Including Benefits)	\$	23,324
Professional Fees:		
Auditing		14,033
Legal		11,816
Other		360
Purchased Services for Resale:		
Solid Waste Disposal		52,244
Contracted Services:		
Bexar County A/C Fees		503
Bexar Appraisal Fees		1,494
Security Services		953
Other		150
Utilities		2,218
Repairs and Maintenance		12,715
Administrative Expenditures:		
Postage/Printing/Office Supplies		1,127
Legal Notices and Publications		546
Insurance		2,416
Other Administrative -- Miscellaneous		3,155
Travel & Per Diem		<u>2</u>
TOTAL EXPENDITURES	\$	<u>127,056</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, 2020**

<u>Funds</u>	<u>Identification Number</u>	<u>Stated Interest Rate</u>	<u>Maturity Date</u>	<u>Balance at Year-End</u>	<u>Accrued Interest Receivable at Year-End</u>
Investments in Texpool					
Debt Service Fund	0158500001	Variable	N/A	\$ 434,393	\$ -
General Fund (Operating)	0158500002	Variable	N/A	252,418	-
General Fund (Clearing)	0158500003	Variable	N/A	5,738	-
Total Investments				<u>\$ 692,549</u>	<u>\$ -</u>

SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

**TSI-4 Taxes Levied and Receivable
Fiscal Year Ending September 30, 2020**

	Maintenance		Debt Service	
	Taxes		Taxes	
TAXES RECEIVABLE, BEGINNING OF YEAR	\$	10,620	\$	7,129
 ORIGINAL TAX ROLL				
(less abatements)		<u>234,682</u>		<u>110,829</u>
Total to be Accounted for		<u>245,302</u>		<u>117,958</u>
Tax Collections:				
Current Year		(228,075)		(107,708)
Prior Years		206		163
Total Collections		<u>(227,869)</u>		<u>(107,545)</u>
 Adjustments to Prior Year Tax Rolls				
Adjustments		<u>(5,433)</u>		<u>(2,761)</u>
		<u>(5,433)</u>		<u>(2,761)</u>
 TAXES RECEIVABLE, END OF YEAR	\$	<u>12,000</u>	\$	<u>7,652</u>

TAXES RECEIVABLE, BY YEARS

1998	6	12		
1999	-	5		
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	340		
2016	499	313		
2017	591	351		
2018	1,895	963		
2019	3,315	1,564		
TAXES RECEIVABLE, END OF YEAR	\$	<u>12,000</u>	\$	<u>7,652</u>

PROPERTY VALUATIONS:

	2019	2018	2017	2016
Land and Improvements	\$ 58,670,611	\$ 56,938,351	\$ 51,617,702	\$ 51,241,742
Exemptions	<u>(823,749)</u>	<u>(672,521)</u>	<u>(211,191)</u>	<u>(131,013)</u>
TOTAL PROPERTY VALUATIONS	\$ <u>57,846,862</u>	\$ <u>56,265,830</u>	\$ <u>51,406,511</u>	\$ <u>51,110,729</u>

TAX RATES PER \$100 VALUATION

Debt Service Tax Rates	\$ 0.1889	\$ 0.2012	\$ 0.2377	\$ 0.2445
Maintenance Tax Rates	<u>0.4000</u>	<u>0.3959</u>	<u>0.4000</u>	<u>0.3900</u>
TOTAL TAX RATES PER \$100 VALUATION	\$ <u>0.5889</u>	\$ <u>0.5971</u>	\$ <u>0.6377</u>	\$ <u>0.6345</u>

TAX ROLLS

	\$ <u>340,660</u>	\$ <u>335,963</u>	\$ <u>327,819</u>	\$ <u>324,298</u>
--	-------------------	-------------------	-------------------	-------------------

Percent of Taxes Collected to Taxes Levied

	<u>99%</u>	<u>98%</u>	<u>99%</u>	<u>99%</u>
--	------------	------------	------------	------------

SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

TSI-4 Taxes Levied and Receivable (Continued)

