

Annual Report

City of Willis  
Willis, Texas

All Funds  
For the Year Ended  
September 30, 1985

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**SAULS AND PECHACEK**

PUBLIC ACCOUNTANTS

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ROBERT E. SAULS, P.A.

March 10, 1986

JOHN R. PECHACEK, C.P.A.

Honorable Mayor and Members of  
the City Council  
City of Willis, Texas

We have examined the combined financial statements of the City of Willis, Texas as of September 30, 1985 and for the year then ended, as listed in the accompanying table of contents. 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 combined financial statements referred to above present fairly the financial position of the City of Willis, Texas as of September 30, 1985 and the results of its operations for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year. Also, in our opinion, the individual fund financial statements referred to above, present fairly the financial position of the individual funds of the City of Willis, Texas at September 30, 1985 and the results of their operations for the year then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Our examination was made for the purpose of forming an opinion of the combined financial statements taken as a whole and on the individual fund financial statements. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the combined financial statements of the City of Willis, Texas. The information has been subjected to the auditing procedures applied in the examination of the combined and individual fund financial statements and in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

John R. Pechacek, C.P.A.

CITY OF WILLIS, TEXAS  
 COMBINED BALANCE SHEET  
 ALL FUNDS AND ACCOUNT GROUPS  
 SEPTEMBER 30, 1985

	Governmental Funds			
	General	Special Revenue	T. C. D. P. Grant Fund	Debt Service
<b>ASSETS:</b>				
Cash	\$ ( 3,113.54)	\$ 3,157.78	\$ 49.60	\$ 1,221.47
Temporary Investments	97,607.68	--	--	--
Receivables-				
Ad Valorem Taxes	64,411.74	--	--	--
Service Accounts	--	--	--	--
Returned Checks	--	--	--	--
Allowance for Uncollectibles	( 6,441.17)	--	--	--
Interfund Receivable	72,275.93	--	--	5,179.54
Restricted Assets	--	--	--	--
Property, Plant, & Equipment	--	--	--	--
Accumulated Depreciation	--	--	--	--
Amount Available in Debt Service Fund	--	--	--	--
Amount To Be Provided For Retirement of General Long Term Debt	--	--	--	--
<b>Total Assets</b>	<b>\$ 224,740.64</b>	<b>\$ 3,157.78</b>	<b>\$ 49.60</b>	<b>\$ 6,401.01</b>
<b>LIABILITIES:</b>				
Accounts Payable	\$ 14,288.64	\$ --	\$ --	\$ --
Payable to State Agencies	1,866.22	--	--	--
Appearance Bonds Payable	534.00	--	--	--
Accrued Interest Payable	--	--	--	--
Utility Deposits Payable	--	--	--	--
Interfund Payable	5,179.54	--	49.60	--
Deferred Revenue	57,970.57	--	--	--
General Obligation Bonds Payable	--	--	--	--
Revenue Bonds Payable	--	--	--	--
<b>Total Liabilities</b>	<b>\$ 79,838.97</b>	<b>\$ --</b>	<b>\$ 49.60</b>	<b>\$ --</b>
<b>FUND EQUITY:</b>				
Contributed Capital	\$ --	\$ --	\$ --	\$ --
Investment in General Fixed Assets	--	--	--	--
Retained Earnings-				
Reserved for Revenue Bond Retirement	--	--	--	--
Unreserved	--	--	--	--
Fund Balance-				
Reserved for Debt Service	--	--	--	6,401.01
Undesignated	144,901.67	3,157.78	--	--
<b>Total Fund Equity</b>	<b>\$ 144,901.67</b>	<b>\$ 3,157.78</b>	<b>\$ --</b>	<b>\$ 6,401.01</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 224,740.64</b>	<b>\$ 3,157.78</b>	<b>\$ 49.60</b>	<b>\$ 6,401.01</b>

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

Governmental Funds	Proprietary Fund	Account Groups		Totals (Memorandum Only)	
		Capital Projects	Utility	General Fixed Assets	General Long Term Debt
\$ --	\$ 8,463.53	\$ --	\$ --	\$ 9,778.84	\$ 8,792.88
--	14,500.00	--	--	112,107.68	53,610.50
--	--	--	--	64,411.74	73,519.67
--	68,217.62	--	--	68,217.62	59,159.12
--	355.51	--	--	355.51	376.01
--	( 3,000.00)	--	--	( 9,441.17)	( 10,351.97)
--	49.60	--	--	77,505.07	88,433.22
--	62,977.37	--	--	62,977.37	52,561.33
--	3,527,511.34	311,755.42	--	3,839,266.76	3,538,061.34
--	( 697,957.50)	--	--	( 697,957.50)	( 592,132.16)
--	--	--	6,401.01	6,401.01	1,030.57
--	--	--	168,598.99	168,598.99	188,969.43
<u>\$ --</u>	<u>\$ 2,981,117.47</u>	<u>\$ 311,755.42</u>	<u>\$ 175,000.00</u>	<u>\$ 3,702,221.92</u>	<u>\$ 3,462,029.94</u>
\$ --	\$ 8,659.55	\$ --	\$ --	\$ 22,948.19	\$ 3,795.22
--	--	--	--	1,866.22	1,636.22
--	--	--	--	534.00	328.50
--	3,440.00	--	--	3,440.00	3,820.00
--	18,764.68	--	--	18,764.68	16,192.38
--	72,275.93	--	--	77,505.07	88,433.22
--	--	--	--	57,970.57	66,215.88
--	--	--	175,000.00	175,000.00	190,000.00
--	345,000.00	--	--	345,000.00	370,000.00
<u>\$ --</u>	<u>\$ 448,140.16</u>	<u>\$ --</u>	<u>\$ 175,000.00</u>	<u>\$ 703,028.73</u>	<u>\$ 740,421.42</u>
\$ --	\$ 2,517,438.15	\$ --	\$ --	\$ 2,517,438.15	\$ 2,244,228.30
--	--	311,755.42	--	311,755.42	285,731.58
--	62,977.37	--	--	62,977.37	52,561.33
--	( 47,438.21)	--	--	( 47,438.21)	18,508.29
--	--	--	--	6,401.01	1,030.57
--	--	--	--	148,059.45	119,548.45
<u>\$ --</u>	<u>\$ 2,532,977.31</u>	<u>\$ 311,755.42</u>	<u>\$ --</u>	<u>\$ 2,999,193.19</u>	<u>\$ 2,721,608.52</u>
<u>\$ --</u>	<u>\$ 2,981,117.47</u>	<u>\$ 311,755.42</u>	<u>\$ 175,000.00</u>	<u>\$ 3,702,221.92</u>	<u>\$ 3,462,029.94</u>

