

SBC COMMUNICATIONS INC
Form 10-K/A
June 27, 2001

FORM 10-K/A
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

(Mark One)

Annual Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the fiscal year ended December 31, 2000

or

Transition Report Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the transition period from _____ to _____

Commission file Number 1-8610

SBC COMMUNICATIONS INC.

Incorporated under the laws of the State of Delaware
I.R.S. Employer Identification Number 43-1301883

175 E. Houston, San Antonio, Texas 78205
Telephone Number 210-821-4105

SBC Communications Inc. hereby amends the following exhibits of its Annual Report for the year ended December 31, 2000 on Form 10-K as set forth in the pages attached hereto:

- (1) Exhibit 99-b Annual Report on Form 11-K for the SBC Savings Plan for the year 2000.
- (2) Exhibit 99-c Annual Report on Form 11-K for the SBC Savings and Security Plan for the year 2000.
- (3) Exhibit 99-d Annual Report on Form 11-K for the Ameritech Savings and Security Plan for Non-Salaried Employees for the year 2000.

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this amendment to be signed on its behalf by the undersigned, thereunto duly authorized on the 27th day of June, 2001.

SBC COMMUNICATIONS INC.

By /s/ Donald E. Kiernan

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

Donald E. Kiernan
Senior Executive Vice President
and Chief Financial Officer

June 27, 2001

EX 99-b
Form 10-K for 2000
File No. 1-8610

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

For the fiscal year ended December 31, 2000

Commission File Number 1-8610

SBC SAVINGS PLAN

SBC COMMUNICATIONS INC.

175 E. Houston, San Antonio, Texas 78205

Financial Statements, Supplemental Schedule and Exhibit

Table of Contents

Report of Independent Auditors..... 1

Financial Statements:

 Statements of Net Assets Available for Benefits as of December 31, 2000 and 1999. 2

 Statement of Changes in Net Assets Available for Benefits for the
Year Ended December 31, 2000..... 3

 Notes to Financial Statements..... 4

Supplemental Schedule:

 Schedule H, Line 4i - Schedule of Assets (Held at End of Year)..... 8

Exhibit:

 23-a Consent of Ernst & Young LLP

REPORT OF INDEPENDENT AUDITORS

SBC Communications Inc., Plan Administrator
for the SBC Savings Plan

We have audited the accompanying statements of net assets available for benefits of the SBC Savings Plan as of December 31, 2000 and 1999, and the related statement of changes in net assets available for benefits for the year ended December 31, 2000. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits at December 31, 2000 and 1999, and the changes in its net assets available for benefits for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2000, presented for purposes of additional analysis and is not a required part of the financial statements. This supplemental schedule is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to audit procedures applied in our audits of the financial statements, and in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

ERNST & YOUNG LLP

San Antonio, Texas
June 22, 2001

SBC SAVINGS PLAN
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(Dollars in Thousands)

	December 31,	
	2000	1999
ASSETS		
Investments (See Note 4)	\$ 5,768,391	\$ 6,686,120
Cash	-	152
Participant contributions receivable	13	7
Dividends and interest receivable	551	387
Receivable for investments sold	1,903	202
Other	78	39
	-----	-----
Total Assets	5,770,936	6,686,907
	-----	-----
LIABILITIES		
Overdrafts	2,352	-
Payable for investments purchased	-	12,086
Administrative expenses payable	1,136	646
Dividends and interest payable	789	4,063
Long-term debt:		
SBC Communications Inc.	35,996	54,762
Other	-	28,866
Other	7	10
	-----	-----
Total Liabilities	40,280	100,433
	-----	-----
Net Assets Available for Benefits	\$ 5,730,656	\$ 6,586,474
	=====	=====

See Notes to Financial Statements.

SBC SAVINGS PLAN

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEAR ENDED DECEMBER 31, 2000 (Dollars in Thousands)

Net Assets Available for Benefits, December 31, 1999	\$	6,586,474
Additions to Net Assets:		
Contributions:		
Participant contributions		235,677
Employer contributions		67,162

		302,839

Investment Income:		
Dividends on SBC common shares		73,902
Interest		52,575

		126,477

Total Net Additions		429,316

Deductions from Net Assets:		
Net depreciation in value of investments		165,226
Administrative expenses		4,463
Interest expense		6,929
Distributions		1,108,516

Total Deductions		1,285,134

Net Assets Available for Benefits, December 31, 2001	\$	5,730,656
		=====

See Notes to Financial Statements.

SBC SAVINGS PLAN NOTES TO FINANCIAL STATEMENTS (Dollars in Thousands)

1. Plan Description - The SBC Savings Plan (Plan) was established by SBC Communications Inc. (SBC) to provide a convenient way for eligible employees to save for retirement on a regular and long-term basis. The following description of the Plan provides only general information. The Plan has detailed provisions covering participant eligibility, participant allotments from pay, participant withdrawal, participant loans, employer contributions and related vesting of contributions and Plan expenses. The Plan text and prospectus include complete descriptions of these and other Plan provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

Participants can invest their contributions in one or more of the following funds in 1% increments: SBC Shares Fund, the Bond Fund, the Diversified Equity Portfolio, the Interest Income Fund, the Allocation Fund and the Global Equity Fund. Effective January 1, 2001, participants may also invest their contributions in the Mid and Small Cap Fund and the International Stock Fund.

Company matching contributions are made solely in the form of shares of SBC's common stock held in the leveraged Employee Stock Ownership Plan (ESOP) which is a separate investment account of this Plan.

The Plan prefunded the ESOP by borrowing Guaranteed Salaried Employees' ESOP Notes due 2005, the repayment of which is guaranteed by SBC. Funds borrowed by the Plan were used to purchase shares of SBC's common stock held in the open market (Financed Shares), which act as collateral for the ESOP Notes. Dividends on Financed Shares and employer cash contributions are used by the Plan to make the required principal and interest payments on the ESOP Notes. As the ESOP Notes are paid down, the Financed Shares are released from the Plan. The Financed Shares are allocated to participants' accounts in the form of a company matching contribution. In lieu of dividends on Financed Shares previously allocated to participants, the Financed Shares are allocated to participants' accounts. The interest rate on the notes ranges from 7.00% to 7.89%.

To the extent insufficient shares have been released through payments on outstanding notes and are not refinanced, additional employer contributions are made to the ESOP to purchase shares necessary to cover any shortfall in the company match or in the shares issued in lieu of dividends. Dividends on released shares are used to acquire additional shares which are allocated to participants' accounts in the Plan. Should shares released exceed the required company matching contribution, the excess is considered an additional employer contribution and is allocated to participants' accounts based on each participant's proportionate share of actual plan year ESOP contributions.

Dividends on shares in the SBC Shares Fund are paid into a separate fund known as a Dividend Accumulation Fund (DFA). At the end of the year, dividends held in the DFA are paid out to the participant. The participant may elect reinvestment and have the special Deferred-Tax Allotment offset the payment for the purchase of additional units. Interest earned on dividends held in the DFA will be paid to the SBC Shares Fund. During 2000, Plan participants elected to receive \$35.2 million in dividend distributions. This amount is included in distributions on the statement of changes in net assets.

Although it has not expressed any intent to do so, SBC has the right under the Plan to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event that the Plan is terminated, subject to the conditions set forth by ERISA, the account balances of participants shall be 100% vested.

2. Accounting Policies - The values of investments are determined as follows: SBC common shares

of the closing price as reported on the New York Stock Exchange; contracts with insurance companies and other financial institutions at principal plus reinvested interest which approximates fair value; collective trust funds at values obtained from fund managers; and temporary cash investments which approximates fair value.

Purchases and sales of securities are reflected as of the trade date. Dividend income is recognized on the ex-dividend date. Interest earned on investments is recognized on the accrual basis.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

In June 1998, the Financial Accounting Standards Board issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133), which requires all derivatives to be measured at the statement of net assets available benefits at fair value, and requires changes in the fair value of the derivatives to be recorded on the statement of changes in net assets available for beneficiaries. SBC adopted FAS 133 on January 1, 2001, and the Plan's December 31, 2001 financial statements will reflect this adoption. However, because of the Plan's minimal use of derivatives, SBC does not expect the adoption of this standard will have a significant effect on the Plan.