Fiscal Year Ending September 30, 2020

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>	\$ 0.721394
b. City: <u>None</u>	\$ -
c. School District: <u>Northside Independent School District</u>	\$ 1.3055
d. Special Districts not includes above:	-
<u>Emergency Services District No. 7</u>	\$ -
	\$ -
e. Total Special District (from top of this page)	\$ -
f. Total District Tax Rate (from previous page)	\$ 0.5889
g. TOTAL OVERLAPPING TAX RATE (Sum of a. - f.)	\$ 2.615794

SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

**TSI-5 Long-Term Debt Service Requirements – By Years
September 30, 2020**

<u>Due During Fiscal Years Ending</u>	<u>Annual Requirements For All Bond Series</u>		
	<u>Principal Due 03/01</u>	<u>Interest Due 03/01, 09/01</u>	<u>Total</u>
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>\$ 715,000</u>	<u>\$ 267,525</u>	<u>\$ 982,525</u>

Cash and Temporary Investment Balance as of September 30, 2020:

Debt Service \$ 434,671

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, 2020**

	Amount					Percent of Fund Total Revenue				
	2020	2019	2018	2017	2016	2020	2019	2018	2017	2016
General Fund Revenue:										
Tax Revenue	\$ 228,188	\$ 218,290	\$ 206,824	\$ 195,944	\$ 192,856	95.45%	97.60%	98.05%	98.78%	87.47%
Other	8,637	1,946	3,006	1,720	27,443	3.61%	0.87%	1.43%	0.87%	12.45%
Interest on Investments	2,251	3,420	1,096	695	171	0.94%	1.53%	0.52%	0.35%	0.08%
Total Revenue	239,076	223,656	210,926	198,359	220,470	100.00%	100.00%	100.00%	100.00%	100.00%
General Fund Expenditures:										
Purchase Solid Waste Disposal	52,244	50,582	44,528	47,610	52,422	21.85%	22.62%	21.11%	24.00%	23.78%
Contracted Services	3,099	2,761	2,956	3,695	5,031	1.30%	1.23%	1.40%	1.86%	2.28%
Professional Fees	26,209	17,703	45,567	27,389	27,658	10.96%	7.92%	21.60%	13.81%	12.55%
Personnel Services	23,324	22,072	30,267	34,397	35,010	9.76%	9.87%	14.35%	17.34%	15.88%
Repairs and Maintenance	12,715	9,471	29,641	43,801	45,279	5.32%	4.23%	14.05%	22.08%	20.54%
Other	9,465	6,993	8,696	7,247	11,656	3.96%	3.13%	4.12%	3.65%	5.29%
Notes Payable Principal, Int. & Fees	-	-	20,000	36,075	31,379	0.00%	0.00%	9.48%	18.19%	14.23%
Capital Outlay	14,268	10,353	-	-	9,600	5.97%	4.63%	0.00%	0.00%	4.35%
Total Expenditures	141,324	119,935	181,655	200,214	218,035	59.12%	53.63%	86.11%	100.93%	98.90%
Excess Revenue (Expenditures) Before Other Funding Sources	\$ 97,752	\$ 103,721	\$ 29,271	\$ (1,855)	\$ 2,435	40.88%	46.37%	13.89%	-0.93%	1.10%
Debt Service Fund Revenue:										
Tax Revenue	\$ 108,040	\$ 111,274	\$ 122,280	\$ 124,141	\$ 118,589	96.28%	92.35%	95.32%	97.53%	71.33%
Penalties and Interest on Taxes	532	803	765	814	870	0.47%	0.67%	0.60%	0.64%	0.52%
Interest on Investments	3,096	8,412	5,240	2,335	850	2.76%	6.98%	4.08%	1.83%	0.51%
Other	548	-	-	-	45,944	0.49%	0.00%	0.00%	0.00%	27.63%
Total Revenue	112,216	120,489	128,285	127,290	166,253	100.00%	100.00%	100.00%	100.00%	99.99%
Debt Service Fund Expenditures:										
Appraisal District Fees	1,047	1,088	1,131	1,107	1,103	0.93%	0.90%	0.88%	0.87%	0.66%
Debt Service Principal, Int. & Fees	106,150	109,750	118,575	117,400	115,775	94.59%	91.09%	92.43%	92.23%	69.64%
Other	-	-	-	-	-	0.00%	0.00%	0.00%	0.00%	0.00%
Total Expenditures	107,197	110,838	119,706	118,507	116,878	95.52%	91.99%	93.31%	93.10%	70.30%
Excess Revenue (Expenditures) Before Other Funding Sources	\$ 5,019	\$ 9,651	\$ 8,579	\$ 8,783	\$ 49,375	4.48%	8.01%	6.69%	6.90%	29.69%

SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

**TSI-8 Board Members, Key Personnel, and Consultants
September 30, 2020**

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 9/30/2020</u>	<u>Title at Year End</u>	<u>Resident of District</u>	<u>Relationship With Major Land Owners, Developers or Consultants</u>
Board Members:					
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
Dale Ferguson 16506 Loma Landing Helotes, Texas 78023	November 2019 May 2022	\$11	Secretary	Yes	None
William R. Burn 16509 Yaupon Valley Helotes, Texas 78023	February 2017 May 2020	\$11	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, 2020**

<u>Name and Address</u>	<u>Date Hired</u>	<u>Fees and Reimbursements 9/30/2020</u>	<u>Position</u>
Consultants:			
Jeffrey Kuhn Norton, Rose, Fulbright US, LLP 300 Convent Street San Antonio, Texas 78205	1985	\$ 11,816	Attorney
Bexar Appraisal District PO Box 830248 San Antonio, Texas 78283-0248	1981	\$ 1,493	Appraisal District
Albert Uresti, MPA Tax Assessor - Collector Vista Verde Plaza 233 N. Pecos PO Box 839950 San Antonio, Texas 78283-3950	1987	\$ 740	Tax Assessor/ Collector
Haynie & Co. Certified Public Accountants 2702 N. Loop 1604 East, Suite 202 San Antonio, Texas 78232	1986	\$ 14,033	Independent Auditors
Key Personnel:			
Debra Conkle PO Box 186 Helotes, Texas 78023	1990	\$ 21,532	Office Manager

**S.A. MUD#1
1-13-2021**

IV. (B.) DISCUSSION AND ACTION REGARDING CITIZEN'S CONCERNS AND CUSTOMER CORRESPONDENCE

John Bartholmae suggested opening the Lago Vista side of the crosswalk over Ranch Parkway and the chain link fence line along Ranch Parkway be cleared. A brief discussion was held, and it was the consensus of the Board that they would go and inspect the area.

David Echevarria stated that he was going to take a poll on Nextdoor to see who would be interested in having a walking trail within the subdivision. He suggested a 20' wide trail being approximately one-half mile around the inside of the 40-acre conservation easement. The Board did inform Mr. Echevarria that the conservation easement itself sets parameters for use. Director Ferguson stated that there should be more questions other than "would you be interested" i.e., cost and maintenance. After further discussion it was the consensus of the Board that this item be added to the agenda for the next regular meeting of the Board.

President Kuhn added that there is a trail behind the MUD building and behind the tennis courts.

I. CONSENT AGENDA:

- 1. REVIEW AND APPROVAL OF THE MINUTES OF THE MEETINGS HELD DECEMBER 9, 2020**
- 2. REPORT CONCERNING NOVEMBER 2020 TAX COLLECTIONS**
- 3. REVIEW AND APPROVAL OF ACCOUNT BALANCES/BILLINGS INCURRED AND AUTHORIZATION OF EXPENDITURES**

Director Hooti moved that the Board approve the items within the consent agenda as follows. Director Ferguson seconded the motion, which passed by unanimous vote of the Directors present.

II. STATUS REPORTS:

II. (A.) DISCUSSION REGARDING 2020/2021 PROJECTS/PLANS

There were no projects/plans to discuss at this time, however it was suggested that replacement of fence boards along Ranch Parkway be added to the next regular meeting agenda.

SAN ANTONIO MUNICIPAL UTILITY DISTRICT NO. 1

DECEMBER 9, 2020

MINUTES

**STATE OF TEXAS
COUNTY OF BEJAR**

The Board of Directors of the San Antonio Municipal Utility District No. 1 convened in Regular Session, open to the public and pursuant to Notice duly given at 6:30 p.m., at 16450 Wildlake Blvd, Helotes, Texas 78023, on the 9th day of December 2020, with the following member's present to-with:

Robert Kuhn, President - Via Skype
Bill Burn, Treasurer
Dale Ferguson, Secretary
Max Hooti, Assistant Secretary

And Zulema Fuentes-Real absent, thus constituting a quorum. Also present were Debra Conkle, Office Manager, Adolfo Ruiz and Clarissa Rodriguez of Denton Navarro Rocha Bernal & Zech, P.C. (DNRBZ) District Legal Counsel, Julie Zapata and Jim Berbiglia, San Antonio Ranch residents.