CITY OF WILLIS, TEXAS  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED SEPTEMBER 30, 1985

	General Fund	Special Revenue Fund	T. C. D. P. Grant Fund
	-----	-----	-----
<b>Revenues:</b>			
Ad Valorem Taxes	\$ 103,415.22	\$ --	\$ --
Federal Revenue Sharing	--	21,572.00	--
Penalties and Interest	13,494.39	--	--
Investment Interest	3,652.90	--	--
Corporation Court Fines and Costs	27,671.95	--	--
License and Permits	9,755.56	--	--
City Franchise Taxes	84,097.36	--	--
City Sales Taxes	88,622.78	--	--
Garbage Collection Fees	46,379.75	--	--
Dumping Fees	10,617.60	--	--
T.C.D.P. Grant	--	--	257,788.18
Industrial Development Corporation	1,000.00	--	--
Miscellaneous	875.35	--	--
	-----	-----	-----
Total Revenues	\$ 389,582.86	\$ 21,572.00	\$ 257,788.18
	-----	-----	-----
<b>Expenditures:</b>			
City General	\$ 52,028.99	\$ --	\$ --
Administrative-City Office	78,184.17	5,000.00	--
Police Department	125,305.70	10,483.61	--
Garbage Department	18,488.42	--	--
Dump Department	39,073.87	--	--
Street Department	46,705.35	--	--
Utility Department	--	7,387.00	257,788.58
	-----	-----	-----
Total Expenditures	\$ 359,786.50	\$ 22,870.61	\$ 257,788.58
	-----	-----	-----
Excess (Deficiency) of Revenues Over Expenditures	\$ 29,796.36	\$ ( 1,298.61)	\$ ( .40)
Transferred From Other Funds	--	--	.40
Transferred To Other Funds	--	--	--
Miscellaneous Adjustments	13.25	--	--
Fund Balance, October 1, 1984	115,092.06	4,456.39	--
	-----	-----	-----
Fund Balance, September 30, 1985	\$ 144,901.67	\$ 3,157.78	\$ --
	=====	=====	=====

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

Debt Service Fund	Capital Projects Fund	Totals (Memorandum Only)	
		1985	1984
\$ 35,179.54	\$ --	\$ 138,594.76	\$ 113,022.76
--	--	21,572.00	21,761.00
--	--	13,494.39	5,261.02
190.90	--	3,843.80	3,460.19
--	--	27,671.95	36,157.72
--	--	9,755.56	9,371.42
--	--	84,097.36	63,218.87
--	--	88,622.78	73,981.83
--	--	46,379.75	42,534.25
--	--	10,617.60	38,068.01
--	--	257,788.18	35,451.82
--	--	1,000.00	1,000.00
--	--	875.35	635.65
<u>\$ 35,370.44</u>	<u>\$ --</u>	<u>\$ 704,313.48</u>	<u>\$ 443,924.54</u>
\$ 30,000.00	\$ --	\$ 82,028.99	\$ 94,977.35
--	--	83,184.17	65,117.73
--	--	135,789.31	114,496.54
--	--	18,488.42	18,713.02
--	--	39,073.87	44,018.09
--	--	46,705.35	62,101.60
--	--	265,175.58	35,451.82
<u>\$ 30,000.00</u>	<u>\$ --</u>	<u>\$ 670,445.69</u>	<u>\$ 434,876.15</u>
\$ 5,370.44	\$ --	\$ 33,867.79	\$ 9,048.39
--	--	.40	3,101.17
--	--	--	( 7,675.33)
--	--	13.25	( 200.00)
1,030.57	--	120,579.02	116,304.79
<u>\$ 6,401.01</u>	<u>\$ --</u>	<u>\$ 154,460.46</u>	<u>\$ 120,579.02</u>

CITY OF WILLIS, TEXAS  
 COMBINED STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN RETAINED EARNINGS - ALL PROPRIETARY FUNDS  
 FOR THE YEAR ENDED SEPTEMBER 30, 1985