3. Voluntary Enhanced Pension and Retirement Program - In October 2000, SBC implemented a voluntary

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

pension and retirement program (EPR) to reduce the number of management employees. The program provided for eligible management employees who decided to terminate employment an enhanced pension benefit and increased eligibility for post-retirement medical and dental benefits. Although distribution of normal plan provisions increased due to the EPR program, partial termination of the Plan did not occur.

4. Investments - Investments representing 5% or more of Plan net assets at either December 31, 2000 and 1999 were:

	2000	1999
	-----	-----
Employee Stock Ownership Plan*		
SBC common shares:		
Allocated	\$ 1,184,049	\$ 1,280,082
Unallocated	\$ 84,996	\$ 228,258
SBC Shares Fund		
SBC common shares	\$ 1,648,251	\$ 2,129,807
Diversified Equity Portfolio		
Barclays Global Investors Equity Index Fund F	\$ 1,379,669	\$ 1,667,335
Asset Allocation Fund		
Barclays Global Investors U.S. Tactical Asset Allocation Fund F	\$ 403,199	\$ 447,668

* Nonparticipant-directed

During 2000, the Plan's investments (including gains and losses on investments bought and sold during the year) depreciated in value as follows:

Common Stock	\$ 19,853
Common Collective Trusts	145,373

Total	\$ 165,226
	=====

The Interest Income Fund consists of contracts with various companies that promise to repay principal plus accrued income at contract maturity, subject to the creditworthiness of the issuer. Interest crediting rates are generally established when the contract is purchased and are not reset. For the years ended December 31, 2000 and 1999, the average interest rates earned on these contracts were 6.04% and 6.04%. At December 31, 2000, the fixed crediting interest rates on these contracts ranged from 5.75% to 7.65%. At December 31, 1999, the fixed crediting interest rates on these contracts ranged from 5.38% to 8.38%.

The Interest Income Fund invests in both guaranteed investment contracts (GICs) and synthetic investment contracts (SICs). SICs differ from GICs in that the assets supporting the SICs are owned by the bank or insurance company issues a wrapper contract that allows participant directed transactions to be made at contract value. Wrapper contracts are valued as the difference between the fair value of the supporting assets and the contract value. The assets supporting the GICs and SICs generally consist of high quality fixed income securities with fair values of \$615,408 and \$481,369 at December 31, 2000 and 1999. The contract values of the GICs and SICs at December 31, 2000 and 1999 were \$605,647 and \$585,647, respectively.

5. Nonparticipant-Directed Investments - Information about the net assets and the significant changes in net assets relating to the nonparticipant-directed investments as of December 31, 2000 and 1999 follows:

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

	2000	1999
	-----	-----
Assets		

SBC common shares:		
Allocated	\$ 1,184,049	\$ 1,280,082
Unallocated	84,996	228,258
Temporary cash investments	14,644	25,735
Cash	-	2
Dividends and interest receivable	83	120
Receivable for investments sold	1,903	202
Other	16	-
	-----	-----
Total Assets	1,285,691	1,534,399
	-----	-----
Liabilities		

Overdrafts	2,352	-
Administrative expenses payable	152	106
Interest payable	758	4,063
Long-term debt	35,996	83,628
	-----	-----
Total Liabilities	39,258	87,797
	-----	-----
Net Assets Available for Benefits	\$ 1,246,433	\$ 1,446,602
	=====	=====
		2000

Net Assets Available for Benefits, December 31, 1999		\$ 1,446,602
Employer contributions		67,162
Interest income		4,676
Dividends		30,284
Net depreciation in fair value of investments		(23,580)
Administrative expenses		(457)
Interest expense		(6,929)
Distributions		(271,325)

		(200,169)

Net Assets Available for Benefits, December 31, 2000		\$ 1,246,433
		=====

6. Long-Term Debt - Long-term debt consists of the ESOP Notes issued in connection with the ESOP

refinancing notes (as discussed in Note 1). At December 31, 2000, the aggregate principal amount of
long-term debt scheduled for repayment for the years 2001 through 2005 were \$4,302, \$4,616, \$3,959
and \$18,077. The carrying amount and the estimated fair value of the ESOP and refinancing notes
as of December 31 were:

	2000	1999
	-----	-----
Carrying Amount	\$ 35,996	\$ 83,628
	=====	=====

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

Fair Value	\$ 36,890	\$ 83,505
	=====	=====

The fair values of the ESOP Notes were estimated based on quoted prices. The fair value of the refinancing notes were estimated based on discounted future cash flows using current interest

7. Tax Status - The Internal Revenue Service issued a determination letter on November 4, 1997, -----
that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since the determination letter was received. The Administrator believes that the Plan is currently designed and is operating in compliance with applicable requirements of the IRC.

8. Reconciliation of Financial Statements to Form 5500 - The following is a reconciliation of Net Assets Available for Benefits per the financial statements to the Form 5500 as of December 31:

	2000	1999
	-----	-----
Net Assets Available for Benefits per the financial statement	\$ 5,730,656	\$ 6,586,474
Less: Distribution payable to participants	20,220	-
Net Assets Available for Benefits per the Form 5500	\$ 5,710,436	\$ 6,586,474
	=====	=====

The following is a reconciliation of benefits paid to participants per the financial statements to Form 5500 for the year ended December 31, 2000:

	2000

Distributions to participants per the financial statements	\$ 1,108,516
Add: Distributions payable to participants at December 31, 2000	20,220
Less: Distributions payable to participants at December 31, 1999	-

Distributions to participants per the Form 5500	\$ 1,128,736
	=====

Distributions payable to participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, but not yet paid as of that date.

9. Subsequent Event - Due to the merger of SBC and Ameritech Corporation (Ameritech) effective October 1, 1999, the Ameritech Savings Plan for Salaried Employees (Ameritech Plan) merged into the Plan on January 1, 2001. In conjunction with the merger, all assets of the Ameritech Plan were either transferred directly to the Plan through in-kind securities transfers or sold and the cash transferred to the Plan, together with the unallocated SBC common shares and the remaining liability under the merger agreement.

SBC SAVINGS PLAN
EIN 43-1301883, PLAN NO. 002

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 December 31, 2000
 (Dollars in Thousands)

Identity of Issue	Description of Investment	Cost	Current Value
Employee Stock Ownership Plan			
* SBC common shares:			
Allocated	24,796,835 shares	\$ 440,743	\$ 1,184,049
Unallocated	1,780,016 shares	33,362	84,996
* Boston Safe Deposit and Trust Company	Temporary cash investment	14,644	14,644
Total Employee Stock Ownership Plan		488,749	1,283,689
SBC Shares Fund			
* SBC common shares	34,518,351 shares		1,648,251
* Boston Safe Deposit and Trust Company	Temporary cash investment		78,076
Total SBC Shares Fund		**	1,726,327
Bond Fund			
* Barclays Global Investors Intermediate Government/Credit Bond Index Fund F	6,733,145 units	**	86,454
Diversified Equity Portfolio			
* Barclays Global Investors Equity Index Fund F	79,429,989 units	**	1,379,699
Interest Income Fund			
Allstate Life Insurance Company	Synthetic contract wrapper #31068-W, 6.09%, ***		(1
Allstate Life Insurance Company	Allstate SA Wind Down		1,787
			1,786
Allstate Life Insurance Company	7.06% - 7.10%, 11/14/03 - 11/22/04		21,332
Bank of America	Synthetic contract wrapper #99-058, 7.13%, ***		(1,251
WFS Financial Owners Trust	Prime Auto		10,180
WFS Financial Owners Trust	Sub Prime Auto		5,222
Countrywide	ABS - Other		7,898
Ford Auto Owners Trust	Prime Auto		7,868
Ford Auto Owners Trust	Prime Auto		3,008
Providian Master Trust	Monoline Credit Card		7,287
Federal Home Loan Mortgage Company	Home Equity Monoline		6,484
Avis AESOP Leasing L.P.	Operating Assets		5,412
Toyota Auto Rec Owner Trust	Prime Auto		4,015

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

Residential Asset Se	Home Equity Senior Sub	3,028
Daimler Chrysler	Prime Auto	1,225
Bank of America	Cash on Hand	482

