

Office

Annual Report

CITY OF WILLIS
Willis, Texas

ALL FUNDS

For the Year Ended September 30, 1975

**SAULS AND PECHACEK
PUBLIC ACCOUNTANTS**

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SAULS AND PECHACEK

PUBLIC ACCOUNTANTS

713 - 865-5112

ERT E. SAULS, P.A.
P. O. BOX 762
TOWN, TEXAS 77520

December 20, 1975

JOHN R. PECHACEK, C.P.A.
P. O. BOX 549
BELLVILLE, TEXAS 77418

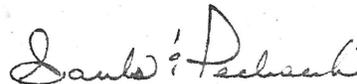
Honorable Mayor and City Council
City of Willis
Willis, Texas

Ladies and Gentlemen:

We have examined the Combined Balance Sheet, All Funds of the City of Willis, Texas, as of September 30, 1975, and the related Statement of Income and Expense for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying balance sheet and the related statement of income and expense present fairly the financial position of the City of Willis, Texas, as of September 30, 1975, and the results of its operations for the year then ended.

Yours truly,



SAULS AND PECHACEK
Public Accountants

JRP:dsp

CITY OF WILLIS, TEXAS
Combined Balance Sheet-All Funds
 September 30, 1975

<u>ASSETS</u>	Total All Funds	General Operating Fund	Utility System Fund	Revenue Bond Int. & Sinking Fund	Tax Bond Int. & Sinking Fund	Construction Fund	Federal Rev. Sharing Fund	General Fixed Assets Fund
Cash-								
On Hand & In Banks	\$ 61,523.39	\$ 5,616.38	\$ 19,515.23	\$ 1,756.50	\$ -0-	\$ 32,836.32	\$ 1,798.96	\$ -0-
Invested in Time Deposits	194,869.75	35,363.94	2,000.00	19,996.71	-0-	137,509.10	-0-	-0-
Total Cash	<u>\$256,393.14</u>	<u>\$40,980.32</u>	<u>\$ 21,515.23</u>	<u>\$ 21,753.21</u>	<u>\$ -0-</u>	<u>\$170,345.42</u>	<u>\$ 1,798.96</u>	<u>\$ -0-</u>
Accounts Receivable-								
Utility Accounts	\$ 17,444.42	\$ -0-	\$ 17,444.42	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Delinquent Ad Valorem Taxes	18,048.34	18,048.34	-0-	-0-	-0-	-0-	-0-	-0-
Returned Checks	242.15	-0-	242.15	-0-	-0-	-0-	-0-	-0-
Less Reserve for Uncollect. Accts.	(12,024.17)	(9,024.17)	(3,000.00)	-0-	-0-	-0-	-0-	-0-
Total Accounts Receivable	<u>\$ 23,710.74</u>	<u>\$ 9,024.17</u>	<u>\$ 14,686.57</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
Fixed Assets-								
Land	\$ 2,638.27	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,638.27
Buildings & Streets	19,405.83	-0-	-0-	-0-	-0-	-0-	-0-	19,405.83
Utility System	327,723.39	-0-	327,723.39	-0-	-0-	-0-	-0-	-0-
Vehicles	28,092.16	-0-	-0-	-0-	-0-	-0-	-0-	28,092.16
Equipment	8,099.17	-0-	-0-	-0-	-0-	-0-	-0-	8,099.17
Total Fixed Assets	<u>\$385,958.82</u>	<u>\$ -0-</u>	<u>\$327,723.39</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$58,235.43</u>
Other Debits-								
Amount to be Provided for Retirement of Bonds	\$300,000.00	\$ -0-	\$ -0-	\$ 80,000.00	\$220,000.00	\$ -0-	\$ -0-	\$ -0-
Total Assets	<u><u>\$966,062.70</u></u>	<u><u>\$50,004.49</u></u>	<u><u>\$363,925.19</u></u>	<u><u>\$101,753.21</u></u>	<u><u>\$220,000.00</u></u>	<u><u>\$170,345.42</u></u>	<u><u>\$ 1,798.96</u></u>	<u><u>\$58,235.43</u></u>