	Water and Sewer Utility Fund	
	1985	1984
	-----	-----
Operating Revenue:		
Charges for Services	\$ 238,734.42	\$ 230,937.58
Tap Fees	18,456.95	19,240.00
Service Charges	5,646.00	3,680.00
Late Payment Penalties	8,253.42	7,585.18
Inspection Fees	700.00	80.00
	-----	-----
Total Operating Revenue	\$ 271,790.79	\$ 261,522.76
	-----	-----
Operating Expense:		
Personnel Costs	\$ 78,573.27	\$ 74,730.82
Contracted Services	1,921.09	2,734.00
Maintenance and Repair	35,642.87	47,097.74
Storm Expense	--	2,307.73
Utilities	43,355.57	31,746.49
Postage	1,600.00	1,300.25
Operating Supplies	19,600.90	17,228.61
Truck Expense & Supplies	8,986.93	10,644.63
Rentals	460.35	386.00
Travel Allowances	8,640.00	6,385.00
Memberships, Fees and Schools	337.69	354.50
Miscellaneous	--	2,635.08
Depreciation	105,825.34	96,263.86
	-----	-----
Total Operating Expense	\$ 304,944.01	\$ 293,814.71
	-----	-----
Operating Income (Loss)	\$ ( 33,153.22)	\$ ( 32,291.95)
	-----	-----
Non-Operating Revenue (Expense)		
Interest Earnings- Utility Deposits	\$ 1,537.79	\$ 1,209.15
Interest Earnings- Revenue Bond Funds	5,189.64	3,590.15
Contributed Capital- T.C.D.P. Grant	257,788.18	35,451.82
Contributed Capital- Special Revenue Fund	7,387.00	4,574.16
Bond Interest Expense	( 20,970.00)	( 23,280.00)
Bond Paying Agent Fees	( 100.00)	( 100.00)
Refund of Oak Valley Tap Fees	--	( 7,297.07)
	-----	-----
Total Non-Operating Revenue (Expense)	\$ 250,832.61	\$ 14,148.21
	-----	-----
Net Income (Loss)	\$ 217,679.39	\$ ( 18,143.74)
Fund Equity, October 1, 1984	2,315,297.92	2,333,441.66
	-----	-----
Fund Equity, September 30, 1985	\$ 2,532,977.31	\$ 2,315,297.92
	=====	=====

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

CITY OF WILLIS, TEXAS  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 1985

Note 1 - Summary of Significant Accounting Policies

The City of Willis, Texas operates under the Mayor-Alderman form of government and provides the following services as authorized by state statute: public safety (police and fire), highways and streets, sanitation, recreation, education, public improvements, utilities (water and sanitary sewer) and general administrative services.

Following is a summary of the more significant accounting policies:

Fund Accounting-

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund and account group are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures (or expenses, as appropriate). Resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The transactions of the City are accounted for in the following funds and account groups:

Governmental Funds-

General Fund- This is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Fund- This fund is used to account for resources received under the Federal Revenue Sharing Program which are legally restricted to expenditures for specified purposes.

Debt Service Fund- This fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs.

Capital Projects Fund- This fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

CITY OF WILLIS, TEXAS  
NOTES TO FINANCIAL STATEMENTS (CONT'D.)  
SEPTEMBER 30, 1985

Proprietary Funds-

Water and Sewer Utility Fund- This fund is used to account for utility (water and sanitary sewer) operations that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs (expenses, including depreciation of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges.

Account Groups-

General Fixed Assets- This account group is used to account for property, plant, and equipment used in the general operation of the City. No depreciation is provided, additions (including donations) and disposals are recorded or removed on the basis of historical cost or value at the date of acquisition.

General Long-Term Debt- This account group is used to account for the liability for long-term debt which will be repaid from governmental funds, together with the offsetting provision for the allocation of future resources to these obligations.

Basis of Accounting-

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements.

All governmental funds are accounted for using the modified accrual basis of accounting, that is, revenues are recognized as revenue when they become measurable and available as net current assets, and expenditures are generally recognized as such when the actual liability is incurred.

All proprietary funds are accounted for using the full accrual basis of accounting, that is, revenues are recognized when earned and expenses recognized when the actual liability is incurred.

Property, Plant and Equipment-

Property, plant and equipment of the Water and Sewer Utility Fund, including contributions from the municipality are recorded at cost. Depreciation is provided using the straight-line method based on an estimated useful life of 33 1/3 years.

CITY OF WILLIS, TEXAS  
 NOTES TO FINANCIAL STATEMENTS (CONT'D.)  
 SEPTEMBER 30, 1985

Memorandum Totals-

Totals captioned "Memorandum Only" are presented only as an aide to financial analysis and comparison. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of the data.

Note 2 - Ad Valorem Property Taxes

Ad valorem property tax is assessed on all taxable property within the corporate limits of the City as of January 1 each year not specifically exempted by state law or by the local governing body. Such taxes are generally levied on October 1 and are payable on or before January 31 of the following year. Ad valorem property taxes attach as an enforceable lien upon the property assessed. Net collected property taxes as of September 30, are not considered to be currently available and are, therefore, shown as deferred revenue. Penalties and interest are recorded as revenue when collected.

During the year ended September 30, 1985, the City levied an ad valorem tax of \$.38 per \$100 assessed valuation which resulted in a tax levy of \$131,700.00 on the total assessed taxable valuation of \$34,658,020 for the 1984 tax year. Of the total \$.38 per \$100 valuation rate, \$.09 was allocated to general obligation debt retirement and \$.29 was allocated to general governmental services. State statutes allow the City to levy taxes up to a maximum of \$1.50 per \$100 assessed valuation for generally governmental services. Additionally, the City can levy taxes sufficient to meet the current general obligation debt service requirement.

Note 3 - Changes in Long-Term Debt

Following is a summary of bond and long-term debt transactions of the City for the year ended September 30, 1985:

	<u>General</u>		
	<u>Obligation</u>	<u>Revenue</u>	<u>Total</u>
Bonds Payable, Oct. 1, 1984	\$ 190,000	\$370,000	\$560,000
Bonds Issued	--	--	--

CITY OF WILLIS, TEXAS  
 NOTES TO FINANCIAL STATEMENTS (CONT'D.)  
 SEPTEMBER 30, 1985

	General Obligation	Revenue	Total
	-----	-----	-----
Bonds Retired	\$ ( 15,000)	\$ (25,000)	\$(40,000)
	-----	-----	-----
Bonds Payable, Sept. 30, 1985	\$ 175,000	\$ 345,000	\$520,000
	=====	=====	=====

Bonds Payable at September 30, 1985 are comprised of the following individual issues:

General Obligation Bonds-

\$220,000, 1975 Series City of Willis General Obligation Bonds due serially in annual installments of \$5,000 July 1, 1976, \$10,000 July 1, 1977 and 1978, and \$15,000 July 1, 1979 through 1991. This issue bears interest as follows: \$15,000 total due July 1, 1976 and 1977 @ 6%; \$25,000 total due July 1, 1978 and 1979 @ 6.5%; and \$180,000 total due July 1, 1980 through 1991 @ 7%. \$ 90,000