		60,858
Business Men's Assurance Company of America	7.41% - 7.44%, 7/29/03 - 7/15/04	14,877
CDC Financial Products Inc.	6.99% - 7.01%, 5/23/05 - 10/17/05	30,384
Chase Manhattan Bank	Synthetic contract wrapper #401740-L2, 6.71%, ***	(76)
IGT Lambda	99-3Q-4.0yD	6,297

		6,221
Chase Manhattan Bank	Synthetic contract wrapper #426423-T, 7.00%, ***	(592)
Fannie Mae Grantor Trust	FHA/VA Reperforming Pass	10,187
Capital One Auto	Monoline Credit Card	7,062
Harley-Davidson Eagleman	Prime Auto	4,111
Fleet Credit Card MT	Bank Credit Card	3,973
Chase Manhattan Bank	Cash on Hand	148

		24,889
Continental Assurance Company	Synthetic contract wrapper #631-05868, 5.65%, ***	35
INVESCO	Group Trust Beta	10,370

		10,405
Deutsche Bank AG	Synthetic contract wrapper #PRM-SNM1, 5.63%, ***	(129)
United States Treasury	Treasury Note	8,267
General Electric Capital	Corporate Finance	1,767
General Electric Capital	Corporate Finance	1,455

		11,360
GE Life and Annuity Assurance Company	6.87% - 7.47%, 12/17/01 - 12/1/03	19,425
Jackson National Life Insurance Company	6.93% - 7.42%, 6/29/01 - 8/18/04	12,163
John Hancock Mutual Life Insurance Company	5.28% - 6.72%, 1/2/01 - 2/3/03	69,460
Massachusetts Mutual Life Insurance Company	Synthetic contract wrapper #10483, 6.08%, ***	9
Massachusetts Mutual Life Insurance Company	Separate Account B-11	2,179

		2,188
Metropolitan Life Insurance Company	5.25% - 6.74%, 4/15/01 - 3/20/02	68,158
Monumental Life Insurance Company	6.28% - 6.87%, 10/15/01 - 1/19/04	19,201
Monumental Life Insurance Company	Synthetic contract wrapper #00291TR, 6.16%, ***	(182)
Toyota Auto Lease Trust	Auto Leases	3,091
Premier Auto Master Trust	Prime Auto	2,653
Copel Capital Funding	Small Equipment Lease	2,000
First USA Master Trust	Bank Credit Card	1,973
Amex. Optima CC MT	Monoline Credit Card	1,658
Commonwealth Edison	Stranded Cost	1,652
Monumental Life Insurance Company	Cash on Hand	61

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

			12,906
New York Life Insurance Company	5.24% - 6.74%, 6/29/01 - 9/1/03		47,606
Prudential Insurance Company of America	6.99% - 7.48%, 10/6/03 - 11/30/05		36,695
Security Life of Denver Insurance Company	7.35% - 7.65%, 2/11/03 - 11/12/03		16,785
State Street Bank and Trust	Synthetic contract wrapper #98246-LB1, 5.47%, ***		48
IGT: Lambda	98-4Q-3.0yD		4,371
			4,419
State Street Bank and Trust Company	Synthetic contract wrapper #99038, 6.53%, ***		(1,472)
MBNA Master Trust	Monoline Credit Card		8,153
MBNA Master Trust	Monoline Credit Card		5,264
MBNA Master Trust	Monoline Credit Card		3,701
Sears Credit Account Trust	Monoline Credit Card		7,543
Sears Credit Account Trust	Retail Credit Card		6,202
Sovereign Bank Home Equity	Home Equity Monoline		5,098
Daimler-Benz Auto	Prime Auto		4,959
Saxon Asset Securities Trust	Home Equity Senior Sub		4,546
Fleet Credit Card MT	Monoline Credit Card		4,246
Citibank Credit Card MT	Bank Credit Card		2,518
State Street Bank and Trust	Cash on Hand		279
			51,037
Sun America Life Insurance Company	7.02% - 7.55%, 1/2/04 - 11/4/08		35,071
Travelers Insurance Company Life Department	5.40%, 12/31/01		26,415
United of Omaha Life Insurance Company	7.13%, 12/14/01		2,004
			605,646
* Boston Safe Deposit and Trust Company	Temporary cash investment		23,095
Total Interest Income Fund		**	628,741
Asset Allocation Fund			
* Barclays Global Investors U.S. Tactical Asset Allocation Fund F	23,510,144 units	**	403,199
Global Equity Fund			
* Barclays Global Investors U.S. Equity Market Fund F	3,734,883 units		111,188
* Barclays Global Investors EAFE Equity Index Fund F	1,828,653 units		36,463
Total Global Equity Fund		**	147,651
Loan Fund			

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

*	Loans to Plan Participants	9.50% - 10.50%	**	112,630 -----
	TOTAL			\$ 5,768,391 =====

- * Party-in-Interest.
- ** Participant-directed investment, cost not required.
- *** Synthetic Insurance Contracts, no stated maturity.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator for the Plan has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

SBC SAVINGS PLAN

By SBC Communications Inc., Plan Administrator
for the Foregoing Plan

By /s/ Karen E. Jennings

Karen E. Jennings
Senior Executive Vice President-
Human Resources

Date: June 27, 2001

EXHIBIT INDEX

Exhibit identified below, is filed herein as exhibit hereto.

Exhibit
Number

23-a Consent of Independent Auditors Ernst & Young LLP.

EX 23-a

Form
F

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-8, No. 333-66105 and 333-88667) pertaining to the SBC Savings Plan of our report dated June 22, 2001, with respect to the financial statements and supplemental schedules of the SBC Savings Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2000.

ERNST & YOUNG LLP

San Antonio, Texas
June 22, 2001

EX99-c
Form 10-K for 2000
File No. 1-8610

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K
ANNUAL REPORT

Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

For the fiscal year ended December 31, 2000

Commission File Number 1-8610

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

SBC SAVINGS AND SECURITY PLAN

SBC COMMUNICATIONS INC.

175 E. Houston, San Antonio, Texas 78205

Financial Statements, Supplemental Schedule and Exhibit

Table of Contents

	Page
Report of Independent Auditors.....	1
Financial Statements:	
Statements of Net Assets Available for Benefits as of December 31, 2000 and 1999...	2
Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2000.....	3
Notes to Financial Statements.....	4
Supplemental Schedule:	
Schedule H, Line 4i - Schedule of Assets (Held at End of Year).....	8
Exhibit:	
23-a Consent of Ernst & Young LLP	

REPORT OF INDEPENDENT AUDITORS

SBC Communications Inc., Plan Administrator
for the SBC Savings and Security Plan

We have audited the accompanying statements of net assets available for benefits of the SBC Savings and Security Plan as of December 31, 2000 and 1999, and the related statement of changes in net asset for benefits for the year ended December 31, 2000. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits at December 31, 2000 and 1999, and the changes in its net assets available for benefits for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2000, presented for purposes of additional analysis and is not a required part of the financial statements. This supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to audit procedures applied in our audits of the financial statements, and in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

ERNST & YOUNG LLP

San Antonio, Texas
June 22, 2001

SBC SAVINGS AND SECURITY PLAN STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS (Dollars in Thousands)

	December 31,	
	2000	1999
ASSETS		
Investments (See Note 3)	\$ 4,634,699	\$ 4,886,427
Cash	-	176
Participant contributions receivable	7	19
Dividends and interest receivable	437	382
Receivable for investments sold	224	92
Other	52	-
	4,635,419	4,887,096
LIABILITIES		
Payable for investments purchased	-	10,799
Administrative expenses payable	1,054	413
Interest payable	-	1,290
Long-term debt:		

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

SBC Communications Inc.	644	23,768
Other	-	22,380
Other	-	6
	-----	-----
Total Liabilities	1,698	58,656
	-----	-----
Net Assets Available for Benefits	\$ 4,633,721	\$ 4,828,440
	=====	=====

See Notes to Financial Statements.

SBC SAVINGS AND SECURITY PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Dollars in Thousands)

Net Assets Available for Benefits, December 31, 1999	\$	4,828,440
Additions to Net Assets:		
Contributions:		
Participant contributions		212,428
Employer contributions		70,317

		282,745

Investment Income:		
Dividends on SBC common shares		70,243
Interest		44,234

		114,477

Total Net Additions		397,222

Deductions from Net Assets:		
Net depreciation in fair value of investments		113,182
Administrative expenses		5,466
Interest expense		2,563
Distributions		470,730

Total Deductions		591,941

Net Assets Available for Benefits, December 31, 2000	\$	4,633,721
		=====

See Notes to Financial Statements.