CITY OF WILLIS, TEXAS
 Combined Balance Sheet-All Funds, (Con't)
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LIABILITIES, FUND BALANCES AND RESERVES	Total All Funds	General Operating Fund	Utility System Fund	Revenue Bond Int. & Sinking Fund	Tax Bond Int. & Sinking Fund	Construction Fund	Federal Rev. Sharing Fund	General Fixed Assets Fund
Current Liabilities-								
Payroll Taxes Payable	\$ 2,339.90	\$ 2,339.90	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Accrued State Court Costs	107.00	107.00	-0-	-0-	-0-	-0-	-0-	-0-
Accrued Interest on Revenue Bonds	617.50	-0-	-0-	617.50	-0-	-0-	-0-	-0-
Bonds Payable-Current	11,000.00	-0-	-0-	6,000.00	5,000.00	-0-	-0-	-0-
Utility Deposits Payable	7,001.90	-0-	7,001.90	-0-	-0-	-0-	-0-	-0-
Total Current Liabilities	\$ 21,066.30	\$ 2,446.90	\$ 7,001.90	\$ 6,617.50	\$ 5,000.00	\$ -0-	\$ -0-	\$ -0-
Long Term Liabilities-								
Bonds Payable-Future Maturities	\$289,000.00	\$ -0-	\$ -0-	\$ 74,000.00	\$215,000.00	\$ -0-	\$ -0-	\$ -0-
Total Liabilities	\$310,066.30	\$ 2,446.90	\$ 7,001.90	\$ 80,617.50	\$220,000.00	\$ -0-	\$ -0-	\$ -0-
Fund Balance	\$ 78,556.45	\$47,557.59	\$ 29,199.90	\$ -0-	\$ -0-	\$ -0-	\$ 1,798.96	\$ -0-
Reserves-								
For Retirement of Funded Debt	\$ 21,135.71	\$ -0-	\$ -0-	\$ 21,135.71	\$ -0-	\$ -0-	\$ -0-	\$ -0-
For Authorized Construction	170,345.42	-0-	-0-	-0-	-0-	170,345.42	-0-	-0-
For Investment in Fixed Assets	385,958.82	-0-	327,723.39	-0-	-0-	-0-	-0-	58,235.43
Total Reserves	\$577,439.95	\$ -0-	\$327,723.39	\$ 21,135.71	\$ -0-	\$170,345.42	\$ -0-	\$58,235.43
Total Fund Balance & Res.	\$655,996.40	\$47,557.59	\$356,923.29	\$ 21,135.71	\$ -0-	\$170,345.42	\$ 1,798.96	\$58,235.43
Total Liabilities, Fund Balances & Reserves	\$966,062.70	\$50,004.49	\$363,925.19	\$101,753.21	\$220,000.00	\$170,345.42	\$ 1,798.96	\$58,235.43

CITY OF WILLIS, TEXAS
Statement of Income and Expense
 For the Fiscal Year Ended September 30, 1975

INCOME:

Ad Valorem Taxes	\$ 17,990.25	
Penalty, Interest & Cost	2,402.57	
Water Sales	51,463.63	
Water Taps	1,825.00	
Sewer Sales	19,785.37	
Sewer Taps	900.00	
Service Charges & Late Payment Charges	3,477.88	
Garbage & Dump Receipts	26,476.30	
Federal Revenue Sharing	20,841.00	
City Sales Taxes	24,326.14	
City Franchise Taxes	12,919.77	
Licenses	72.50	
Interest Earnings	5,808.29	
E.P.A. Grant	16,537.00	
Bond Sales	220,000.00	
Miscellaneous	2,366.70	
Total Income		<u>\$427,192.40</u>

EXPENSE:

General Expense-		
Contract Labor	\$ 2,418.00	
Payroll Taxes	2,448.91	
Workman's Compensation Insurance	1,689.50	
Maintenance & Repair-City Hall	794.90	
Maintenance & Repair-Streets	3,439.90	
Utilities-Street Department	793.03	
Insurance Street Department	1,864.26	
Convention Expense	47.26	
Election Expense	781.02	
Tax Collection Expense	1,320.37	
Public Notices & Hearings	216.92	
Professional Services-Legal Fees	3,527.79	
Professional Services-Engr. & Planners	17,801.69	
Professional Services-Audit & Acct. Fees	5,100.00	
Professional Services-Bank Service Fee	53.05	
Membership Fees	300.00	
Fire Department Expense	1,572.37	
Willis Little League	700.00	
Payment on Backhoe	3,474.00	
Bond Principal & Interest Payments	8,930.00	
Total General Expense		<u>\$ 57,272.97</u>

Office Expense-

Salaries	\$ 11,951.88
Contract Labor	305.00
Insurance	238.18
Postage	750.44

CITY OF WILLIS, TEXAS
Statement of Income and Expense, (Con't)
Page 2

Office Expense-Con't		
Maintenance and Repair	\$ 450.01	
Rentals	398.19	
Stationery & Supplies	697.49	
Utilities	1,466.40	
Auto Expense	543.37	
Miscellaneous	<u>651.58</u>	
Total Office Expense		\$ 17,452.54
Police Expense-		
Salaries	\$ 11,818.29	
Contract Labor	223.50	
Insurance	95.05	
Professional Service-Legal Fees	500.00	
Professional Service-Municipal Judge	1,800.00	
Maintenance & Repair	5,104.89	
Rentals	1,243.00	
Stationery & Supplies	386.93	
Utilities	867.40	
Auto Expense	2,404.72	
Miscellaneous	321.25	
Capital Outlay-Police Car	<u>4,494.66</u>	
Total Police Expense		29,259.69
Garbage & Dump Expense-		
Salaries	\$ 5,384.00	
Contract Labor	6,010.04	
Maintenance & Repair	2,172.21	
Utilities	160.02	
Truck Expense	567.34	
Miscellaneous	<u>18.22</u>	
Total Garbage & Dump Expense		14,311.83
Water & Sewer Expense-		
Salaries	\$ 18,332.39	
Contract Labor	197.00	
Insurance	352.71	
Maintenance & Repair	33,175.99	
Stationery & Supplies	208.45	
Utilities	3,550.06	
Auto & Truck Expense	1,045.01	
Miscellaneous	857.76	
Capital Outlay-System Extension	<u>54,725.07</u>	
Total Water & Sewer Expense		<u>112,444.44</u>
Total Expense		<u>\$230,741.47</u>
Net Increase in Fund Balance		<u>\$196,450.93</u> =====

Notes to Financial Statements

- Note 1 - The books and records of the City of Willis have not been maintained on a "Fund" basis in accordance with generally accepted accounting principles for municipalities, but rather have been maintained as a single fund. We have restated the Balance Sheet on a "Fund" basis, but have not attempted to restate the Income and Expense Statement.
- Note 2 - For the fiscal year 1975-76, the City has revised its accounting system in order to be in accord with generally accepted accounting principles for municipalities.
- Note 3 - Depreciation has not been recognized on any of the City's Fixed Assets, including those invested in the Utility Systems.

CITY OF WILLIS, TEXAS
Repayment Schedule- 1954 & 1958 Series
 Water & Sewer Revenue Bond

Fiscal Year Oct. 1 - Sept. 30	Bond Numbers	Interest Rate	Semi-Annual Interest Due		Annual Principal Due Aug. 1	Total Annual Requirement
			Feb. 1	Aug. 1		
1974-75	72-76	4.5%	\$ 1,965.00	\$ 1,965.00	\$ 5,000.00	\$ 8,930.00
1975-76	77-82	4.5%	1,852.50	1,852.50	6,000.00	9,705.00
1976-77	83-88	4.5%	1,717.50	1,717.50	6,000.00	9,435.00
1977-78	89-94	4.5%	1,582.50	1,582.50	6,000.00	9,165.00
1978-79	95-100	4.5%	1,447.50	1,447.50	6,000.00	8,895.00
1979-80	101-107	4.5%	1,312.50	1,312.50	7,000.00	9,625.00
1980-81	108-114	4.5%	1,155.00	1,155.00	7,000.00	9,310.00
1981-82	115-121	4.5%	997.50	997.50	7,000.00	8,995.00
1982-83	122-128	4.5%	840.00	840.00	7,000.00	8,680.00
1983-84	129-135	4.5%	682.50	682.50	7,000.00	8,365.00
1984-85	1-7	5.0%	525.00	525.00	7,000.00	8,050.00
1985-86	8-14	5.0%	350.00	350.00	7,000.00	7,700.00
1986-87	15-21	5.0%	175.00	175.00	7,000.00	7,350.00
Total			\$14,602.50	\$14,602.50	\$85,000.00	\$114,205.00

