

Annual Report

CITY OF WILLIS  
Willis, Texas

All Funds  
For the Year Ended September 30, 1981

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**SAULS AND PECHACEK**

PUBLIC ACCOUNTANTS

P.O. Box 549

BELLVILLE, TEXAS 77418

713 - 865-3169

December 12, 1981

ROBERT E. SAULS, P.A.

JOHN R. PECHACEK, C.P.A.

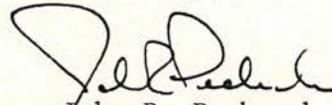
Honorable Mayor and City Council  
City of Willis  
Willis, Texas

Ladies and Gentlemen:

We have examined the Combined Balance Sheet of the City of Willis, Texas as of September 30, 1981, and the related Analysis of Reserves and Fund Balance, Comparison of Budget with Actual Revenues and Expenditures and Utility Fund Statement of Net Revenues Available for Debt Service 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 Combined Balance Sheet, Analysis of Reserves and Fund Balance and the related Comparison of Budget with Actual Revenues and Expenditures, and Utility Fund Statement of Net Revenues Available for Debt Service present fairly the financial position of the City of Willis, Texas as of September 30, 1981, and the results of its operation for the year then ended in conformity with generally accepted accounting principles for municipalities, applied on a basis consistent with that of the preceding year.

Sincerely,



John R. Pechacek, C.P.A.  
SAULS AND PECHACEK

CITY OF WILLIS, TEXAS  
Combined Balance Sheet - All Funds and Account Groups  
September 30, 1981

ASSETS	General Fund	Debt Service Fund	Construction Fund	Revenue Sharing Fund	Utility Fund	General Fixed Assets	Memo-Totals September 30	
							1981	1980
<b>Current Assets:</b>								
Cash -								
On Hand and In Banks	\$ 1,563.28	\$ -0-	\$ -0-	\$ 489.02	\$ 1,772.37	\$ -0-	\$ 3,824.67	\$ 3,605.21
Invested in Time Accounts	<u>38,741.37</u>	<u>5,069.40</u>	<u>-0-</u>	<u>342.78</u>	<u>37,315.36</u>	<u>-0-</u>	<u>81,468.91</u>	<u>57,599.75</u>
<b>Total Cash</b>	<b>\$ 40,304.65</b>	<b>\$ 5,069.40</b>	<b>\$ -0-</b>	<b>\$ 831.80</b>	<b>\$ 39,087.73</b>	<b>\$ -0-</b>	<b>\$ 85,293.58</b>	<b>\$ 61,204.96</b>
<b>Receivables -</b>								
U.S. Treasury Dept.	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 5,637.53
Utility Accounts	-0-	-0-	-0-	-0-	40,238.17	-0-	40,238.17	34,061.31
Ad Valorem Taxes	37,960.57	-0-	-0-	-0-	-0-	-0-	37,960.57	32,172.43
Interfund Receivables	31,400.00	-0-	-0-	-0-	-0-	-0-	31,400.00	31,400.00
Allowance for Uncollectables	<u>(7,682.62)</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(3,000.00)</u>	<u>-0-</u>	<u>(10,682.62)</u>	<u>(10,682.62)</u>
<b>Total Receivables</b>	<b>\$ 61,677.95</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 37,238.17</b>	<b>\$ -0-</b>	<b>\$ 98,916.12</b>	<b>\$ 92,638.65</b>
<b>Total Current Assets</b>	<b>\$101,982.60</b>	<b>\$ 5,069.40</b>	<b>\$ -0-</b>	<b>\$ 831.80</b>	<b>\$ 76,325.90</b>	<b>\$ -0-</b>	<b>\$ 184,209.70</b>	<b>\$ 153,843.61</b>
<b>Fixed Assets:</b>								
Land	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 2,638.27	\$ 2,638.27	\$ 2,638.27
Buildings and Streets	-0-	-0-	-0-	-0-	-0-	103,585.79	103,585.79	103,585.79
Utility System	-0-	-0-	-0-	-0-	2,820,899.29	-0-	2,820,899.29	2,714,025.28
Vehicles	-0-	-0-	-0-	-0-	-0-	58,225.10	58,225.10	51,024.10
Equipment	-0-	-0-	-0-	-0-	-0-	25,165.03	25,165.03	24,072.60
Allowance for Depreciation	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>(304,700.08)</u>	<u>-0-</u>	<u>(304,700.08)</u>	<u>(220,073.10)</u>
<b>Total Fixed Assets</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>\$2,516,199.21</b>	<b>\$189,614.19</b>	<b>\$2,705,813.40</b>	<b>\$2,675,272.94</b>
<b>Other Debits:</b>								
To be Provided for Retirement of General Long-Term Debt	\$ -0-	\$150,000.00	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 150,000.00	\$ 165,000.00
<b>Total Assets</b>	<b>\$101,982.60</b>	<b>\$155,069.40</b>	<b>\$ -0-</b>	<b>\$ 831.80</b>	<b>\$2,592,525.11</b>	<b>\$189,614.19</b>	<b>\$3,040,023.10</b>	<b>\$2,994,116.55</b>

(The accompanying notes are an integral part of this financial statement.)

CITY OF WILLIS, TEXAS  
Combined Balance Sheet - All Funds and Account Groups (Cont'd.)  
September, 30, 1981