\$85,000, 1981 Series City of Willis Combination Tax and Revenue Certificates of Obligation due serially in annual installments of \$25,000 September 1, 1992 through 1994 and \$10,000 September 1, 1995. The total issue bears interest from September 1, 1981 through August 31, 1982 @ 12%; from September 1, 1982 through August 31, 1983 @ 11%; from September 1, 1983 through August 31, 1984 @ 10%; from September 1, 1984 through August 31, 1985 @ 9%; and from September 1, 1985 to maturity at 8%. 85,000

Total General Obligation Bonds \$175,000

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 =====

Revenue Bonds-

\$240,000, 1977 Series City of Willis Waterworks and Sewer System Revenue Refunding and Improvement Bonds due serially in annual installments of \$10,000 August 1, 1978 through August 1, 1987 and \$15,000 August 1, 1988 through August 1, 1997. This issue bears interest as follows: \$40,000 total due August 1, 1978 through 1981 @ 4.5%; \$20,000 total due August 1, 1982 and 1983 @ 5%; \$100,000 total due August 1, 1984 through 1991 @ 6%; and \$80,000 total due August 1, 1985 through 1997 @ 6.5%. \$160,000

CITY OF WILLIS, TEXAS  
 NOTES TO FINANCIAL STATEMENTS (CONT'D.)  
 SEPTEMBER 30, 1985

\$250,000 1981 Series City of Willis Waterworks and Sewer System Junior Lien Revenue Bonds due serially in annual installments of \$15,000 August 1, 1982 through August 1, 1966 and \$25,000 August 1, 1977. This issue bears interest at an annual rate of 5.6%.	\$185,000
	-----
Total Revenue Bonds	\$345,000
	=====

The next five years annual debt service requirements to amortize all bonds outstanding at September 30, 1984 are as follows:

Year Ending Sept. 30	<u>General Obligation</u>		<u>Revenue</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
1986	15,000	13,100	25,000	20,360	73,460
1987	15,000	12,050	25,000	18,920	70,970
1988	15,000	11,000	30,000	17,480	73,480
1989	15,000	9,950	30,000	16,020	70,970
1990	15,000	8,900	30,000	14,280	68,180

Note 4 - Significant Bond Resolution and Legal Requirements

Reserve Requirements-

The Waterworks and Sewer System Revenue Bond Series, 1977 bond resolution requires the establishment of a reserve fund with an initial deposit of \$10,000. On or before the 20th day of each month thereafter, a minimum of \$300 shall be deposited until this account contains at least \$22,000. As of September 30, 1985 this reserve account contained cash and temporary investments \$22,000.

The Waterworks and Sewer System Junior Lien Revenue Bond, Series 1981 bond resolution requires the establishment of a reserve fund into which the City shall deposit, on or before the 25th of each month, \$403 until such fund contains \$23,325. As of September 30, 1985 this reserve account contained cash and temporary investments of \$20,120.52.

Emergency Fund Requirement-

The Waterworks and Sewer System Revenue Bond, Series 1977 bond resolution requires the establishment of an emergency fund to cover repair on system extension for which other funds are not available. Minimum monthly deposits of \$200 are required until this fund contains \$5,000. At September 30, 1985 this emergency fund account contained \$5,510.77 in cash and temporary investments.

CITY OF WILLIS, TEXAS  
 NOTES TO FINANCIAL STATEMENTS (CONT'D.)  
 SEPTEMBER 30, 1985

Note 5 - Restricted Assets

Cash and temporary investments restricted for revenue bond reserves, emergency funds, and retirement of bonded indebtedness at September 30, 1985 are as follows:

Waterworks and Sewer System Revenue Bonds, Series 1977-

Interest and Sinking Fund-	
Cash	\$ 7,999.88
Reserve Fund-	
Temporary Investments	22,000.00
Emergency Fund-	
Temporary Investments	5,510.77
	-----
Total	\$ 35,510.65
	-----

Waterworks and Sewer System Junior Lien Revenue Bond,  
 Series 1981-

Interest and Sinking Fund-	
Cash	\$ 7,346.20
Reserve Fund-	
Temporary Investments	20,120.52
	-----
Total	\$ 27,466.72
	-----
 Total Restricted Assets	 \$ 62,977.37
	=====

Note 6 - Revenue Sharing Fund Expenditures for General and Utility Funds

Of the \$22,870.61 in Revenue Sharing Fund expenditures made during the year ended September 30, 1985, \$10,483.61 was used for the purchase of a police car, \$5,000.00 was used for the purchase of office equipment and \$7,387.00 was used for the purchase of utility equipment.

CITY OF WILLIS, TEXAS  
 NOTES TO FINANCIAL STATEMENTS (CONT'D.)  
 SEPTEMBER 30, 1985

Note 7 Restatement of Retained Earnings

Retained Earnings in the utility fund were restated to reflect the capitalization of utility and T.C.D.P. Grant expenditures totaling \$43,534.67 for the prior year. Additionally, the creation of a separate fund to account for T.C.D.P. receipts and disbursements resulted in a downward adjustment to Retained Earnings of \$48.18. As a result of these changes, the integrity of Grant Funds has been maintained.