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

SBC SAVINGS AND SECURITY PLAN NOTES TO FINANCIAL STATEMENTS (Dollars in Thousands)

1. Plan Description - The SBC Savings and Security Plan (Plan) was established by SBC Communicat -----

(SBC) to provide a convenient way for eligible employees to save for retirement on a regular long-term basis. The majority of eligible employees are represented by the Communications Workers of America. The following description of the Plan provides only general information. The Plan provisions covering participant eligibility, participant allotments from pay, participant withdrawal, participant loans, employer contributions and related vesting of contributions and Plan expenses. Plan text and prospectus include complete descriptions of these and other Plan provisions. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA).

Participants can invest their contributions in one or more of the following funds in 1% increments: the SBC Shares Fund, the Bond Fund, the Diversified Equity Portfolio, the Interest Income Fund, the Global Allocation Fund and the Global Equity Fund.

Company matching contributions are made solely in the form of shares of SBC's common stock held in a leveraged Employee Stock Ownership Plan (ESOP) which is a separate investment account of this Plan.

The Plan prefunded the ESOP by borrowing Guaranteed Non-Salaried Employees' ESOP Notes due 2001, the repayment of which is guaranteed by SBC. Funds borrowed by the Plan were used to purchase shares of SBC common stock held in the open market (Financed Shares), which act as collateral for reimbursement of the Plan for any payments it makes under its guarantee of the ESOP Notes. Dividends on Financed Shares and employer cash contributions are used by the Plan to make the required principal and interest payments on the ESOP Notes. As the ESOP Notes are paid down, the Financed Shares are released from the collateral. The Financed Shares are allocated to participants' accounts in the form of a company matching contribution. In lieu of dividends on Financed Shares previously allocated to participants, the Financed Shares are allocated to participants' accounts. The interest rate on the notes is 7.5%.

To the extent insufficient shares have been released through payments on outstanding notes, the notes are refinanced, additional employer contributions are made to the ESOP to purchase shares necessary to cover any shortfall in the company match or in the shares issued in lieu of dividends. Dividends on Financed Shares are used to acquire additional shares which are allocated to participants' accounts in the form of a company matching contribution. Should shares released exceed the required company matching contribution, the excess is considered an additional employer contribution and is allocated to participants' accounts based on each participant's proportionate share of actual plan year ESOP contributions.

Dividends on shares in the SBC Shares Fund are paid into a separate fund known as a Dividend Accumulation Fund (DFA). At the end of the year, dividends held in the DFA are paid out to the participant. The participant may elect reinvestment and have the special Deferred-Tax Allotment offset the payment for the purchase of additional units. Interest earned on dividends held in the DFA will be paid into the SBC Shares Fund. During 2000, Plan participants elected to receive \$38.7 million in dividend distributions. This amount is included in distributions on the statement of changes in net assets.

Although it has not expressed any intent to do so, SBC has the right under the Plan to discontinue contributions at any time and to terminate the Plan subject to the provisions of ERISA. If the Plan is terminated, subject to the conditions set forth by ERISA, the account balances of participants shall be 100% vested.

2. Accounting Policies - The values of investments are determined as follows: SBC common shares -----

of the closing price as reported on the New York Stock Exchange; contracts with insurance companies and other financial institutions at principal plus reinvested interest which approximates fair value; and collective trust funds at values obtained from fund managers; and temporary cash investments

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

which approximates fair value. Purchases and sales of securities are reflected as of the trade date. Dividend income is recognized on the ex-dividend date. Interest earned on investments is recorded on the accrual basis.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

In June 1998, the Financial Accounting Standards Board issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133), which requires all derivatives to be recorded on the statement of net assets available benefits at fair value, and requires changes in the fair value of the derivatives to be recorded on the statement of changes in net assets available for benefits. The Plan adopted FAS 133 on January 1, 2001, and the Plan's December 31, 2001 financial statements will reflect the results of this adoption. However, because of the Plan's minimal use of derivatives, SBC does not expect the adoption of this standard will have a significant effect on the Plan.

3. Investments - Investments representing 5% or more of Plan net assets at either December 31, 2000 and 1999 were:

	2000 -----	1999 -----
Employee Stock Ownership Plan *		

SBC common shares:		
Allocated	\$ 1,209,908	\$ 1,197,257
Unallocated	\$ 3	\$ 118,174
 SBC Shares Fund		

SBC common shares	\$ 1,941,683	\$ 1,941,683
 Diversified Equity Portfolio		

Barclays Global Investors Equity Index Fund	\$ 516,372	\$ 549,268

* Nonparticipant-directed

During 2000, the Plan's investments (including gains and losses on investments bought and sold during the year) depreciated in value as follows:

Common Stock	\$	62,626
Common Collective Trusts		50,556

Total	\$	113,182
		=====

The Interest Income Fund consists of contracts with various companies that promise to repay principal and accrued income at contract maturity, subject to the creditworthiness of the issuer. Interest rates are generally established when the contract is purchased and are not reset. For the years ended December 31, 2000 and 1999, the average interest rates earned on these contracts were 6.15% and 5.18%, respectively. For the year ended December 31, 2000, the fixed crediting interest rates on these contracts ranged from 5.18% to 6.15%. For the year ended December 31, 1999, the fixed crediting interest rates on these contracts ranged from 5.08% to 6.15%.

The Interest Income Fund invests in both guaranteed investment contracts (GICs) and synthetic guaranteed investment contracts (SICs). SICs differ from GICs in that the assets supporting the SICs are owned by a bank or insurance company issues a wrapper contract that allows participant directed transactions to be made at contract value. Wrapper contracts are valued as the difference between the fair value of the supporting assets and the contract value. The assets supporting the GICs and SICs generally consist of high quality fixed income securities with a fair value of \$381,022 and \$320,735 at December 31, 2000 and 1999, respectively. The contract value of the GICs and SICs at December 31, 2000 and 1999 were \$376,050 and \$376,050, respectively.

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

4. Nonparticipant-Directed Investments - Information about the net assets and the significant changes in net assets relating to the nonparticipant-directed investments as of December follows:

	2000	1999
	-----	-----
Assets		

SBC common shares:		
Allocated	\$ 1,209,908	\$ 1,197,257
Unallocated	3	118,174
Temporary cash investments	2,300	19,769
Dividends and interest receivable	24	96
Receivable for investments sold	224	92
Other	1	-
	-----	-----
Total Assets	1,212,460	1,335,388
	-----	-----
Liabilities		

Administrative expenses payable	248	107
Interest payable	-	1,290
Long-term debt	644	46,148
	-----	-----
Total Liabilities	892	47,545
	-----	-----
Net Assets Available for Benefits	\$ 1,211,568	\$ 1,287,843
	=====	=====
		2000

Net Assets Available for Benefits, December 31, 1999		\$ 1,287,843
Employer contributions		70,317
Interest income		2,267
Dividends		26,441
Net depreciation in fair value of investments		(29,306)
Administrative expenses		(1,115)
Interest expense		(2,563)
Distributions		(142,316)

		(76,275)

Net Assets Available for Benefits, December 31, 2000		\$ 1,211,568
		=====

5. Long-Term Debt - Long-term debt consists of the ESOP Notes issued in connection with the ESOP refinancing notes (as discussed in Note 1). At December 31, 2000, there was no long-term debt for repayment for the year 2001. The remaining \$644 is due in the year 2005. The carrying amount and the estimated fair value of the ESOP and refinancing notes as of December 31 were:

	2000	1999
	-----	-----
Carrying Amount	\$ 644	\$ 46,148

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

Fair Value	=====	=====
	\$ 644	\$ 46,169
	=====	=====

At December 31, 2000 and 1999, the fair value of the ESOP Note was estimated based on quoted December 31, 1999, the fair values of the 8.41% ESOP Notes were estimated based on quoted price fair value of the 9.40% ESOP Notes were estimated based on discounted future cash flows using interest rates.