	General Fund	Debt Service Fund	Construction Fund	Revenue Sharing Fund	Utility Fund	General Fixed Assets	Memo-Totals September 30,	
							1981	1980
<b>Current Liabilities:</b>								
Accounts Payable	\$ 2,206.11	\$ -0-	\$ -0-	\$ -0-	\$ 5,882.92	\$ -0-	\$ 8,089.03	\$ 43,771.56
Payable to State Agencies	452.72	-0-	-0-	-0-	-0-	-0-	452.72	233.32
Appearance Bonds Payable	46.00	-0-	-0-	-0-	-0-	-0-	46.00	-0-
Accrued Interest Payable	-0-	-0-	-0-	-0-	2,033.34	-0-	2,033.34	2,108.34
Utility Deposits Payable	-0-	-0-	-0-	-0-	10,923.21	-0-	10,923.21	10,128.71
Bonds Payable-Current Maturities	-0-	15,000.00	-0-	-0-	10,000.00	-0-	25,000.00	25,000.00
Interfund Payables	-0-	-0-	-0-	-0-	31,400.00	-0-	31,400.00	31,400.00
<b>Total Current Liabilities</b>	<b>\$ 2,704.83</b>	<b>\$ 15,000.00</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 60,239.47</b>	<b>\$ -0-</b>	<b>\$ 77,944.30</b>	<b>\$ 112,641.93</b>
<b>Long-Term Liabilities:</b>								
Bonds Payable-Future Maturities	\$ -0-	\$135,000.00	\$ -0-	\$ -0-	\$ 190,000.00	\$ -0-	\$ 325,000.00	\$ 350,000.00
<b>Total Liabilities</b>	<b>\$ 2,704.83</b>	<b>\$150,000.00</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 250,239.47</b>	<b>\$ -0-</b>	<b>\$ 402,944.30</b>	<b>\$ 462,641.93</b>
<b>Fund Equity:</b>								
Contributed Capital (From Other Funds)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$2,111,177.06	\$ -0-	\$2,111,177.06	\$2,005,424.19
Investment in General Fixed Assets	-0-	-0-	-0-	-0-	-0-	189,614.19	189,614.19	181,320.76
Retained Earnings - Reserved for Revenue	-0-	-0-	-0-	-0-	28,815.36	-0-	28,815.36	29,569.70
Bond Retirement Unreserved	-0-	-0-	-0-	-0-	202,293.22	-0-	202,293.22	240,647.77
Fund Balances - Unrealized Revenue from taxes	30,277.95	-0-	-0-	-0-	-0-	-0-	30,277.95	24,489.81
Designated for Debt Service	-0-	5,069.40	-0-	-0-	-0-	-0-	5,069.40	4,721.76
Undesignated	68,999.82	-0-	-0-	831.80	-0-	-0-	69,831.62	45,300.63
<b>Total Fund Equity</b>	<b>\$ 99,277.77</b>	<b>\$ 5,069.40</b>	<b>\$ -0-</b>	<b>\$ 831.80</b>	<b>\$2,342,285.64</b>	<b>\$189,614.19</b>	<b>\$2,637,078.80</b>	<b>\$2,531,474.62</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$101,982.60</b>	<b>\$155,069.40</b>	<b>\$ -0-</b>	<b>\$ 831.80</b>	<b>\$2,592,525.11</b>	<b>\$189,614.19</b>	<b>\$3,040,023.10</b>	<b>\$2,994,116.55</b>

(The accompanying notes are an integral part of this financial statement.)

CITY OF WILLIS, TEXAS  
 Analysis of Changes in Fund Equity  
 For the Year Ended September 30, 1981

	General Fund	Debt Service Fund	Construction Fund	Revenue Sharing Fund	Utility Fund	General Fixed Assets	Memo-Totals September 30,	
							1981	1980
Balance, October 1, 1980	\$ 69,790.44	\$ 4,721.76	\$ -0-	\$ 178.84	\$ 2,275,462.82	\$181,320.76	\$2,531,474.62	\$2,289,202.70
Transactions for the Year -								
Revenues	\$170,249.92	\$ 26,897.64	\$390,730.70	\$ 15,146.08	\$ 176,897.30	\$ -0-	\$ 779,921.64	\$ 827,721.13
Expenditures	<u>153,043.67</u>	<u>26,555.75</u>	<u>390,730.70</u>	<u>14,493.12</u>	<u>166,380.36</u>	<u>-0-</u>	<u>751,203.60</u>	<u>800,965.29</u>
Net Revenue	\$ 17,206.25	\$ 341.89	\$ -0-	\$ 652.96	\$ 10,516.94	\$ -0-	\$ 28,718.07	\$ 26,755.84
Other Changes -								
Adjustment to Unrealized Revenue from Taxes	\$ 5,788.14	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 5,788.14	\$ (36.55)
Interfund Transfer	7,683.09	5.75	-0-	-0-	(7,688.84)	-0-	-0-	-0-
New Investment in Fixed Assets	-0-	-0-	-0-	-0-	-0-	8,293.43	8,293.43	15,059.00
Adjustment to Accounts, Receivable/Payable	(1,190.15)	-0-	-0-	-0-	30,004.00	-0-	28,813.85	2,359.35
Contributions from Other Funds	-0-	-0-	-0-	-0-	105,752.87	-0-	105,752.87	269,563.18
Payment of Revenue Bonds	-0-	-0-	-0-	-0-	10,000.00	-0-	10,000.00	10,000.00
Change in New Utility System from Current Revenue	-0-	-0-	-0-	-0-	(81,762.15)	-0-	(81,762.15)	(81,428.90)
Total Other Changes	\$ 12,281.08	\$ 5.75	\$ -0-	\$ -0-	\$ 56,296.88	\$ 8,293.43	\$ 76,886.14	\$ 215,516.08
Balance, September 30, 1981	\$ 99,277.77	\$ 5,069.40	\$ -0-	\$ 831.80	\$ 2,342,285.64	\$189,614.19	\$2,637,078.80	\$2,531,474.62

(The accompanying notes are an integral part of this financial statement.)

CITY OF WILLIS, TEXAS  
Notes to Financial Statements  
September 30, 1981

Note 1: Basis of Accounting

The City follows generally accepted accounting policies applicable to governmental organizations, including double entry fund accounting. The statements presented in this report were prepared on the accrual basis of accounting with certain items (ad valorem tax revenues, penalty and interest revenues of delinquent ad valorem taxes and general obligation bond interest expenditures) being reported on the cash basis.

Note 2: Depreciation

No depreciation is recorded on the General Fixed Assets of the City; however, depreciation is recorded on the fixed assets of the Utility System based on an estimated 33 1/3 years and using the straight line method of depreciation.

Note 3: Ad Valorem Taxes

The assessed valuation of the City for ad valorem tax purposes for the year ending September 30, 1981 (tax year 1980) based on a 100% ratio of assessment, was \$7,077,868. The tax rate for this year was \$.81 per \$100 valuation. During the year ended September 30, 1981, the following ad valorem taxes were collected:

<u>Year of Levy</u>	<u>Amount</u>
1980	\$47,571.79
1979	2,020.78
1978	839.38
1977	220.24
1976	101.57
1975	116.25
Prior Years	450.75
TOTAL	\$51,320.76

Note 4: Subsequent Event

Subsequent to September 30, 1981 the City sold and delivered \$250,000.00 principal amount Waterworks and Sewer System Junior Lien Revenue Bonds, Series 1981 and \$85,000.00 principal amount Combination Tax and Revenue Certificates of Obligation, Series 1981. Both of these debt obligations was officially dated prior to September 30, 1981, but was actually sold, delivered and the proceeds received subsequent to September 30, 1981. Schedules H, H-1, J and J-1 pertain to these issues and are included in this report for information only as of the audit date.