	Before Restatement	Net Changes	After Restatement
	-----	-----	-----
Contributed Capital	\$2,208,776.48	\$ 35,451.82	\$2,244,228.30
Retained Earnings-			
Reserved	52,561.33	--	52,561.33
Unreserved	10,473.62	8,034.67	18,508.29
	-----	-----	-----
Total Fund Equity	\$2,271,811.43	\$ 43,486.49	\$2,315,297.92
	=====	=====	=====

CITY OF WILLIS, TEXAS  
 GENERAL FUND  
 BALANCE SHEET  
 SEPTEMBER 30, 1985 AND 1984

	1985	1984
	<u>                    </u>	<u>                    </u>
<u>ASSETS</u>		
Cash-		
On Hand and in Banks	\$ ( 3,113.54)	\$     641.20
Temporary Investments	97,607.68	30,891.52
	<u>                    </u>	<u>                    </u>
Total Cash	\$ 94,494.14	\$ 31,532.72
	<u>                    </u>	<u>                    </u>
Receivables-		
Delinquent Ad Valorem Taxes	\$ 64,411.74	\$ 73,519.67
Allowance for Uncollectibles	( 6,441.17)	( 7,351.97)
Interfund Receivables	72,275.93	88,383.22
	<u>                    </u>	<u>                    </u>
Total Receivables	\$ 130,246.50	\$ 154,550.92
	<u>                    </u>	<u>                    </u>
Total Assets	\$ 224,740.64	\$ 186,083.64
	<u>                    </u>	<u>                    </u>
<u>LIABILITIES</u>		
Liabilities-		
Accounts Payable	\$ 14,288.64	\$ 2,859.16
Payable to State Agencies	1,866.22	1,636.22
Appearance Bonds Payable	534.00	328.50
Interfund Payable	5,179.54	--
Deferred Revenue from Taxes	57,970.57	66,167.70
	<u>                    </u>	<u>                    </u>
Total Liabilities	\$ 79,838.97	\$ 70,991.58
	<u>                    </u>	<u>                    </u>
<u>FUND EQUITY</u>		
Fund Balance-		
Undesignated	\$ 144,901.67	\$ 115,092.06
	<u>                    </u>	<u>                    </u>
Total Liabilities and Fund Equity	\$ 224,740.64	\$ 186,083.64
	<u>                    </u>	<u>                    </u>

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

CITY OF WILLIS, TEXAS  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN  
FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1985

	1985			1984
	Budget	Actual	Variance	Actual
<b>Revenue:</b>				
Ad Valorem Taxes	\$ 90,043.00	\$ 103,415.22	\$ 13,372.22	\$ 82,251.96
Penalties and Interest	3,500.00	13,494.39	9,994.39	5,261.02
Investment Interest	3,200.00	3,652.90	452.90	3,235.92
Corporation Court Fines and Costs	40,900.00	27,671.95	( 13,228.05)	36,157.72
License and Permits	12,700.00	9,755.56	( 2,944.44)	9,371.42
City Franchise Taxes	60,000.00	84,097.36	24,097.36	63,218.87
City Sales Taxes	75,000.00	88,622.78	13,622.78	73,981.83
Garbage Collection Fees	45,000.00	46,379.75	1,379.75	42,534.25
Dumping Fees	15,000.00	10,617.60	( 4,382.40)	38,068.01
Industrial Development Corporation	—	1,000.00	1,000.00	1,000.00
Miscellaneous	500.00	875.35	375.35	635.65
<b>Total Revenues</b>	<b>\$ 345,843.00</b>	<b>\$ 389,582.86</b>	<b>\$ 43,739.86</b>	<b>\$ 355,716.65</b>
<b>Expenditures:</b>				
City General	\$ 42,400.00	\$ 52,028.99	\$ ( 9,628.99)	\$ 63,077.35
Administrative-City Office	80,361.00	78,184.17	2,176.83	65,117.73
Police Department	129,450.00	125,305.70	4,144.30	104,830.25
Garbage Department	25,400.00	18,488.42	6,911.58	18,713.02
Dump Department	50,000.00	39,073.87	10,926.13	44,018.09
Street Department	54,600.00	46,705.35	7,894.65	62,101.60
<b>Total Expenditures</b>	<b>\$ 382,211.00</b>	<b>\$ 359,786.50</b>	<b>\$ 22,424.50</b>	<b>\$ 357,858.04</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>\$ ( 36,368.00)</b>	<b>\$ 29,796.36</b>	<b>\$ 66,164.36</b>	<b>\$ ( 2,141.39)</b>
Transfer from Other Funds				3,101.17
Miscellaneous Adjustments		—		—
Fund Balance, Beginning		115,092.06		114,132.28
Fund Balance, Ending		<b>\$ 144,901.67</b>		<b>\$ 115,092.06</b>

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

CITY OF WILLIS, TEXAS  
GENERAL FUND  
COMPARISON OF BUDGET WITH ACTUAL EXPENDITURES  
FOR THE YEAR ENDED SEPTEMBER 30, 1985