6. Tax Status - The Internal Revenue Service issued a determination letter on March 10, 1997, stating that

the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since the determination letter was received. The Plan Administrator believes that the Plan is currently designed and is operating in compliance with applicable requirements of the IRC.

7. Reconciliation of Financial Statements to Form 5500 - The following is a reconciliation of Net Assets

Available for Benefits per the financial statements to the Form 5500 as of December 31:

	2000	1999
	-----	-----
Net Assets Available for Benefits per the financial statements	\$ 4,633,721	\$ 4,828,138
Less: Distribution payable to participants	1,583	-
	-----	-----
Net Assets Available for Benefits per the Form 5500	\$ 4,632,138	\$ 4,828,138
	=====	=====

The following is a reconciliation of benefits paid to participants per the financial statements to the Form 5500 for the year ended December 31, 2000:

	2000

Distributions to participants per the financial statements	\$ 470,730
Add: Distributions payable to participants at December 31, 2000	1,583
Less: Distributions payable to participants at December 31, 1999	-

Distributions to participants per the Form 5500	\$ 472,313
	=====

Distributions payable to participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, but not yet paid as of that date.

SBC SAVINGS AND SECURITY PLAN
EIN 43-1301883, PLAN NO. 004

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
December 31, 2000
(Dollars in Thousands)

Description of

Current

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

Identity of Issue	Investment	Cost	Value
Employee Stock Ownership Plan			
* SBC common shares:			
Allocated	25,338,378 shares	\$ 479,776	\$ 1,209,908
Unallocated	54 shares	1	3
* Boston Safe Deposit and Trust Company	Temporary cash invest	2,300	2,300
		-----	-----
Total Employee Stock Ownership Plan		482,077	1,212,211
		-----	-----
SBC Shares Fund			
* SBC common shares	40,663,509 shares		1,941,683
* Boston Safe Deposit and Trust Company	Temporary cash invest		54,388

Total SBC Shares Fund		**	1,996,071

Bond Fund			
* Barclays Global Investors Intermediate Government/Credit Bond Index Fund F	2,690,442 units	**	34,545

Diversified Equity Portfolio			
* Barclays Global Investors Equity Index Fund	29,727,781 units	**	516,372

Interest Income Fund			
Allstate Life Insurance Company	Synthetic contract wrapper #31086-W, 6.14%, ***		(1)
Allstate Life Insurance Company	Allstate SA Wind Down		898

			897
Allstate Life Insurance Company	7.10%, 10/15/03		11,186
Bank of America	Synthetic contract wrapper #99-086, 7.06%, ***		(933)
Daimler Chrysler	Prime Auto		7,208
Providian Master Trust	Monoline Credit Card		5,281
Americredit Auto Rec.	Sub Prime Auto		5,055
Capital One Auto	Monoline Credit Card		5,044
Daimler-Benz Auto	Prime Auto		4,959
Ford Auto Owners Trust	Prime Auto		3,934
Ford Auto Owners Trust	Prime Auto		1,504
WFS Financial Owners Trust	Sub Prime Auto		3,133
United States Treasury	Treasury Note		3,023
Toyota Auto Rec Owner Trust	Prime Auto		2,008
Bank of America	Cash on Hand		143

			40,359
Business Men's Assurance Company of America	7.44%, 7/29/03		5,681
CDC Financial Products Inc.	7.00% - 7.01%,		

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

	8/29/05 - 10/17/05	8,109
Canada Life Assurance Company	5.47%, 12/31/01	36,387
Chase Manhattan Bank	Synthetic contract wrapper	
	#401792-L2, 6.73%, ***	(41)
IGT: Lambda	99-3Q-4.0yD%	3,162

		3,121
Chase Manhattan Bank	Synthetic contract wrapper	
	#426424-T, 6.42%, ***	(323)
Federal Home Loan Mortgage Company	Agency Debenture	13,711
United States Treasury	Treasury Note	4,363
Amex. Optima CC MT	Monoline Credit Card	3,773
Fleet Credit Card MT	Bank Credit Card	2,718
Chase Manhattan Bank	Cash on Hand	37
Chase Manhattan Bank	Pending Settlement	(10,473)

		13,806
Continental Assurance Company	Synthetic contract wrapper	
	#630-05574, 5.65%, ***	18
INVESCO	Group Trust Beta	5,207

		5,225
Deutsche Bank AG	Synthetic contract wrapper	
	#PRMSBU901, 5.18%, ***	(52)
United States Treasury	Treasury Notes	2,584
WFS Financial Owners Trust	Sub Prime Auto	2,089
Sears Credit Account Trust	Retail Treasury Card	1,006

		5,627
GE Life and Annuity Assurance Company	7.01% - 8.00%, 12/17/01 - 7/7/04	11,493
Jackson National Life Insurance Company	6.80% - 7.50%, 1/2/01 - 1/5/04	9,496
John Hancock Mutual Life Insurance Company	5.28% - 6.86%, 6/29/01 - 2/3/03	37,407
Massachusetts Mutual Life Insurance Company	Synthetic contract wrapper	
	#10484, 6.31%, ***	1
Massachusetts Mutual Life Insurance Company	Separate Account B-11	978

		979
Metropolitan Life Insurance Company	5.25% - 6.58%, 2/20/01 - 5/13/02	24,508
Monumental Life Insurance Company	6.25% - 7.17%, 10/15/01 - 7/25/02	9,301
Monumental Life Insurance Company	Synthetic contract wrapper	
	#00292TR, 6.08%, ***	(127)
Fannie Mae Grantor Trust	FHA/VA Reperforming Pass	5,093
Toyota Auto Lease Trust	Auto Leases	1,553
Premier Auto Master Trust	Prime Auto	1,332
United States Treasury	Treasury Note	1,033
COPEL Capital Funding	Small Equipment Lease	1,005
First USA Master Trust	Bank Credit Card	991
Amex. Optima CC MT	Monoline Credit Card	833
Commonwealth Edison	Stranded Cost	830
Monumental Life Insurance Company	Cash on Hand	70

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

			12,613
New York Life Insurance Company	5.28% - 6.72%, 9/17/01 - 2/2/04		25,342
Prudential Insurance Company of America	6.99% - 7.48%, 9/7/04 - 11/30/05		20,806
Security Life of Denver Insurance Company	7.39% - 7.65%, 2/11/03 - 10/4/04		11,341
State Street Bank and Trust Company	Synthetic contract wrapper #99035-LB1, 5.49%, ***		23
IGT: Lambda	98-4Q-3.0yD		2,195

			2,218
State Street Bank and Trust Company	Synthetic contract wrapper #99039, 6.54%, ***		(844)
MBNA Master Trust	Monoline Credit Card		6,115
MBNA Master Trust	Monoline Credit Card		3,701
MBNA Master Trust	Monoline Credit Card		1,012
Amex. Optima CC MT	Monoline Credit Card		5,033
Fleet Credit Card MT	Bank Credit Card		4,182
Fleet Credit Card MT	Monoline Credit Card		2,589
Sears Credit Account Trust	Retail Credit Card		4,135
Sears Credit Account Trust	Monoline Credit Card		4,077
Sears Credit Account Trust	Retail Credit Card		2,144
Citibank Credit Card MT	Bank Credit Card		4,118
Citibank Credit Card MT	Bank Credit Card		3,021
General Electric Capital	Corporate Finance		2,859
General Electric Capital	Corporate Finance		2,339
United States Treasury	Treasury Note		438
State Street Bank and Trust	Cash on Hand		183

			45,102
SunAmerica Life Insurance Company	7.14%, - 7.55% 1/2/04 - 9/22/05		8,710
Travelers Insurance Company Life Department	5.29%, 12/31/01		25,330
United of Omaha Life Insurance Company	7.13%, 12/14/01		1,006

			376,050
* Boston Safe Deposit and Trust Company	Temporary cash investment		32,319

Total Interest Income Fund		**	408,369

Asset Allocation Fund			

* Barclays Global Investors U.S. Tactical Asset Allocation Fund F	11,397,013 units	**	195,459

Global Equity Fund			

* Barclays Global Investors U.S. Equity Market Fund F	1,660,169 units		49,424
* Barclays Global Investors EAFE Equity Index Fund E	779,394 units		15,541

Total Global Equity Fund		**	64,965

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

Loan Fund

* Loans to Plan Participants	9.50% - 10.50%	**	206,707
TOTAL			\$ 4,634,699

- * Party-in-Interest.
- ** Participant-directed investment, cost not required.
- *** Synthetic Insurance Contracts, no stated maturity.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator for the Plan has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

SBC SAVINGS AND SECURITY PLAN

By SBC Communications Inc., Plan Administrator
for the Foregoing Plan

By /s/ Karen E. Jennings

Karen E. Jennings
Senior Executive Vice President-
Human Resources

Date: June 27, 2001

EXHIBIT INDEX

Exhibit identified below, is filed herein as exhibit hereto.