CITY OF WILLIS, TEXAS  
Comparison of Budget with Actual Revenue - All Funds  
 For the Year Ended September 30, 1981

	General Fund	Debt Service Fund	Construction Fund	Revenue Sharing Fund	Utility Fund	Total Revenue	1980-81 Budget	Budget (Over) Under
<b>Governmental Funds:</b>								
Ad Valorem Taxes								
Current	\$ 21,126.56	\$ 26,445.23	\$ -0-	\$ -0-	\$ -0-	\$ 47,571.79	\$ 52,625.07	\$ (5,053.28)
Delinquent	3,748.97	-0-	-0-	-0-	-0-	3,748.97	7,000.00	(3,251.03)
Federal Revenue Sharing	-0-	-0-	-0-	14,962.00	-0-	14,962.00	14,000.00	962.00
Penalties and Interest	1,243.02	-0-	-0-	-0-	-0-	1,243.02	1,800.00	(556.98)
Interest Income	1,072.02	452.41	-0-	184.08	-0-	1,708.51	900.00	808.51
Corporation Court Fines	4,061.00	-0-	-0-	-0-	-0-	4,061.00	9,000.00	(4,939.00)
Court Cost	19.91	-0-	-0-	-0-	-0-	19.91	100.00	(80.09)
Alcoholic Beverage Permits	322.50	-0-	-0-	-0-	-0-	322.50	200.00	122.50
City Franchise Taxes	34,732.18	-0-	-0-	-0-	-0-	34,732.18	25,000.00	9,732.18
City Sales Tax	44,305.36	-0-	-0-	-0-	-0-	44,305.36	35,000.00	9,305.36
Garbage Receipts	40,860.25	-0-	-0-	-0-	-0-	40,860.25	38,000.00	2,860.25
Dump Receipts	16,757.00	-0-	-0-	-0-	-0-	16,757.00	12,000.00	4,757.00
Electrical Permits	120.00	-0-	-0-	-0-	-0-	120.00	100.00	20.00
Building Permits	1,574.00	-0-	-0-	-0-	-0-	1,574.00	1,500.00	74.00
Community Development Block Grant	-0-	-0-	390,730.70	-0-	-0-	390,730.70	398,589.86	(7,859.16)
Miscellaneous	307.15	-0-	-0-	-0-	-0-	307.15	200.00	107.15
<b>Total Governmental Funds</b>	<b>\$170,249.92</b>	<b>\$ 26,897.64</b>	<b>\$390,730.70</b>	<b>\$ 15,146.08</b>	<b>\$ -0-</b>	<b>\$603,024.34</b>	<b>\$596,014.93</b>	<b>\$ 7,009.41</b>
<b>Utility Fund 6</b>								
Water Sales	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 88,971.18	\$ 88,971.18	\$ 85,000.00	\$ 3,971.18
Water Taps	-0-	-0-	-0-	-0-	6,400.00	6,400.00	4,500.00	1,900.00
Sewer Sales	-0-	-0-	-0-	-0-	61,872.67	61,872.67	65,000.00	(3,127.33)
Sewer Taps	-0-	-0-	-0-	-0-	9,250.00	9,250.00	6,000.00	3,250.00
Service Charges	-0-	-0-	-0-	-0-	2,768.00	2,768.00	2,000.00	768.00
Late Payment Penalties	-0-	-0-	-0-	-0-	4,463.02	4,463.02	3,500.00	963.02
Interest Income	-0-	-0-	-0-	-0-	3,144.43	3,144.43	2,500.00	644.43
Inspections	-0-	-0-	-0-	-0-	28.00	28.00	100.00	(72.00)
<b>Total Utility Fund</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$176,897.30</b>	<b>\$176,897.30</b>	<b>\$168,600.00</b>	<b>\$ 8,297.30</b>
<b>Total All Funds</b>	<b>\$170,249.92</b>	<b>\$ 26,897.64</b>	<b>\$390,730.70</b>	<b>\$ 15,146.08</b>	<b>\$176,897.30</b>	<b>\$779,921.64</b>	<b>\$764,614.93</b>	<b>\$ 15,306.71</b>

CITY OF WILLIS, TEXAS  
Comparison of Budget with Actual Expenditures-All Funds  
For the Year Ended September 30, 1981

	General Fund	Debt Service Fund	Construction Fund	Revenue Sharing Fund	Utility Fund	Total Expenditures	1980-81 Budget	Budget Over (Under)
<b>City General</b>								
Insurance	\$ 7,943.00	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 7,943.00	\$ 7,500.00	\$ (443.00)
Professional Services	6,020.31	-0-	-0-	-0-	-0-	6,020.31	5,000.00	(1,020.31)
Maintenance	1,416.86	-0-	-0-	-0-	-0-	1,416.86	1,500.00	83.14
Fire Department	3,300.00	-0-	-0-	-0-	-0-	3,300.00	3,000.00	(300.00)
Rentals	145.96	-0-	-0-	-0-	-0-	145.96	150.00	4.04
Travel/Allowances	916.91	-0-	-0-	-0-	-0-	916.91	1,400.00	483.09
Election	372.35	-0-	-0-	-0-	-0-	372.35	400.00	27.65
Tax Assessing	2,832.43	-0-	-0-	-0-	-0-	2,832.43	8,000.00	5,167.57
Code Enforcement	310.50	-0-	-0-	-0-	-0-	310.50	200.00	(110.50)
Public Notices	215.60	-0-	-0-	-0-	-0-	215.60	500.00	284.40
Memberships/Dues	562.00	-0-	-0-	-0-	-0-	562.00	650.00	88.00
Industrial Board	-0-	-0-	-0-	-0-	-0-	-0-	500.00	500.00
Miscellaneous Expense	138.11	-0-	-0-	-0-	-0-	138.11	200.00	61.89
Bond Principal	-0-	15,000.00	-0-	-0-	-0-	15,000.00	15,000.00	-0-
Bond Interest	-0-	11,550.00	-0-	-0-	-0-	11,550.00	11,550.00	-0-
Bond Expense	-0-	5.75	-0-	-0-	-0-	5.75	-0-	(5.75)
Capital Outlay	-0-	-0-	-0-	1,092.43	-0-	1,092.43	-0-	(1,092.43)
<b>Total City General</b>	<b>\$ 24,174.03</b>	<b>\$ 26,555.75</b>	<b>\$ -0-</b>	<b>\$ 1,092.43</b>	<b>\$ -0-</b>	<b>\$ 51,822.21</b>	<b>\$ 55,550.00</b>	<b>\$ 3,727.79</b>
<b>City Office</b>								
Salaries	\$ 26,840.88	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 26,840.88	\$ 26,538.00	\$ (302.88)
Payroll Taxes	1,753.61	-0-	-0-	-0-	-0-	1,753.61	1,630.00	(123.61)
Unemployment	168.43	-0-	-0-	-0-	-0-	168.43	100.00	(68.43)
Health Insurance	744.54	-0-	-0-	-0-	-0-	744.54	570.00	(174.54)
Employee's Retirement	601.14	-0-	-0-	-0-	-0-	601.14	-0-	(601.14)
Contract Labor	7,147.25	-0-	-0-	-0-	-0-	7,147.25	7,000.00	(147.25)
Maintenance	897.61	-0-	-0-	-0-	-0-	897.61	1,000.00	102.39
Utilities	3,694.15	-0-	-0-	-0-	-0-	3,694.15	3,600.00	(94.15)
Postage	1,290.25	-0-	-0-	-0-	-0-	1,290.25	1,000.00	(290.25)
Office Supplies	1,537.05	-0-	-0-	-0-	-0-	1,537.05	1,500.00	(37.05)
Travel Allowances	3,275.00	-0-	-0-	-0-	-0-	3,275.00	3,000.00	(275.00)
<b>Total City Office</b>	<b>\$ 47,949.91</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 47,949.91</b>	<b>\$ 45,938.00</b>	<b>\$ (2,011.91)</b>