President Kuhn called the meeting to order and announced that the first item of business would be:

I. CONSENT AGENDA:

- 1. REVIEW AND APPROVAL OF THE MINUTES OF THE MEETINGS HELD NOVEMBER 11, 2020**
- 2. REPORT CONCERNING OCTOBER 2020 TAX COLLECTIONS**
- 3. REVIEW AND APPROVAL OF ACCOUNT BALANCES/BILLINGS INCURRED AND AUTHORIZATION OF EXPENDITURES**

Director Ferguson moved that the Board approve the items within the consent agenda as follows. Director Hooti seconded the motion, which passed by unanimous vote of the Directors present.

II. STATUS REPORTS:

II. (A.) DISCUSSION REGARDING 2020/2021 PROJECTS/PLANS

There were no projects/plans to discuss at this time, however it was suggested that replacement of fence boards along Ranch Parkway be added to the next regular meeting agenda.

II. (B.) DISCUSSION REGARDING MAINTENANCE AND APPEARANCE OF DISTRICT PROPERTY

- 1. PROPERTY MAINTENANCE**
- 2. UNLAWFUL DUMPING**

The Board was informed that there was no property maintenance performed, no dumping had taken place and that a sign for Apacheria had been ordered and is ready for pick up.

S.A. MUD#1
12-09-2020

II. (C.) DISCUSSION REGARDING BUILDING MAINTENANCE

It was noted that the building would be pressure washed in the near future.

II. (D.) BRIEFING REGARDING DISTRICT INSURANCE STATUS

Director Fuentes-Real was absent therefore no status was given.

II. (E.) DISCUSSION REGARDING REQUESTS FOR USE OF THE MUD BUILDING

II. (F.) SECURITY - GENERAL

II. (G.) PUBLIC RELATIONS

There was no new information to report on these items at this time.

III. UNFINISHED BUSINESS

(A.) REMINDER THAT TRANSFER/LEASE DOCUMENTS FOR TENNIS COURTS, LOT 91, BLOCK 2, UNIT 1, SAN ANTONIO RANCH SUBDIVISION AND MUD BUILDING AND SURROUNDING PROPERTY FROM SA MUD #1 TO SAR HOA ARE AVAILABLE UPON HELOTES ANNEXATION.

President Kuhn stated that this item is on hold at this time.

III. (B.) DISCUSSION AND POSSIBLE ACTION REGARDING THE HACA PETITIONING THE CITY OF HELOTES FOR FUTURE ANNEXATION

There was no new information to report on this item currently.

IV. (A.) INTRODUCTION OF NEW LEGAL COUNSEL

Adolfo Ruiz and Clarissa Rodriguez introduced themselves and briefed the on their firm. The Board briefed them on the history of the District and the plans for the future.

IV. (B.) DISCUSSION REGARDING INFORMATION ON PROPOSED NEW TRASH COLLECTION SOURCES

There was no information yet to report.

IV. (C.) DISCUSSION AND NECESSARY ACTION REGARDING CITIZEN'S CONCERNS AND CUSTOMER CORRESPONDENCE

Director Hooti reminded the Board of the spills made by Waste Management and the fact that nothing has been done by Waste Management to remedy the situation. It was the consensus of the Board that Waste Management be contacted once again and be asked to reopen a claim for repairs.

S.A. MUD#1
12-09-2020

There being no further business, the meeting was adjourned at 6:42 pm.