Exhibit
Number

23-a Consent of Independent Auditors Ernst & Young LLP.

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statements (Form S-8, No. 333-66105 and 333-88667) pertaining to the SBC Savings and Security Plan of our report dated June 22, 2001, with respect to the financial statements and supplemental schedules of the SBC Savings and Security Plan included in this Annual Report (Form 11-K) for the year ended December 31, 2000.

ERNST & YOUNG LLP

San Antonio, Texas
June 22, 2001

EX 99-d
Form 10-K for 2000
File No. 1-8610

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

For the fiscal year ended December 31, 2000

Commission File Number 1-8610

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

A. Full title of the plan and the address of the plan, if different from that of named below:

Ameritech Savings and
Security Plan for
Non-Salaried
Employees

B. Name of issuer of the securities held pursuant to the plan and the address of principal executive office:

SBC COMMUNICATIONS INC.

175 E. Houston, San Antonio, Texas 78205

Financial Statements, Supplemental Schedule and Exhibit

Table of Contents

	Page
Report of Independent Auditors: Ernst & Young LLP.....	1
Financial Statements:	
Statements of Net Assets Available for Benefits as of December 31, 2000 and 1999..	2
Statement of Changes in Net Assets Available for Benefits for the Year Ended December 31, 2000.....	3
Notes to Financial Statements.....	4
Supplemental Schedule:	
Schedule H, Line 4i - Schedule of Assets (Held at End of Year).....	9
Exhibit:	
23-a Consent of Ernst & Young LLP	

REPORT OF INDEPENDENT AUDITORS

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

Ameritech Corporation, Plan Administrator
for the Ameritech Savings and Security Plan for Non-Salaried Employees

We have audited the accompanying statements of net assets available for benefits of the Ameritech Security Plan for Non-Salaried Employees as of December 31, 2000 and 1999, and the related statement changes in net assets available for benefits for the year ended December 31, 2000. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2000 and 1999, and the changes in its net assets available for benefits for the year ended December 31, 2000, in conformity with accounting principles generally accepted in the United States.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2000, presented for the purpose of additional analysis and is not a required part of the financial statements. This supplemental information is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to audit procedures applied in our audits of the financial statements, and in our opinion, are fairly stated in all material respects in relation to the financial statements taken as a whole.

ERNST & YOUNG LLP

San Antonio, Texas
June 22, 2001

AMERITECH SAVINGS AND SECURITY PLAN FOR NON-SALARIED EMPLOYEES
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
(Dollars in Thousands)

	December 31,	
	2000	1999
ASSETS		
Investments (See Note 5)	\$ 2,562,090	\$ 2,969,747
Employer contributions receivable	8,029	-
Participant contributions receivable	8,651	6,613
Dividends and interest receivable	759	2,171
Receivable for investments sold - net	3,067	14,560
	2,582,596	2,993,091
Total Assets	2,582,596	2,993,091

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

LIABILITIES

Other payable - net	11,830	10,939
Administrative expenses payable	237	307
Interest payable	-	479
Long-term debt	-	12,000
	-----	-----
Total Liabilities	12,067	23,725
	-----	-----
Net Assets Available for Benefits	\$ 2,570,529	\$ 2,969,366
	=====	=====

See Notes to Financial Statements.

AMERITECH SAVINGS AND SECURITY PLAN FOR NON-SALARIED EMPLOYEES
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEAR ENDED DECEMBER 31, 2000
(Dollars in Thousands)

Net Assets Available for Benefits, December 31, 1999	\$ 2,969,366
Additions to Net Assets:	
Contributions:	
Participant contributions	86,216
Employer contributions	21,772

	107,988

Investment Income:	
Dividends	47,301
Interest	19,583

	66,884

Total Additions	174,872

Deductions from Net Assets:	
Net depreciation in value of investments	107,703
Administrative expenses	3,531
Interest expense	1,702
Interplan transfers	35,707
Distributions	424,235

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

Other	831

Total Deductions	573,709

Net Assets Available for Benefits, December 31, 2000	\$ 2,570,529
	=====

See Notes to Financial Statements.

AMERITECH SAVINGS AND SECURITY PLAN FOR NON-SALARIED EMPLOYEES
NOTES TO FINANCIAL STATEMENTS
(Dollars in Thousands)

1. Merger of Plan Sponsor - In October 1999, Ameritech Corporation (Ameritech) and a wholly owned

of SBC Communications Inc. (SBC) merged, resulting in Ameritech becoming a wholly owned subsidiary
(the merger). As a result of the merger, each share of Ameritech common stock held by the Ameritech
Savings and Security Plan for Non-Salaried Employees (the Plan) was automatically converted to
shares of SBC common stock. The conversion did not represent a Plan transaction and no gain was
recognized.
2. Plan Description - The Plan was established by Ameritech to provide a convenient way for eligible

non-salaried employees of participating Ameritech companies to save for retirement on a regular
long-term basis. The following description of the Plan provides only general information. The Plan's
detailed provisions covering participant eligibility, participant allotments from pay, participant
withdrawals, participant loans, employer contributions and related vesting of contributions and
expenses. The Plan is summarized in the Summary Plan Description, which has been distributed to
participants. Participants should refer to the official Plan documents for a more complete description
of the Plan's provisions. The Plan is subject to the provisions of the Employee Retirement Income
Security Act of 1974 (ERISA).

During 2000, participants could invest in various combinations of five funds: the SBC Shares Fund, the
Equities Market Plus Fund, the Fixed Income Fund, the Balanced Fund and the Diversified Telecommunications
Portfolio (DTP) Fund, or for members of the International Brotherhood of Electrical Workers (IBEW) Local
in the Union-sponsored International Brotherhood of Electrical Workers Locals Savings and Retirement
Trust Fund (IBEW Fund - see Note 4). In addition, Communications Workers of America (CWA) members may
elect to contribute to the CWA Savings and Retirement Trust Fund (CWA Fund). Such contributions are made
by the employee directly to the fund, rather than by payroll deduction. The CWA Fund is not included in the
Plan's financial statements.

Company matching contributions are made solely in the form of shares of SBC common stock which are
acquired weekly on an as needed basis. Prior to January 2000, these stock contributions were made in
shares held in a leveraged Employee Stock Ownership Plan (ESOP).

The Plan prefunded the ESOP by borrowing \$240 million of ten and one-half year notes (ESOP Notes) which
were payable in semi-annual installments through the year 2000, at 8.1% interest. In January 2000,
notes were paid in full. Funds borrowed by the Plan were used to purchase shares of Ameritech
stock held by Ameritech in its treasury (Financed Shares), which acted as collateral for reimbursement
Ameritech for any payments it made under its guarantee of the ESOP Notes. The interest rate

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

decreased to 8.03% effective January 1, 1993 due to the increased Federal income tax rate.

Dividends on Financed Shares, interest and employer cash contributions were used by the Plan required principal and interest payments on the ESOP Notes. As the notes were paid down, the Shares were released from the collateral. The Financed Shares were allocated to participants in the form of a company matching contribution. In lieu of dividends on Financed Shares previously allocated to participants, additional Financed Shares were allocated to participants' accounts.

To the extent insufficient shares had been released through payments on outstanding notes, additional employer contributions were made to the ESOP to purchase shares necessary to meet any shortfall on company matching contributions or in the shares issued in lieu of dividends. Dividends on the Notes were used to acquire additional shares, which were allocated to participants' accounts in the Plan. Should shares released exceed the required company matching contribution, the excess was considered an additional employer contribution and was allocated to participants' accounts based on each participant's proportionate share of actual plan year company matching contributions.