CITY OF WILLIS, TEXAS  
Comparison of Budget with Actual Expenditures (Cont'd.)  
For the Year Ended September 30, 1981

	General Fund	Debt Service Fund	Construction Fund	Revenue Sharing Fund	Utility Fund	Total Expenditures	1980-81 Budget	Budget Over(Under)
<b>Water Department</b>								
Salaries	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 25,496.24	\$ 25,496.24	\$ 31,400.00	\$ 5,903.76
Payroll Taxes	-0-	-0-	-0-	-0-	1,664.09	1,664.09	2,200.00	535.91
Health Insurance	-0-	-0-	-0-	-0-	942.70	942.70	722.00	(220.70)
Unemployment Insurance	-0-	-0-	-0-	-0-	168.38	168.38	100.00	(68.38)
Employee's Retirement	-0-	-0-	-0-	-0-	677.24	677.24	-0-	(677.24)
Contract Labor	-0-	-0-	-0-	-0-	46.50	46.50	-0-	(46.50)
Maintenance	-0-	-0-	-0-	358.75	5,493.85	5,852.60	19,000.00	13,147.40
Utilities	-0-	-0-	-0-	-0-	14,760.35	14,760.35	10,000.00	(4,760.35)
Postage	-0-	-0-	-0-	-0-	704.70	704.70	800.00	95.30
Materials	-0-	-0-	-0-	849.26	4,547.89	5,397.15	8,000.00	2,602.85
Truck Expense	-0-	-0-	-0-	-0-	5,592.17	5,592.17	4,800.00	(792.17)
Travel Allowances	-0-	-0-	-0-	-0-	2,950.00	2,950.00	2,400.00	(550.00)
Memberships, Fees and Schools	-0-	-0-	-0-	-0-	380.98	380.98	300.00	(80.98)
Revenue Bond Principal	-0-	-0-	-0-	-0-	5,000.00	5,000.00	5,000.00	-0-
Revenue Bond Interest	-0-	-0-	-0-	-0-	6,287.50	6,287.50	6,325.00	37.50
Capital Outlay	-0-	-0-	-0-	2,956.00	2,557.03	5,513.03	1,000.00	(4,513.03)
<b>Total Water Department</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 4,164.01</b>	<b>\$ 77,269.62</b>	<b>\$ 81,433.63</b>	<b>\$ 92,047.00</b>	<b>\$ 10,613.37</b>
<b>Sewer Department</b>								
Salaries	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 24,678.94	\$ 24,678.94	\$ 25,004.00	\$ 325.06
Payroll Taxes	-0-	-0-	-0-	-0-	1,613.92	1,613.92	1,750.00	136.08
Health Insurance	-0-	-0-	-0-	-0-	611.45	611.45	575.00	(36.45)
Unemployment Insurance	-0-	-0-	-0-	-0-	158.90	158.90	100.00	(58.90)
Employee's Retirement	-0-	-0-	-0-	-0-	641.41	641.41	-0-	(641.41)
Contract Labor	-0-	-0-	-0-	-0-	1,535.92	1,535.92	-0-	(1,535.92)
Maintenance	-0-	-0-	-0-	535.68	17,431.06	17,966.74	8,000.00	(9,966.74)
Utilities	-0-	-0-	-0-	-0-	15,153.14	15,153.14	14,000.00	(1,153.14)
Materials	-0-	-0-	-0-	-0-	6,176.18	6,176.18	8,000.00	1,823.82
Truck Expense	-0-	-0-	-0-	-0-	5,562.12	5,562.12	4,500.00	(1,062.12)
Rentals	-0-	-0-	-0-	-0-	1,002.40	1,002.40	-0-	(1,002.40)
Travel Allowances	-0-	-0-	-0-	-0-	2,950.00	2,950.00	2,400.00	(550.00)
Memberships, Fees and Schools	-0-	-0-	-0-	-0-	-0-	-0-	300.00	300.00
Revenue Bond Principal	-0-	-0-	-0-	-0-	5,000.00	5,000.00	5,000.00	-0-
Revenue Bond Interest	-0-	-0-	-0-	-0-	6,287.50	6,287.50	6,325.00	37.50
Capital Outlay	-0-	-0-	-0-	1,500.00	307.80	1,807.80	-0-	(1,807.80)
<b>Total Sewer Department</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 2,035.68</b>	<b>\$ 89,110.74</b>	<b>\$ 91,146.42</b>	<b>\$ 75,954.00</b>	<b>\$(15,192.42)</b>

CITY OF WILLIS, TEXAS  
Comparison of Budget with Actual Expenditures (Cont'd.)  
For the Year Ended September 30, 1981