	1985			1984
	Budget	Actual	Variance	Actual
<b>City General-</b>				
Insurance	\$ 13,800.00	\$ 19,850.00	\$ ( 6,050.00)	\$ 19,084.04
Professional Services	8,000.00	17,235.71	( 9,235.71)	11,020.00
Maintenance	3,000.00	3,163.59	( 163.59)	2,007.83
Storm Expense	—	—	—	4,164.83
Fire Department	3,000.00	1,750.00	1,250.00	3,000.00
Rentals	300.00	251.76	48.24	289.93
Travel	5,000.00	4,002.41	997.59	3,293.37
Election	1,000.00	648.33	351.67	1,016.31
Tax Assessment	5,000.00	2,437.56	2,562.44	2,550.71
Code Enforcement	500.00	—	500.00	—
Public Notices	1,000.00	1,302.76	( 302.76)	793.66
Memberships/Dues	1,000.00	1,269.88	( 269.88)	716.30
Industrial Board	500.00	—	500.00	—
Miscellaneous Expense	300.00	116.99	183.01	269.54
Building Expense	—	—	—	314.00
Capital Outlay	—	—	—	14,556.83
<b>Total City General</b>	<b>\$ 42,400.00</b>	<b>\$ 52,028.99</b>	<b>\$ ( 9,628.99)</b>	<b>\$ 63,077.35</b>
<b>Administrative/City Office-</b>				
Salaries	\$ 30,600.00	\$ 38,400.00	\$ ( 7,800.00)	\$ 37,950.00
Payroll Taxes	2,190.00	2,708.27	( 518.27)	2,634.80
Unemployment Insurance	325.00	172.90	152.10	183.95
Health Insurance	2,086.00	3,113.59	( 1,027.59)	2,479.87
Retirement Expense	1,560.00	1,743.36	( 183.36)	2,056.56
Contract Labor	4,500.00	3,390.32	1,109.68	3,622.50
Maintenance	2,000.00	987.10	1,012.90	1,346.48
Utilities	6,000.00	5,853.44	146.56	5,120.35
Postage	2,500.00	1,304.75	1,195.25	1,886.25
Office Supplies	2,000.00	2,096.26	( 96.26)	2,109.21
Travel	6,600.00	10,400.00	( 3,800.00)	4,800.00
Capital Outlay	20,000.00	8,014.18	11,985.82	927.76
<b>Total Administrative-Office</b>	<b>\$ 80,361.00</b>	<b>\$ 78,184.17</b>	<b>\$ 2,176.83</b>	<b>\$ 65,117.73</b>
<b>Police Department-</b>				
Salaries	\$ 80,900.00	\$ 77,433.00	\$ 3,467.00	\$ 62,768.00
Payroll Taxes	7,000.00	5,380.99	1,619.01	4,434.67
Health Insurance	4,900.00	3,732.13	1,167.87	3,012.11
Unemployment Insurance	500.00	336.09	163.91	370.20
Retirement Expense	4,500.00	3,271.98	1,228.02	3,339.79
Professional Services	900.00	900.00	—	850.00
Telephone/Pager	1,800.00	4,449.48	( 2,649.48)	1,739.01
Office Supplies	2,500.00	2,010.97	489.03	4,462.86
Operating Supplies/Uniforms	3,000.00	2,469.81	530.19	1,701.50
Auto Expense	14,000.00	15,450.20	( 1,450.20)	14,983.89
Travel	6,300.00	7,300.00	( 1,000.00)	4,257.14
Miscellaneous Expense	—	—	—	167.49

CITY OF WILLIS, TEXAS  
 GENERAL FUND (CONTINUED)  
 COMPARISON OF BUDGET WITH ACTUAL EXPENDITURES  
 FOR THE YEAR ENDED SEPTEMBER 30, 1985

	1985			1984
	Budget	Actual	Variance	Actual
Police Department (Cont'd.)				
Schools	1,150.00	45.00	1,105.00	402.59
Contract Labor	—	—	—	1,276.00
Capital Outlay	2,000.00	2,526.05	( 526.05)	1,065.00
<b>Total Police Department</b>	<b>\$ 129,450.00</b>	<b>\$ 125,305.70</b>	<b>\$ 4,144.30</b>	<b>\$ 104,830.25</b>
Garbage Department-				
Salaries	\$ 8,000.00	\$ 4,487.00	\$ 3,513.00	\$ 8,113.50
Payroll Taxes	600.00	304.51	295.49	586.38
Unemployment Insurance	100.00	80.29	19.71	52.27
Contract Labor	8,000.00	8,255.32	( 255.32)	6,310.40
Maintenance	700.00	281.57	418.43	489.61
Truck Expense	8,000.00	5,079.73	2,920.27	2,845.86
Travel	—	—	—	315.00
<b>Total Garbage Department</b>	<b>\$ 25,400.00</b>	<b>\$ 18,488.42</b>	<b>\$ 6,911.58</b>	<b>\$ 18,713.02</b>
Dump Department-				
Contract Labor	\$ 17,000.00	\$ 8,622.50	\$ 8,377.50	\$ 11,148.20
Professional Services	6,000.00	8,856.09	( 2,856.09)	1,186.00
Maintenance	9,000.00	4,505.66	4,494.34	8,123.43
Utilities	1,000.00	537.84	462.16	662.16
Capital Outlay	17,000.00	16,551.78	448.22	22,898.30
<b>Total Dump Department</b>	<b>\$ 50,000.00</b>	<b>\$ 39,073.87</b>	<b>\$ 10,926.13</b>	<b>\$ 44,018.09</b>
Street Department-				
Salaries	\$ 7,200.00	\$ 7,200.00	\$ —	\$ 4,522.93
Payroll Taxes	600.00	509.10	90.90	337.00
Retirement	—	51.60	( 51.60)	—
Contract Labor	10,000.00	5,889.33	4,110.67	10,878.86
Professional Services	—	1,509.00	( 1,509.00)	—
Maintenance	3,000.00	1,078.82	1,921.18	9,369.26
Storm Expense	—	—	—	3,853.42
Utilities	16,500.00	20,810.64	( 4,310.64)	13,055.20
Materials/Overlay	15,000.00	8,621.12	6,378.88	15,000.00
Truck Expense	1,500.00	210.74	1,289.26	3,957.93
Travel	800.00	825.00	( 25.00)	—
Capital Outlay	—	—	—	1,127.00
<b>Total Street Department</b>	<b>\$ 54,600.00</b>	<b>\$ 46,705.35</b>	<b>\$ 7,894.65</b>	<b>\$ 62,101.60</b>
<b>Total Expenditures</b>	<b>\$ 382,211.00</b>	<b>\$ 359,786.50</b>	<b>\$ 22,424.50</b>	<b>\$ 357,858.04</b>

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

CITY OF WILLIS, TEXAS  
SPECIAL REVENUE FUND  
BALANCE SHEET  
SEPTEMBER 30, 1985 AND 1984

	1985	1984
	<u>          </u>	<u>          </u>
ASSETS:		
Cash-		
On Hand and In Bank	\$ 3,157.78	\$ 4,456.39
	<u>          </u>	<u>          </u>
Total Assets	\$ 3,157.78	\$ 4,456.39
	<u>          </u>	<u>          </u>
FUND EQUITY:		
Fund Balance	\$ 3,157.78	\$ 4,456.39
	<u>          </u>	<u>          </u>