Paying Agent: First Hutchings-Sealy National Bank
 Galveston, Texas

Original Issue: \$156,000.00

Bonds Dated: \$135,000.00 dated August 1, 1954
 21,000.00 dated February 1, 1958

Option: Bond Nos. 48-135 of the 1954 issue optional for redemption on
 August 1, 1969 or any interest payment date thereafter at 103%
 plus accrued interest.

Notes to 1954 and 1958 Series Revenue Bonds

1. Water & Sewer Department income shall be deposited in a local bank into an account entitled "City of Willis Water & Sewer Revenue Fund". From this account the City shall pay current operating expense of the Water & Sewer Department only.
2. After payment of current operating expense, the City shall on the 15th of each month deposit from the Revenue Fund to the "Water and Sewer Interest & Sinking Fund" 1/12 of the next maturing principal and 1/6 of the next maturing interest.
3. After the requirements as set forth above have been fulfilled, the City shall deposit monthly to the "City of Willis Water & Sewer Interest & Sinking Reserve Fund" an amount equal to 20% of the payments indicated in 2 above, until a maximum of \$8,500.00 shall have been deposited.
4. After all the above enumerated requirements have been fulfilled, the City shall deposit monthly into the "City of Willis Water and Sewer Emergency Fund" the sum of \$25.00 until such fund reaches \$1,000.00.
5. After all the foregoing requirements have been fulfilled, the remaining funds generated may be used for any legal purpose as determined by the city council.

CITY OF WILLIS, TEXAS
Repayment Schedule - 1975 Series
 General Obligation Bonds

Fiscal Year Oct. 1 - Sept. 30	Numbers	Interest Rate	Semi-Annual Interest Due		Annual Principal Due July 1	Total Annual Requirement
			Jan. 1	July 1		
1975-76	1	6.00%	\$ 7,562.50	\$ 7,562.50	\$ 5,000.00	\$ 20,125.00
1976-77	2-3	"	7,412.50	7,412.50	10,000.00	24,825.00
1977-78	4-5	6.50%	7,112.50	7,112.50	10,000.00	24,225.00
1978-79	6-8	"	6,787.50	6,787.50	15,000.00	28,575.00
1979-80	9-11	7.00%	6,300.00	6,300.00	15,000.00	27,600.00
1980-81	12-14	"	5,775.00	5,775.00	15,000.00	26,550.00
1981-82	15-17	"	5,250.00	5,250.00	15,000.00	25,500.00
1982-83	18-20	"	4,725.00	4,725.00	15,000.00	24,450.00
1983-84	21-23	"	4,200.00	4,200.00	15,000.00	23,400.00
1984-85	24-26	"	3,675.00	3,675.00	15,000.00	22,350.00
1985-86	27-29	"	3,150.00	3,150.00	15,000.00	21,300.00
1986-87	30-32	"	2,625.00	2,625.00	15,000.00	20,250.00
1987-88	33-35	"	2,100.00	2,100.00	15,000.00	19,200.00
1988-89	36-38	"	1,575.00	1,575.00	15,000.00	18,150.00
1989-90	39-41	"	1,050.00	1,050.00	15,000.00	17,100.00
1990-91	42-44	"	525.00	525.00	15,000.00	16,050.00
Totals			\$69,825.00	\$69,825.00	\$220,000.00	\$359,650.00

Paying Agent: Willis Bank of Texas
 Willis, Texas

Bonds Dated : July 1, 1975

Option: Bonds maturing July 1, 1988 through 1991 are optional
 for redemption on July 1, 1987 in inverse numerical
 order at par.