	General Fund	Debt Service Fund	Construction Fund	Revenue Sharing Fund	Utility Fund	Total Expenditures	1980-81 Budget	Budget Over(Under)
<b>Police Department</b>								
Salaries	\$ 26,500.14	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 26,500.14	\$ 34,060.00	\$ 7,559.86
Payroll Taxes	1,724.87	-0-	-0-	-0-	-0-	1,724.87	2,093.00	368.13
Health Insurance	678.54	-0-	-0-	-0-	-0-	678.54	636.00	(42.54)
Unemployment Insurance	172.56	-0-	-0-	-0-	-0-	172.56	100.00	(72.56)
Employee's Retirement	664.37	-0-	-0-	-0-	-0-	664.37	-0-	(664.37)
Telephone	1,350.22	-0-	-0-	-0-	-0-	1,350.22	1,320.00	(30.22)
Office Supplies	106.06	-0-	-0-	-0-	-0-	106.60	-0-	(106.60)
Uniforms	715.16	-0-	-0-	-0-	-0-	715.16	500.00	(215.16)
Automobile Expense	5,670.12	-0-	-0-	-0-	-0-	5,670.12	7,000.00	1,329.88
Travel Allowances	1,560.00	-0-	-0-	-0-	-0-	1,560.00	-0-	(1,560.00)
Miscellaneous Expense	45.00	-0-	-0-	-0-	-0-	45.00	-0-	(45.00)
Capital Outlay	-0-	-0-	-0-	7,201.00	-0-	7,201.00	-0-	(7,201.00)
<b>Total Police Department</b>	<b>\$ 39,187.58</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 7,201.00</b>	<b>\$ -0-</b>	<b>\$ 46,388.58</b>	<b>\$ 45,709.00</b>	<b>\$ (679.58)</b>
<b>Garbage Department</b>								
Salaries	\$ 4,174.30	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 4,174.30	\$ 5,900.00	\$ 1,725.70
Payroll Taxes	275.31	-0-	-0-	-0-	-0-	275.31	359.00	83.69
Unemployment Insurance	-0-	-0-	-0-	-0-	-0-	-0-	40.00	40.00
Contract Labor	5,162.50	-0-	-0-	-0-	-0-	5,162.50	5,200.00	37.50
Maintenance	517.70	-0-	-0-	-0-	-0-	517.70	400.00	(117.70)
Truck Expense	7,882.24	-0-	-0-	-0-	-0-	7,882.24	5,000.00	(2,882.24)
<b>Total Garbage Department</b>	<b>\$ 18,012.05</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 18,012.05</b>	<b>\$ 16,899.00</b>	<b>\$ (1,113.05)</b>
<b>Dump Department</b>								
Contract Labor	\$ 9,351.00	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 9,351.00	\$ 9,300.00	\$ (51.00)
Maintenance	75.46	-0-	-0-	-0-	-0-	75.46	5,000.00	4,924.54
Utilities	195.43	-0-	-0-	-0-	-0-	195.43	200.00	4.57
<b>Total Dump Department</b>	<b>\$ 9,621.89</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 9,621.89</b>	<b>\$ 14,500.00</b>	<b>\$ 4,878.11</b>
<b>Street Department</b>								
Contract Labor	\$ 6,800.00	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 6,800.00	\$ 5,300.00	\$ (1,500.00)
Maintenance	-0-	-0-	-0-	-0-	-0-	-0-	300.00	300.00
Utilities	7,250.71	-0-	-0-	-0-	-0-	7,250.71	6,000.00	(1,250.71)
Truck Expense	47.50	-0-	-0-	-0-	-0-	47.50	-0-	(47.50)
<b>Total Street Department</b>	<b>\$ 14,098.21</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ -0-</b>	<b>\$ 14,098.21</b>	<b>\$ 11,600.00</b>	<b>\$ (2,498.21)</b>

CITY OF WILLIS TEXAS  
Comparison of Budget with Actual Expenditures (Cont'd.)  
For the Year Ended September 30, 1981

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Construction Fund</u>	<u>Revenue Sharing Fund</u>	<u>Utility Fund</u>	<u>Total Expenditures</u>	<u>1980-81 Budget</u>	<u>Budget Over (Under)</u>
<b>Community Development Block Grant</b>								
1978 Program								
Rehabilitation	\$ -0-	\$ -0-	\$ 10,002.46	\$ -0-	\$ -0-	\$ 10,002.46	\$ 14,006.87	\$ 4,004.41
Demolition	-0-	-0-	10,323.76	-0-	-0-	10,323.76	14,006.88	3,683.12
1980 Program								
Administration	-0-	-0-	5,199.45	-0-	-0-	5,199.45	9,389.37	4,189.92
Engineering Service	-0-	-0-	6,872.00	-0-	-0-	6,872.00	-0-	(6,872.00)
Rehabilitation	-0-	-0-	253,301.54	-0-	-0-	253,301.54	249,950.74	(3,350.80)
Water and Serice Connections	-0-	-0-	99,553.18	-0-	-0-	99,553.18	88,236.00	(11,317.18)
Demolition	-0-	-0-	5,103.68	-0-	-0-	5,103.68	8,000.00	2,896.32
Code Enforcement	-0-	-0-	374.63	-0-	-0-	374.63	15,000.00	14,625.37
<b>Total Community Development   Block Grant</b>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$390,730.70</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$390,730.70</u>	<u>\$398,589.86</u>	<u>\$ 7,859.16</u>
<b>Grand Total Expenditures</b>	<u>\$153,043.67</u>	<u>\$ 26,555.75</u>	<u>\$390,730.70</u>	<u>\$ 14,493.12</u>	<u>\$166,380.36</u>	<u>\$751,203.60</u>	<u>\$756,786.86</u>	<u>\$ 5,583.26</u>

CITY OF WILLIS, TEXAS  
Utility Fund  
 Net Revenues Available for Debt Service  
 For the Year Ended September 30, 1981