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
IN FUND BALANCE- BUDGET AND ACTUAL  
FOR THE YEAR ENDED SEPTEMBER 30, 1985 AND 1984

	1985			
	Budget	Actual	Variance	1984
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Revenues:				
Federal Revenue Sharing	\$ 21,731.00	\$ 21,572.00	\$ ( 159.00)	\$ 21,761.00
Investment Interest	--	--	--	--
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Revenue	\$ 21,731.00	\$ 21,572.00	\$ ( 159.00)	\$ 21,761.00
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Expenditures:				
Administrative/City Office	\$ 5,000.00	\$ 5,000.00	\$ --	\$ --
Police Department	10,000.00	10,483.61	( 483.61)	9,666.29
Utility Department	6,731.00	7,387.00	( 656.00)	--
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Expenditures	\$ 21,731.00	\$ 22,870.61	\$ ( 1,139.61)	\$ 9,666.29
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Excess (Deficiency) of Revenues Over Expenditures	\$ --	\$ ( 1,298.61)	\$ ( 1,298.61)	\$ 12,094.71
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Transferred to Other Funds		--		( 7,675.33)
Fund Balance, October 1, 1984		4,456.39		37.01
		<u>          </u>		<u>          </u>
Fund Balance, September 30, 1985		\$ 3,157.78		\$ 4,456.39
		<u>          </u>		<u>          </u>

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

CITY OF WILLIS, TEXAS  
 DEBT SERVICE FUND  
 BALANCE SHEET  
 SEPTEMBER 30, 1985 AND 1984

	<u>1985</u>	<u>1984</u>
<u>ASSETS</u>		
Cash	\$ 1,221.47	\$ 1,030.57
Interfund Receivable	5,179.54	--
 Total Assets	 \$ 6,401.01	 \$ 1,030.57
 <u>FUND EQUITY</u>		
Reserve for Retirement of Funded Debt	\$ 6,401.01	1,030.57
 Total Fund Equity	 \$ 6,401.01	 \$ 1,030.57

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES  
 IN RESERVES- BUDGET AND ACTUAL  
 FOR THE YEAR ENDED SEPTEMBER 30, 1985

	<u>1985</u>			<u>1984</u>
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Actual</u>
<b>Revenues:</b>				
Ad Valorem Taxes	\$ 30,000.00	\$ 35,179.54	\$ 5,179.54	\$ 30,770.80
Investment Interest	--	190.90	190.90	224.27
 Total Revenues	 \$ 30,000.00	 \$ 35,370.44	 \$ 5,370.44	 \$ 30,995.07
<b>Expenditures:</b>				
Bond Principal	\$ 15,000.00	\$ 15,000.00	\$ --	\$ 15,000.00
Bond Interest	15,000.00	15,000.00	--	16,900.00
 Total Expenditures	 \$ 30,000.00	 \$ 30,000.00	 \$ --	 \$ 31,900.00
 Excess (Deficiency) of Revenues Over Expenditures	 \$ --	 \$ 5,370.44	 \$ 5,370.44	 \$ ( 904.93)
Miscellaneous Adjustment		--		( 200.00)
Reserves, October 1, 1984		1,030.57		2,135.50
 Reserves, Ending, September 30, 1985		 \$ 6,401.01		 \$ 1,030.57

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

CITY OF WILLIS, TEXAS  
 WATER AND SEWER UTILITY FUND  
 BALANCE SHEET  
 SEPTEMBER 30, 1985 AND 1984

	1985	1984
<b>ASSETS:</b>		
Current Assets:		
Cash-		
On Hand and in Banks	\$ 8,463.53	\$ 2,566.54
Temporary Investments	14,500.00	22,718.98
Service Accounts Receivable	68,217.62	59,159.12
Receivable for Returned Checks	355.51	376.01
Allowance For Uncollectible Accounts	( 3,000.00)	( 3,000.00)
Interfund Receivable	49.60	50.00
	\$ 88,586.26	\$ 81,870.65
Total Current Assets		
Restricted Assets:		
1977 Water & Sewer Revenue Bond Fund	\$ 35,510.65	\$ 33,638.13
1981 Water and Sewer Jr. Lien Revenue Bond Fund	27,466.72	18,923.20
	\$ 62,977.37	\$ 52,561.33
Total Restricted Assets		
Property, Plant and Equipment:		
Utility System in Service	\$ 3,527,511.34	\$ 3,252,329.76
Accumulated Depreciation	( 697,957.50)	( 592,132.16)
	\$ 2,829,553.84	\$ 2,660,197.60
Net Investment in Property, Plant & Equip.		
	\$ 2,981,117.47	\$ 2,794,629.58
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts Payable	\$ 8,659.55	\$ 936.06
Accrued Interest Payable	3,440.00	3,820.00
Utility Deposits Payable	18,764.68	16,192.38
Bonds Payable-Current Maturities	25,000.00	25,000.00
Interfund Payables	72,275.93	88,383.22
	\$ 128,140.16	\$ 134,331.66
Total Current Liabilities		
Long-Term Liabilities:		
Bonds Payable-Future Maturities	320,000.00	345,000.00
	\$ 448,140.16	\$ 479,331.66
Total Liabilities		
FUND EQUITY:		
Contributed Capital	\$ 2,517,438.15	\$ 2,244,228.30
Retained Earnings:		
Reserved for Revenue Bond Retirement	62,977.37	52,561.33
Unreserved	( 47,438.21)	18,508.29
	\$ 2,532,977.31	\$ 2,315,297.92
Total Fund Equity		
	\$ 2,981,117.47	\$ 2,794,629.58
Total Liabilities and Fund Equity		

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

CITY OF WILLIS, TEXAS  
WATER AND SEWER UTILITY FUND  
STATEMENT OF REVENUES, EXPENSES AND CHANGES  
IN RETAINED EARNINGS  
FOR THE YEAR ENDED SEPTEMBER 30, 1985