State Street Bank and Trust was the trustee of the Plan until October 1, 2000. Effective October 1, 2000, the Plan's assets were transferred to Boston Safe Deposit and Trust Company, a wholly owned subsidiary of Mellon Bank, N.A.

Although it has not expressed any intent to do so, Ameritech has the right under the Plan to suspend its contributions at any time and to terminate the Plan subject to the provisions of ERISA and any applicable collective bargaining agreements. In the event that the Plan is terminated, subject to the conditions set forth in ERISA, the Plan provides that the net assets will be distributed to participants whose employment has terminated in an amount equal to their respective interests in such assets. Assets attributable to participants whose employment has not terminated will remain in the Plan until their employment terminates.

3. Accounting Policies - The financial statements of the Plan are prepared using the accrual method

of accounting. The values of investments are determined as follows: SBC common shares on the basis of the closing price as reported on the New York Stock Exchange; contracts with insurance companies and financial institutions at principal plus reinvested interest; common/collective trusts and other trusts at net asset values per share obtained from published sources or fund manager; and term investments and participant loans at cost, which approximates fair value.

Purchases and sales of securities are reflected as of the trade date. Dividend income is recognized on the ex-dividend date. Interest earned on investments is recognized on the accrual basis.

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

In June 1998, the Financial Accounting Standards Board issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities" (FAS 133), which requires all derivatives to be recorded on the statement of net assets available for benefits at fair value, and requires changes in the fair value of the derivatives to be recorded on the statement of changes in net assets available for benefits. SBC adopted FAS 133 on January 1, 2001 and the Plan's December 31, 2001 financial statements will reflect this adoption. However, because of the Plan's minimal use of derivatives, SBC does not expect that adoption of this standard will have a significant effect on the Plan.

Certain prior year balances have been reclassified to conform to current year presentation.

4. IBEW Fund - In order to allow eligible employees to participate in the IBEW Fund investment

Plan adopted the provisions of the IBEW Savings and Retirement Group Trust (IBEW Group Trust) on January 1, 1988, for the limited purpose of and for specifically complying with the requirements of Revenue Ruling 81-100 related to group trusts. The Plan, by agreement, participates in the IBEW Group Trust with respect to participant eligibility, contribution, distribution and withdrawal requirements administered by Ameritech (the Participating Employer), and with respect to maintaining participant records and IBEW Fund accounting through the Trustee. The Plan's equitable interest in the IBEW Group Trust at December 31, 2000 and 1999 was 2.30% and 5.40%, of the net assets available for benefits.

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

IBEW Group Trust. The Plan's interest is valued on a per unit basis, changes in which represent investment income, net of expenses related to administration of the IBEW Group Trust and investment management services.

5. Investments - Investments representing 5% or more of Plan net assets at either December 31, 2000 and 1999 were:

	2000 -----	1999 -----
Employee Stock Ownership Plan - Special Stock Fund*		

SBC common shares:		
Allocated	\$ 601,131	\$ 650,032
Unallocated	\$ -	\$ 36,959
SBC Shares Fund		

SBC common shares	\$ 1,430,296	\$ 1,643,557
Diversified Telephone Portfolio Fund		

SBC common shares	\$ 30,554	\$ 39,543
Equities Market Plus Fund		

IRT Ameritech Collective Equity Fund	\$ 129,856	\$ 150,450

* Nonparticipant-directed

During 2000, the Plan's investments (including gains and losses on investments bought and sold during the year) depreciated in value by \$107,703 as follows:

SBC Common Stock	\$	80,787
Common Collective Trusts		26,916

Total	\$	107,703
		=====

The Fixed Income Fund consists of contracts with various companies that promise to repay principal and accrued income at contract maturity, subject to the creditworthiness of the issuer. Interest rates are generally established when the contract is purchased and are not reset. For the year ended December 31, 2000, the average interest rate earned on these contracts was 6.35%. At December 31, 1999, the fixed crediting interest rates on these contracts ranged from 5.38% to 7.52%. At December 31, 2000, the fixed crediting interest rates on these contracts ranged from 5.26% to 6.61%. No valuation adjustments were recorded to adjust contract amounts as of December 31, 2000 or 1999.

The Fixed Income Fund invests in both guaranteed investment contracts (GICs) and synthetic investment contracts (SICs). SICs differ from GICs in that the assets supporting the SICs are owned by a bank or insurance company issues a wrapper contract that allows participant directed transactions to be made at contract value. Wrapper contracts are valued as the difference between the fair value of the supporting assets and the contract value. The assets supporting the GICs and SICs generally consist of high quality fixed income securities with fair values of \$171,461 and \$162,142 at December 31, 1999. The contract values of the GICs and SICs at December 31, 2000 and 1999 were \$169,603 and \$169,603, respectively.

6. Nonparticipant-Directed Investments - Information about the net assets and the significant changes in net assets relating to the nonparticipant-directed investments (held in the Special Stock Fund) as of December 31 is as follows:

	2000 -----	1999 -----
--	---------------	---------------

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

Assets

SBC common shares:

Allocated	\$ 601,131	\$ 650,032
Unallocated	-	36,959
Employer Contributions receivable	8,029	-
Temporary cash investments	45	13,545
Dividends and interest receivable	37	64

Total Assets	609,242	700,600
--------------	---------	---------

Liabilities

Other payable-net	2,776	2,388
Administrative expenses payable	11	27
Interest payable	-	479
Long-term debt - unallocated	-	12,000

Total Liabilities	2,787	14,894
-------------------	-------	--------

Net Assets Available for Benefits	\$ 606,455	\$ 685,706
-----------------------------------	------------	------------

2000

Net Assets Available for Benefits, December 31, 1999	\$ 685,706
--	------------

Contributions

Dividends and interest	21,772
Net appreciation in value of investments	15,292
Transfers of participants' balances - net	(25,699)
Administrative expenses	(12,515)
Interest expense	(92)
Distributions to participants	(1,702)
	(76,307)
	(79,251)

Net Assets Available for Benefits, December 31, 2000	\$ 606,455
--	------------

7. Long-Term Debt - Long-term debt consisted of the ESOP Notes (as discussed in Note 2). The ESOP Notes were paid in full in January 2000. The carrying amount and the estimated fair value of the ESOP Notes of December 31 were:

	1999

Carrying Amount	\$ 12,000
	=====
Fair Value	\$ 12,000
	=====

The fair value of the ESOP Notes were estimated based on quoted prices.

8. Tax Status - The Internal Revenue Service issued a determination letter on April 16, 1996, stating that the ESOP is a qualified ESOP.

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

 that the Plan and related trust are designed in accordance with applicable sections of the Internal Revenue Code (IRC). The Plan has been amended since the determination letter was received. The Administrator believes that the Plan is currently designed and is operating in compliance with applicable requirements of the IRC.

9. Reconciliation of Financial Statements to Form 5500 - The following is a reconciliation of Net Assets Available for Benefits per the financial statements to the Form 5500 as of December 31:

	2000	1999
	-----	-----
Net Assets Available for Benefits per the Financial Statement	\$ 2,570,529	\$ 2,969,366
Less: Distributions payable to participants	66,274	92,100
	-----	-----
Net Assets Available for Benefits per the Form 5500	\$ 2,504,255	\$ 2,877,266
	=====	=====

The following is a reconciliation of distributions to participants per the financial statements to the Form 5500 for the year ended December 31:

	2000

Distributions to participants per the Financial Statement	\$ 424,235
Add: Distributions payable to participants at December 31, 2000	66,274
Less: Distributions payable to participants at December 31, 1999	92,100

Distributions to participants per the Form 5500	\$ 398,409
	=====

Distributions payable to participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to December 31, but not yet paid as of that date.