	<u>Water Department</u>	<u>Sewer Department</u>	<u>Total</u>
Revenues:			
Utility Sales	\$ 88,971.18	\$ 61,872.67	\$150,843.85
Tap Fees	6,400.00	9,250.00	15,650.00
Service Charges *	1,632.63	1,135.37	2,768.00
Late Payment Penalties *	2,632.39	1,830.63	4,463.02
Interest Earnings *	1,854.66	1,289.77	3,144.43
Miscellaneous *	<u>16.52</u>	<u>11.48</u>	<u>28.00</u>
 Total Revenues	 <u>\$101,507.38</u>	 <u>\$ 75,389.92</u>	 <u>\$176,897.30</u>
Expense:			
Salaries	\$ 25,496.24	\$ 24,678.94	\$ 50,175.18
Payroll Taxes	1,664.09	1,613.92	3,278.01
Health Insurance	942.70	611.45	1,554.15
Unemployment Insurance	168.38	158.90	327.28
Employee Retirement	677.24	641.41	1,318.65
Contract Labor	46.50	1,535.92	1,582.42
Maintenance	5,493.85	17,431.06	22,924.91
Utilities	14,760.35	15,153.14	29,913.49
Postage	704.70	-0-	704.70
Materials	4,547.89	6,176.18	10,724.07
Truck Expense	5,592.17	5,562.12	11,154.29
Rentals	-0-	1,002.40	1,002.40
Travel Allowances	2,950.00	2,950.00	5,900.00
Memberships, Fees and Schools	<u>380.98</u>	<u>-0-</u>	<u>380.98</u>
 Total Expenses	 <u>\$ 63,425.09</u>	 <u>\$ 77,515.44</u>	 <u>\$140,940.53</u>
 Net Revenues Available for Debt Service	 <u>\$ 38,082.29</u>	 <u>\$ (2,125.52)</u>	 <u>\$ 35,956.77</u>
 Debt Service Requirement for 1980-81	 <u>11,287.50</u>	 <u>11,287.50</u>	 <u>22,575.00</u>
 Net Excess (Deficit)	 <u>\$ 26,794.79</u>	 <u>\$(13,413.02)</u>	 <u>\$ 13,381.77</u>

\* Allocated between water and sewer departments based on the ratio of each department's sales compared to total utility sales.

CITY OF WILLIS, TEXAS  
Utility Fund  
 Schedule of Water Usage and Customers Served  
 For the Year Ended September 30, 1981

<u>Month</u>	<u>Water Usage in Gallons</u>		<u>Number of Customers Served</u>	
	<u>Pumped</u>	<u>Sold</u>	<u>Water</u>	<u>Sewer</u>
October, 1980	8,002,000	6,175,140	745	578
November, 1980	6,628,000	5,741,130	737	582
December, 1980	6,991,000	5,631,040	745	582
January, 1981	7,183,000	5,627,800	741	572
February, 1981	6,875,000	6,334,070	726	593
March, 1981	7,606,000	5,176,210	744	605
April, 1981	8,126,000	5,594,720	740	606
May, 1981	8,283,000	6,354,870	745	595
June, 1981	8,096,000	6,610,910	745	594
July, 1981	9,344,000	7,161,260	752	603
August, 1981	11,561,980	7,276,240	754	604
September, 1981	<u>9,009,000</u>	<u>8,153,770</u>	<u>768</u>	<u>620</u>
Total	<u>97,704,980</u>	<u>75,837,160</u>	<u>8,942</u>	<u>7,134</u>
Average	<u>8,142,082</u>	<u>6,319,763</u>	<u>745</u>	<u>595</u>

CITY OF WILLIS, TEXAS  
Analysis of Restricted and Non-Restricted Cash  
 September 30, 1981

	<u>Restricted</u>	<u>Non- Restricted</u>	<u>Total</u>
<u>GENERAL FUND</u>			
Demand Accounts & Cash on Hand -			
Cash on Hand	\$ -0-	\$ 5.00	\$ 5.00
City General Account	-0-	1,476.30	1,476.30
Payroll Account	-0-	81.98	81.98
Total	<u>\$ -0-</u>	<u>\$ 1,563.28</u>	<u>\$ 1,563.28</u>
Time Accounts -			
Savings Account	\$ -0-	\$ 28,741.37	\$ 28,741.37
Money Market Certificate of Deposit	-0-	10,000.00	10,000.00
Total	<u>\$ -0-</u>	<u>\$ 38,741.37</u>	<u>\$ 38,741.37</u>
 Total General Fund Cash	 <u>\$ -0-</u>	 <u>\$ 40,304.65</u>	 <u>\$ 40,304.65</u>
<u>DEBT SERVICE FUND</u>			
Time Account -			
Savings Account	\$ 5,069.40	\$ -0-	\$ 5,069.40
<u>REVENUE SHARING FUND</u>			
Demand Account -			
Revenue Sharing Account	\$ 489.02	\$ -0-	\$ 489.02
Time Account -			
Savings Account	342.78	-0-	342.78
 Total Revenue Sharing Fund	 <u>\$ 831.80</u>	 <u>\$ -0-</u>	 <u>\$ 831.80</u>
<u>UTILITY FUND</u>			
Demand Accounts & Cash on Hand -			
Cash on Hand	\$ -0-	\$ 75.00	\$ 75.00
Water & Sewer Account	-0-	(409.49)	(409.49)
Meter Deposit Account	2,106.86	-0-	2,106.86
Total	<u>\$ 2,106.86</u>	<u>\$ (334.49)</u>	<u>\$ 1,772.37</u>
Time Accounts -			
Reserve Account Certificate of Deposit	\$ 10,500.00	\$ -0-	\$ 10,500.00
Reserve Account Certificate of Deposit	1,000.00	-0-	1,000.00
Meter Deposit Certificate of Deposit	7,000.00	-0-	7,000.00
Meter Deposit Certificate of Deposit	1,500.00	-0-	1,500.00
Emergency Fund Certificate of Deposit	1,000.00	-0-	1,000.00
Emergency Fund Savings Account	2,062.31	-0-	2,062.31
Interest & Savings Account	3,753.05	-0-	3,753.05
Reserve Account Certificate of Deposit	10,500.00	-0-	10,500.00
Total	<u>\$ 37,315.36</u>	<u>\$ -0-</u>	<u>\$ 37,315.36</u>
 Total Utility Fund	 <u>\$ 39,422.22</u>	 <u>\$ (334.49)</u>	 <u>\$ 39,087.73</u>

Note: The above listed bank accounts, savings accounts and Certificates of Deposit were on deposit at the city's depository bank, The Willis Bank of Texas, Willis, Texas and were at all times fully protected by FDIC coverage.