Robert L. Kuhn, President
San Antonio Municipal Utility District No. 1

ATTEST:

Max Hooti, Assistant Secretary
San Antonio Municipal Utility District No. 1

(seal)

TAX COLLECTIONS
DISTRIBUTION

DEPOSITS: 12.10.2020 \$9,905.01
12.10.2020 \$10,249.12

DATE: 1/13/2021 November 2020 Tax Collections

\$20,154.13

RECEIVED:	TAX	P&I	AMT FEE	OTHER	TOTAL COLLECTIONS	LESS ATTORNEY FEE	BALANCE	REFUNDS/TAX ASSESSOR FEE	BALANCE	REMITTED
Y1999	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2000	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2001	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2002	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2003	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2004	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2005	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2006	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2007	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2008	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2009	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2010	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2011	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2012	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2013	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2014	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2015	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2016	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2017	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2018	\$0.00	\$0.00	\$0.00		\$0.00		\$0.00		\$0.00	
Y2019	\$20.59	\$13.60	\$0.00		\$34.19		\$34.19		\$34.19	
Y2020	\$20,119.94	\$0.00	\$0.00		\$20,119.94		\$20,119.94	\$0.00	\$20,119.94	
TOTAL	\$20,140.53	\$13.60	\$0.00	\$0.00	\$20,154.13	\$0.00	\$20,154.13	\$0.00	\$20,154.13	\$20,154.13

YEAR	MAINT. TAX	P&I	AMT FEE	LESS FEE/REFUND	D S TAX	P&I	AMT FEE	LESS FEE/REFUND	TOTAL
Y1999	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2000	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2001	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2002	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2003	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2004	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2005	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2006	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2007	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2008	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2009	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2010	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2011	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2012	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2013	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2014	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2015	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2016	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2017	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2018	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Y2019	\$13.98	\$9.24	\$0.00	\$0.00	\$6.61	\$4.36	\$0.00	\$0.00	\$34.19
Y2020	\$15,184.52	\$0.00	\$0.00	\$0.00	\$4,935.42	\$0.00	\$0.00	\$0.00	\$20,119.94
TOTAL	\$15,198.50	\$9.24	\$0.00	\$0.00	\$4,942.03	\$4.36	\$0.00	\$0.00	\$20,154.13

TOTAL AMT DUE GOF \$15,207.74 TOTAL AMT DUE DSF \$4,946.39 TOTAL = \$20,154.13

LESS: ATTORNEY FEE \$0.00

LESS: TAX ASSESSOR FEE \$0.00

LESS: REFUNDS/REVERSALS \$0.00

AMT FOR GOF DEPOSIT: \$15,207.74 AMT FOR DSF DEPOSIT: \$4,946.39 TOTAL = \$20,154.13 \$20,154.13

**SAN ANTONIO MUNICIPAL UTILITY DISTRICT #1
 REPORT OF OPERATIONS
 1/13/2021**

REVENUES

Collections this period (Maint. Tax) 11/20 \$15,207.74

Miscellaneous Revenue:

TOTAL REVENUE THIS PERIOD \$15,207.74

EXPENSES

Auditing \$4,162.05

Waste Management \$4,528.70

AT & T Mobility \$65.05

AT & T U-Verse \$69.89

CITY PUBLIC SERVICE:

2096723016 SA MUD OFFICE \$68.04

SAN ANTONIO WATER SYSTEMS:

0514993248891 SA MUD OFFICE \$34.64

DIRECTORS FEES:

B. BURN Jan - Dec 2021 \$12.00

R. KUHN \$12.00

Z. FUENTES-REAL \$12.00

D. FERGUSON \$12.00

M. HOOTI \$12.00

PROPERTY MAINTENANCE \$0.00

LEGAL FEES \$0.00

INSURANCE \$200.00

OFFICE MANAGER \$1,768.46 **

PETTY CASH \$0.00

MISCELLANEOUS: \$0.00

City Public Service - Street Light \$22.46

IRS Payroll Deposit Novemer 2020 \$452.90

Darla Harlos - Office Cleaning - January 2021 \$100.00

Max Hooti - Reimb Street Sign/Plate Search Srvs \$86.00

TOTAL EXPENSES FOR THIS PERIOD: \$11,618.19

REVENUES MINUS EXPENSES THIS PERIOD \$3,589.55

PAGE 2
 REPORT OF OPERATIONS
 NOTES, TRANSFERS AND DEBT SERVICE EXPENDITURES
 1/13/2021

NOTES:

** Previously Paid

*** Pending Invoice

**** Previously Approved

TAX CLEARING AND FUND TRANSFERS:

FROM	TO		AMOUNT
1. FROST CLEARING	FROST OPERATING	check	\$15,207.74
2. FROST CLEARING	TEX POOL OPERATING	WIRE	
3. FROST CLEARING	TEX POOL DEBT SERVI	WIRE	\$4,946.39
4. TEX POOL OPERATING	FROST OPERATING	WIRE	
5. FROST CLEARING	TEX POOL CLEARING	WIRE	
5. FROST CLEARING	TEX POOL DEBT SERVI	WIRE	
6. FROST DEBT SERVICE	TEX POOL DEBT SERVI	WIRE	
7. TEX POOL CLEARING	TEX POOL OPERATING	WIRE	
8. TEX POOL CLEARING	TEX POOL DEBT SERVI	WIRE	
9. FROST OPERATING	TEX POOL OPERATING	WIRE	
10. TEX POOL DEBT SERVICE	FROST DEBT SERVICE	WIRE	
TOTAL TAX CLEARING & FUND TRANSFERS			----- \$20,154.13

DEBT SERVICE EXPENDITURES:

Total Debt Service Expenditures \$0.00

S.A. MUD#1
1-13-2021

II. (B.) DISCUSSION REGARDING MAINTENANCE AND APPEARANCE OF DISTRICT PROPERTY

- 1. PROPERTY MAINTENANCE**
- 2. UNLAWFUL DUMPING**

The Board was informed that there was no property maintenance performed and no dumping had taken place.

II. (C.) DISCUSSION REGARDING BUILDING MAINTENANCE

It was noted that the building would be pressure washed in the near future.

II. (D.) BRIEFING REGARDING DISTRICT INSURANCE STATUS

Director Fuentes-Real was absent therefore no status was given.

II. (E.) DISCUSSION REGARDING REQUESTS FOR USE OF THE MUD BUILDING

- II. (F.) SECURITY - GENERAL**
- II. (G.) PUBLIC RELATIONS**

There was no new information to report on these items at this time.

III. UNFINISHED BUSINESS

(A.) REMINDER THAT TRANSFER/LEASE DOCUMENTS FOR TENNIS COURTS, LOT 91, BLOCK 2, UNIT 1, SAN ANTONIO RANCH SUBDIVISION AND MUD BUILDING AND SURROUNDING PROPERTY FROM SA MUD #1 TO SAR HOA ARE AVAILABLE UPON HELOTES ANNEXATION.

President Kuhn stated that this item is on hold at this time. He also noted that Norton Rose and Fulbright are listed as Guarantor on these documents and as Norton Rose and Fulbright are no longer the District Legal Counsel, he will reach out to DNRBZ to obtain an estimate of cost to take over this responsibility.

III. (B.) DISCUSSION AND POSSIBLE ACTION REGARDING THE HACA PETITIONING THE CITY OF HELOTES FOR FUTURE ANNEXATION

There was no new information to report on this item currently.

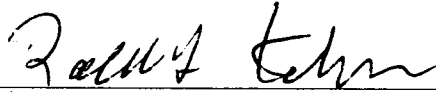
S.A. MUD#1
1-13-2021

IV. (A.) DISCUSSION REGARDING INFORMATION ON PROPOSED NEW TRASH COLLECTION SOURCES

Director Ferguson informed the Board that he had contacted several providers but only Tiger and C6 service this area. Tiger was the only one to send a proposal. The proposal consists of one trash pick-up and one recycle per week both on the same day and 2 bulk pick-ups per year at a cost of \$10,000 more than the current contract per year. No action was taken on this item at this time.

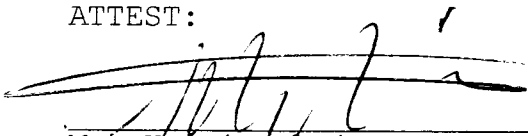
Director Hooti suggested that the Board exhaust all resources regarding the spills made by Waste Management. He suggests that Director Ferguson contact Tiana Smith again and, as a last resort, ask the attorney to prepare a letter accepting \$5,000.00 as a settlement.

There being no further business, the meeting was adjourned at 7:44pm.



Robert L. Kuhn, President
San Antonio Municipal Utility District No. 1

ATTEST:



Max Hooti, Assistant Secretary
San Antonio Municipal Utility District No. 1

(seal)