AMERITECH SAVINGS AND SECURITY PLAN FOR NON-SALARIED EMPLOYEES
 EIN 36-3251481, PLAN NO. 004

SCHEDULE H, LINE 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)
 December 31, 2000
 (Dollars in Thousands)

Identity of Issue	Description of Investment	Cost	Current Value
-----	-----	-----	-----
Employee Stock Ownership Plan - Special			
Stock Fund			

* SBC common shares:			
Allocated	12,589,135 shares	\$ 168,144	\$ 601,131

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

* Boston Safe Deposit and Trust Company	Temporary cash investments	45	45
		-----	-----
Total Special Stock Fund		168,189	601,176
		-----	-----
SBC Shares Fund			

* SBC common shares	29,953,843 shares		1,430,296
* Boston Safe Deposit and Trust Company	Temporary cash investments		336
		-----	-----
Total SBC Shares Fund		**	1,430,632
		-----	-----
Fixed Income Fund			

Allstate Life Insurance Company	Synthetic contract wrapper		47
	#77079, 5.76%, ***		
IGT: Lambda	98-4Q-3.0yD		9,868

			9,915
Business Men's Assurance Company	5.75%, 11/17/03		2,252
CDC Financial Products	5.38%, 10/15/03		2,022
Chase Manhattan Bank	Synthetic contract wrapper		
	#433420-T, 5.79%, ***		(56)
Sears Credit Account Trust	Retail Credit Card		4,138
Fannie Mae Grantor Trust	FHA/VA Reperforming Pass		3,056
Federal Home Loan Mortgage	Residential Balloon		2,676
United States Treasury	Treasury Note		2,584
General Electric Capital	Corp - Finance Companies		1,559
Ford Auto Owners Trust	Prime Auto		1,528
Sears Credit Account Trust	Cash on Hand		1,912

			17,397
Continental Assurance Company	Synthetic contract wrapper		(186)
	#25700-202, 6.21%, ***		
Fleet Credit Card MT	Bank Credit Card		3,659
Federal Home Loan Mortgage	Agency Debenture		3,140
United States Treasury	Treasury Note		2,102
Federal National Mortgage Company	Agency Debenture		2,015
Ford Auto Owners Trust	Prime Auto		1,943
MBNA Master Trust	Monoline Credit Card		1,561
Continental Assurance Company	Cash on Hand		41

			14,275
Continental Assurance Company	Synthetic contract wrapper		(48)
	#63005611, 6.18%, ***		
INVESCO	Group Trust: Beta		10,626

			10,578
Deutsche Bank AG	Synthetic contract wrapper		(348)
	#PRM-ATS-1, 6.29%, ***		
Federal National Mortgage Company	Agency Debenture		8,161
Federal Home Loan Mortgage	Agency Debenture		8,147

			15,960
Jackson National Life Insurance Company	5.80%, 01/03/01		1,058
John Hancock Mutual Life Insurance Company	6.07%, 03/03/03		4,020

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

Massachusetts Mutual Life Insurance Company	Synthetic contract wrapper #10749, 5.41%, ***	93
Massachusetts Mutual Life Insurance Company	Separate Account B13	3,810

		3,903
Metropolitan Life Insurance Company	6.92%, 10/29/03	2,024
Metropolitan Life Insurance Company	6.99%, 11/21/03	2,015
Monumental Life Insurance Company	Synthetic contract wrapper #00207TR-1, 6.66%, ***	-
INVESCO	Group Trust: Epsilon	42

		42
Monumental Life Insurance Company	Synthetic contract wrapper #76TR, 6.56%, ***	(234)
Amex. Optima CC MT	Monoline Credit Card	5,063
Pinnacle CBO FSA Insure	Cash Flow CBO	4,661
Discover Card Trust	Monoline Credit Card	3,011
Home Ownership Fund Co	Step Down Preferred	2,285
General Electric Capital	Corporate Finance	2,131
Premier Auto Master Trust	Prime Auto	2,007
Fannie Mae DUS Program	Residential MBS Fixed	1,922
Home Ownership Fund Co	Step Down Preferred	1,905
Commonwealth Edison TF	Stranded Cost	1,286
Monumental Life Insurance Company	Cash on Hand	252

		24,289
Monumental Life Insurance Company	7.25%, 09/02/03	2,046
Monumental Life Insurance Company	7.08%, 10/03/02	2,034
New York Life Insurance Company	5.82%, 06/02/03	2,010
The Prudential Insurance Company of America	5.95%, 08/10/01	2,291
The Prudential Insurance Company of America	6.03%, 08/11/03	2,295
The Prudential Insurance Company of America	7.03%, 11/21/05	2,011
State Street Bank and Trust Company	Synthetic contract wrapper #96041, 7.15%, ***	(421)
Case New Holland Eq Trust	Large Equipment Loan	5,083
Green Tree Financial	Home Equity Monoline	5,038
Ford Auto Owners Trust	Prime Auto	3,072
Capital Auto Rec Owner Trust	Prime Auto	3,052
Amex. Optima CC MT	Monoline Credit Card	3,039
Toyota Auto Rec Owner Trust	Prime Auto	2,510
MBNA Master Trust	Monoline Credit Card	1,579
Sears Credit Account Trust	Retail Credit Card	959
CIT RV Trust	Motor Homes	867
Sears Credit Account Trust	Retail Credit Card	497
Citibank Credit Card MT	Bank Credit Card	321
Providian Master Trust	Monoline Credit Card	320
MBNA Master Trust	Monoline Credit Card	314
Sears Credit Account Trust	Retail Credit Card	212
State Street Bank and Trust Company	Cash on Hand	434

		26,876
Union Bank of Switzerland AG	Synthetic contract wrapper #5029, 7.52%, ***	(454)
Union Acceptance Corp.	Non Prime Auto	5,693
Residential Asset Se	Home Equity Senior Sub	5,212
COPEL Co. Cap. Fund. Corp.	Small Equipment Lease	3,570
Daimler Chrysler	Prime Auto	3,089

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

Ford Auto Owners Trust	Prime Auto	3,055
Union Bank of Switzerland AG	Cash on Hand	124

		20,289

* Boston Safe Deposit and Trust Company	Temporary cash investments	169,602
		11,605

Total Fixed Income Fund		** 181,207

Equities Market Plus Fund		

IRT Ameritech Collective Equity Fund	4,488,633 units	129,856
* Boston Safe Deposit and Trust Company	Temporary cash investments	100

Total Equities Market Plus Fund		** 129,956

Balanced Fund		

Bankers Trust Pyramid Balanced Fund	285,374 units	76,638
* Boston Safe Deposit and Trust Company	Temporary cash investments	35

Total Balanced Fund		** 76,673

Diversified Telephone Portfolio (DTP) Fund		

AT&T Corporation common shares	312,883 shares	5,417
BellSouth Corporation common shares	343,037 shares	14,043
* SBC Communications common shares	639,872 shares	30,554
Verizon Communications common shares	269,031 shares	13,485
* Boston Safe Deposit and Trust Company	Temporary cash investments	45

Total DTP Fund		** 63,544

IBEW Fund		

IBEW Savings/Security Master Investment Fund	4,929,662 units	4,930
* Boston Safe Deposit and Trust Company	Temporary cash investments	25

Total IBEW Fund		** 4,955

Loan Fund		

* Loans to Plan Participants	10.50%	73,595
* Boston Safe Deposit and Trust Company	Temporary cash investments	351

Total Loan Fund		** 73,946

TOTAL		\$ 2,562,090
		=====

* Party-in-Interest.

** Participant-directed investment, cost not required.

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

*** Synthetic investment, no stated maturity.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Plan Administrator for the Plan has duly caused this annual report to be signed by the undersigned thereunto duly authorized.

AMERITECH SAVINGS AND SECURITY
PLAN FOR NON-SALARIED EMPLOYEES

By Ameritech Corporation, Plan Administrator of
the Foregoing Plan

By /s/ Karen E. Jennings

Karen E. Jennings
Senior Executive Vice President-
Human Resources

Date: June 27, 2001

EXHIBIT INDEX

Exhibit identified below, is filed herein as exhibit hereto.

Exhibit
Number

23-a Consent of Independent Auditors: Ernst & Young LLP.

Edgar Filing: SBC COMMUNICATIONS INC - Form 10-K/A

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in the Registration Statement (Form S-8, No. 333-886) pertaining to the Ameritech Savings and Security Plan for Non-Salaried Employees of our report dated June 22, 2001, with respect to the financial statements and supplemental schedules of the Ameritech Savings and Security Plan for Non-Salaried Employees included in this Annual Report (Form 10-K) for the year ended December 31, 2000.

ERNST & YOUNG LLP

San Antonio, Texas
June 22, 2001