City of Willis, Texas  
Waterworks and Sewer System Revenue Refunding  
and Improvement Bonds - Series 1977  
Repayment Schedule

Fiscal Year Ending Sept. 30	Bond Numbers	Interest Rate	Annual Principal Due Aug. 1	Semi-Annual Interest Due		Total Annual Requirement
				February 1	August 1	
1978	1-2	4.5%	\$ 10,000.00	\$ 7,622.22	\$ 7,000.00	\$ 24,622.22
1979	3-4	"	10,000.00	6,775.00	6,775.00	23,550.00
1980	5-6	"	10,000.00	6,550.00	6,550.00	23,100.00
1981	7-8	"	10,000.00	6,325.00	6,325.00	22,650.00
1982	9-10	5.0%	10,000.00	6,100.00	6,100.00	22,200.00
1983	11-12	"	10,000.00	5,850.00	5,850.00	21,700.00
1984	13-14	6.0%	10,000.00	5,600.00	5,600.00	21,200.00
1985	15-16	"	10,000.00	5,300.00	5,300.00	20,600.00
1986	17-18	"	10,000.00	5,000.00	5,000.00	20,000.00
1987	19-20	"	10,000.00	4,700.00	4,700.00	19,400.00
1988	21-23	"	15,000.00	4,400.00	4,400.00	23,800.00
1989	24-26	"	15,000.00	3,950.00	3,950.00	22,900.00
1990	27-29	"	15,000.00	3,500.00	3,500.00	22,000.00
1991	30-32	"	15,000.00	3,050.00	3,050.00	21,100.00
1992	33-35	6.5%	15,000.00	2,600.00	2,600.00	20,200.00
1993	36-38	"	15,000.00	2,112.50	2,112.50	19,225.00
1994	39-41	"	15,000.00	1,625.00	1,625.00	18,250.00
1995	42-44	"	15,000.00	1,137.50	1,137.50	17,275.00
1996	45-57	"	15,000.00	650.00	650.00	16,300.00
1997	48	"	500.00	162.50	162.50	5,325.00
Total			<u>\$240,000.00</u>	<u>\$83,009.72</u>	<u>\$82,387.50</u>	<u>\$405,397.22</u>

Paying Agent: Willis Bank of Texas  
 Willis, Texas

Bonds Dated: July 15, 1977

Option: Bonds maturing August 1, 1988 through 1997 are optional for redemption on August 1, 1987 or any interest payment date thereafter at par.

CITY OF WILLIS, TEXAS  
Notes to Repayment Schedule - Waterworks  
And Sewer System Revenue Refunding and  
Improvement Bonds - Series 1977

The bond ordinance authorizing the issuance and sale of \$240,000.00 principal amount City of Willis, Waterworks and Sewer System Revenue Refunding and Improvement Bonds - Series 1977, was approved by the City Council in June 21, 1977. This bond ordinance sets out the conditions and manner of repayment of these bonds and requires the creation of several "Funds"\* as follows:

- 1) Revenue Fund  
This fund is to receive all gross revenues from the ownership and operation of the waterworks and sewer system, and is responsible for paying for the reasonable, necessary and proper expense of operation and maintenance of the System, as well as making the required deposits to the accounts enumerated below.
- 2) Interest and Sinking Fund  
Commencing on August 20, 1977, the City is required to deposit monthly from net revenues of the System, a pro-rata share of the next maturing principal and/or interest. Principal and interest payments are to be disbursed from this account as scheduled.
- 3) Reserve Fund  
Upon delivery of the bonds, \$10,000.00 shall be deposited into this account. On or before the 20th day of each month thereafter, an additional sum of at least \$300.00 shall be deposited until this account contains at least \$22,000.00. These funds are to be used only to pay principal and/or interest on the bonds at any time there is not sufficient money available in the Interest and Sinking Fund.
- 4) Commencing on July 20, 1977, the City is required to deposit monthly into this account at least \$200.00, such deposits continuing until this account contains at least \$5,000.00. These funds may be used to pay for repair or system extensions for which other funds are not available, or for the payment of principal and/or interest on the bonds when there is not sufficient money available in the Interest and Sinking Fund or Reserve Fund.

Deposits to the above accounts are cumulative, that is, if sufficient funds are not presently available, any deficiency in the required deposits shall be set apart and paid into the account from the first available and unallocated Net Revenues of the System in addition to the amounts otherwise required.

As of September 30, 1981, all required deposits have been made and the City has generally complied with the other provisions of the bond ordinance.

\*Fund as used in this ordinance means "Bank Accounts".

CITY OF WILLIS, TEXAS  
Waterworks and Sewer System Junior Lien  
Revenue Bonds, Series 1981

Fiscal Year Ending Sept. 30,	Bond Numbers	Interest Rate	Annual Principal Due August 1	Sema-Annual Interest Due		Total Annual Requirement
				February 1	August 1	
1982	1-3	5.60%	\$ 15,000.00	\$ 7,000.00	\$ 7,000.00	\$ 29,000.00
1983	4-6	"	15,000.00	6,580.00	6,580.00	28,160.00
1984	7-9	"	15,000.00	6,160.00	6,160.00	27,320.00
1985	10-12	"	15,000.00	5,740.00	5,740.00	26,480.00
1986	13-15	"	15,000.00	5,320.00	5,320.00	25,640.00
1987	16-18	"	15,000.00	4,900.00	4,900.00	24,800.00
1988	19-21	"	15,000.00	4,480.00	4,480.00	23,960.00
1989	22-24	"	15,000.00	4,060.00	4,060.00	23,120.00
1990	25-27	"	15,000.00	3,640.00	3,640.00	22,280.00
1991	28-30	"	15,000.00	3,220.00	3,220.00	21,440.00
1992	31-33	"	15,000.00	2,800.00	2,800.00	20,600.00
1993	34-36	"	15,000.00	2,380.00	2,380.00	19,760.00
1994	37-39	"	15,000.00	1,960.00	1,960.00	18,920.00
1995	40-42	"	15,000.00	1,540.00	1,540.00	18,080.00
1996	43-45	"	15,000.00	1,120.00	1,120.00	17,240.00
1997	46-50	"	25,000.00	700.00	700.00	26,400.00
Totals			\$250,000.00	\$ 61,600.00	\$ 61,600.00	\$373,200.00

Total Amount of Issue: \$250,000.00

Bonds Dated: August 1, 1981

Paying Agent: American National Bank of Austin  
 Austin, Texas

Prepayment Option: Any interest payment date

CITY OF WILLIS, TEXAS  
Notes to Repayment Schedule - Waterworks  
and Sewer System Junior Lien Revenue Bonds, Series 1981

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The bond ordinance authorizing the issuance and sale of \$250,000.00 principal amount City of Willis, Waterworks and Sewer System Junior Lien Revenue Bonds, Series 1981 was approved by the City Council on July 28, 1981. This bond ordinance sets out the conditions and manner of repayment of these bonds and requires the following:

1) Revenue Fund

This fund is to be created, established and maintained on the books of the City and accounted for separate and apart from all other funds of the City. All gross revenues in excess of those required to establish and maintain the Funds as required by the Waterworks and Sewer System Revenue Refunding and Improvement Bonds, Series 1977, shall be credited to this fund immediately upon receipt.

2) Interest and Redemption Fund

This fund is to be created, established and maintained at any official depository bank of the City. This fund shall receive the following deposits: (a) any accrued interest received from the sale and delivery of the Bonds; (b) such amounts, in approximately equal monthly deposits made on or before the 25th of each month, as will be required to pay the interest scheduled to accrue and be payable on such Bonds at the next interest payment date; and (c) such amounts, in approximately equal monthly deposits made on or before the 25th of each month, as will be required to pay the principal scheduled to mature and be payable on such Bonds on the next two interest payment dates.

3) Reserve Fund

This fund is to be created, established and maintained at any official depository bank of the City. The City shall deposit on or before the 25th of each month, commencing October 25, 1981, the sum of \$403.00 until such Reserve Fund shall contain money and/or investments totaling in value \$23,325.00. These funds, up to the \$23,325.00 maximum required amount, shall only be used for the purpose of retiring the last of such Bonds or for payment of principal and/or interest on such Bonds to the extent that amounts in the Interest and Redemption Fund are not sufficient for such purpose.

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.

CITY OF WILLIS, TEXAS  
 Repayment Schedule-Combination Tax and  
 Revenue Certificates of Obligation, Series 1981

Fiscal Year Oct. 1 - Sept. 30	Rate	Annual Principal Due September 1	Semi-Annual Interest Due		Total Annual Requirement
			March 1	September 1	
1981-82	12%	\$ -0-	\$ 5,100.00	\$ 5,100.00	\$ 10,200.00
1982-83	11%	-0-	4,675.00	4,675.00	9,350.00
1983-84	10%	-0-	4,250.00	4,250.00	8,500.00
1984-85	9%	-0-	3,825.00	3,825.00	7,650.00
1985-86	8%	-0-	3,400.00	3,400.00	6,800.00
1986-87	"	-0-	3,400.00	3,400.00	6,800.00
1987-88	"	-0-	3,400.00	3,400.00	6,800.00
1988-89	"	-0-	3,400.00	3,400.00	6,800.00
1989-90	"	-0-	3,400.00	3,400.00	6,800.00
1990-91	"	-0-	3,400.00	3,400.00	6,800.00
1991-92	"	25,000.00	3,400.00	3,400.00	31,800.00
1992-93	"	25,000.00	2,400.00	2,400.00	29,800.00
1993-94	"	25,000.00	1,400.00	1,400.00	27,800.00
1994-95	"	10,000.00	400.00	400.00	10,800.00
	Totals	\$ 85,000.00	\$ 45,850.00	\$ 45,850.00	\$176,700.00

Total Amount of Issue: \$ 85,000.00

Date of Issue: September 1, 1981

Paying Agent: Willis Bank, Willis, Texas

Prepayment Option: September 1, 1986 or any interest  
 payment date thereafter.

CITY OF WILLIS, TEXAS  
Notes to Repayment Schedule - Combination Tax  
and Revenue Certificates of Obligation, Series 1981

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The ordinance authorizing the issuance and sale of \$85,000 principal amount, City of Willis Interest Bearing Certificates of Obligation, Series 1981, was approved by the City Council on July 28, 1981. These Certificates of Obligation are issued pursuant to Article 2368a.1, Vernons Annotated Texas Civil Statutes.

The above mentioned ordinance requires the City to do the following:

- 1) Special Interest and Sinking Fund  
The City shall establish at an official depository bank of the City a special interest and sinking fund separate and apart from all other City funds, such fund to be the official depository for funds levied and set aside for the repayment of interest and principal of the Certificates of Obligation.
- 2) Ad Valorem Tax Requirement  
During each year while any principal and/or interest is outstanding and unpaid, the City shall establish a rate of ad valorem tax sufficient to produce the money required to pay the interest and principal as it matures, with a minimum of 2% of the original amount, plus interest requirements to be levied each year to be placed in the Sinking Fund.
- 3) Lien on Net System Revenues  
As additional security for the payment of the Certificates and the interest earned thereon, such Certificates are secured by a junior lien and pledge of the City's waterworks and sewer system revenues remaining after payment of all operation and maintenance expenses thereof, and all debt service, reserve and other requirements in connection with all of the City's revenue bonds both presently or hereafter outstanding which are payable from all or any part of the net revenues of such system. Any funds generated under this provision shall be known as "Surplus Revenues" and shall be deposited into the Sinking Fund as outlined in 1) above. These "Surplus Funds" may be used to reduce the ad valorem tax requirements for the next following tax year.

CITY OF WILLIS, TEXAS  
Insurance Coverage  
 September 30, 1981

Physical Loss or Damage-Wheel Loader Backhoe #JD 310A	\$23,000.00	Fidelity & Casualty Co. of New York
Fire Extended Coverage Vandalism and Malicious Mischief-City Hall	\$75,000.00 Buildings 80% Co-Ins. \$15,000.00 Contents 80% Co-Ins. \$10,000.00 Valuable Papers	Planet Insurance Company
Comprehensive General Liability, Auto Liability; Uninsured Motorists; Auto Physical Damage	\$100,000/\$300,000 Bodily Injury \$ 50,000 Property Damage \$ 10,000/\$20,000 Uninsured Motorist Collision Actual Cash Value Less \$250 Deductible	Planet Insurance Company
Fidelity and Security Bonds		
Janice Wilson, City Secretary	\$ 5,000.00	Reliance Insurance Company
Joseph S. Kroll, Jr., City Judge	\$ 1,000.00	Reliance Insurance Company
C. Vernon Peace, Police Chief	\$ 1,000.00	Reliance Insurance Company
Dorothy W. Oglesby, Cashier	\$ 5,000.00	Reliance Insurance Company
Worman's Compensation	Statutory	TML Workers Comp. Joint Insurance Fund