	Water Department	Sewer Department	Total	Totals Memorandum 1984
<b>Operating Revenue:</b>				
Utility Sales	\$ 137,323.14	\$ 101,411.28	\$ 238,734.42	\$ 230,937.58
Tap Fees	11,762.12	6,694.83	18,456.95	19,240.00
Service Charges	5,646.00	—	5,646.00	3,680.00
Late Payment Penalties	4,747.47	3,505.95	8,253.42	7,585.18
Inspection Fees	—	700.00	700.00	80.00
<b>Total Operating Revenue</b>	<b>\$ 159,478.73</b>	<b>\$ 112,312.06</b>	<b>\$ 271,790.79</b>	<b>\$ 261,522.76</b>
<b>Operating Expense:</b>				
Salaries	\$ 38,757.00	\$ 27,510.00	\$ 66,267.00	\$ 62,213.07
Payroll Taxes	2,752.79	1,891.90	4,644.69	4,447.85
Health Insurance	2,075.75	2,162.18	4,237.93	3,690.43
Unemployment Insurance	162.48	139.47	301.95	301.94
Employee Retirement Expense	1,601.42	1,520.28	3,121.70	4,077.53
Contracted Services	143.94	1,777.15	1,921.09	2,734.00
Maintenance and Repair	10,927.62	24,715.25	35,642.87	47,097.74
Storm Expense	—	—	—	2,307.73
Utilities	19,366.40	23,989.17	43,355.57	31,746.49
Postage	800.00	800.00	1,600.00	1,300.25
Office Supplies	—	—	—	—
Operating Supplies	12,624.43	6,976.47	19,600.90	17,228.61
Truck Expense and Supplies	4,065.20	4,921.73	8,986.93	10,644.63
Rentals	—	460.35	460.35	386.00
Travel Allowances	4,515.00	4,125.00	8,640.00	6,385.00
Memberships, Fees, and Schools	227.53	110.16	337.69	354.50
Miscellaneous	—	—	—	2,635.08
Depreciation	52,912.67	52,912.67	105,825.34	96,263.86
<b>Total Operating Expense</b>	<b>\$ 150,932.23</b>	<b>\$ 154,011.78</b>	<b>\$ 304,944.01</b>	<b>\$ 293,814.71</b>
<b>Operating Income (Loss)</b>	<b>\$ 8,546.50</b>	<b>\$ ( 41,699.72)</b>	<b>\$ ( 33,153.22)</b>	<b>\$ ( 32,291.95)</b>
<b>Non-Operating Revenue (Expense):</b>				
Interest Earnings—Utility Deposits			\$ 1,537.79	\$ 1,209.15
Interest Earnings—Bond—Sinking Funds			5,189.64	3,590.15
Contributed Capital—T.C.D.P. Grant			257,788.18	35,451.82
Contributed Capital—Special Revenue Fund			7,387.00	4,574.16
Bond Interest Expense			( 20,970.00)	( 23,280.00)
Bond Paying Agent Fees			( 100.00)	( 100.00)
Refund of Oak Valley Tap Fees			—	( 7,297.07)
<b>Total Non-Operating Revenue (Expense)</b>			<b>\$ 250,832.61</b>	<b>\$ 14,148.21</b>
<b>Net Income (Loss)</b>			<b>\$ 217,679.39</b>	<b>\$ ( 18,143.74)</b>
Retained Earnings, October 1, 1984			2,315,297.92	2,333,441.66
<b>Retained Earnings, September 30, 1985</b>			<b>\$ 2,532,977.31</b>	<b>\$ 2,315,297.92</b>

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

SUPPLEMENTAL INFORMATION

CITY OF WILLIS, TEXAS  
 ANALYSIS OF CHANGES IN PROPERTY TAXES RECEIVABLE  
 FOR THE YEAR ENDED SEPTEMBER 30, 1985

Taxes Receivable, 10-1-84			\$	73,519.67
1984 Original Tax Assessment		\$	131,700.00	
Additions and Corrections		(	2,213.17)	129,486.83
Total Taxes Receivable			\$	203,006.50

Tax Collections By Year of Levy

1984		\$	112,409.44	
1983			7,206.38	
1982			7,842.46	
1981			3,796.67	
1980			2,747.88	
1979			2,466.05	
1978			641.91	
1977			313.85	
1976			371.32	
1975 and prior			798.80	138,594.76

Taxes Receivable, 09-30-85			\$	64,411.74
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Detail of Taxes Receivable

1984		\$	17,837.22	
1983			9,703.31	
1982			9,129.28	
1981			5,371.27	
1980 and prior			22,370.66	

Taxes Receivable, 09-30-85			\$	64,411.74
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	1984	1983	1982	1981
Assessed Valuation	\$ 34,658,020	\$ 31,916,600	\$ 28,369,990	\$ 11,705,823
Tax Rate Per \$100 Valuation	.38	.37	.38	.69

CITY OF WILLIS, TEXAS  
 WATER AND SEWER UTILITY FUND  
 SCHEDULE OF WATER USAGE AND CUSTOMERS SERVED  
 FOR THE YEAR ENDED SEPTEMBER 30, 1985

Month	Water Usage in Gallons		Number of Customers Served	
	Pumped	Sold	Water	Sewer
October, 1984	9,012,000	8,205,320	868	734
November, 1984	8,844,500*	7,379,150	874	747
December, 1984	8,401,000	8,103,000	864	759
January, 1985	10,372,900	9,460,110	891	776
February, 1985	9,682,600	8,675,660	885	769
March, 1985	9,082,400	8,293,370	877	762
April, 1985	13,982,900	8,386,530	886	772
May, 1985	12,012,100	8,811,900	901	785
June, 1985	11,661,000	11,754,240	901	785
July, 1985	11,274,100	8,903,900	905	793
August, 1985	14,218,200	12,067,880	911	797
September, 1985	12,133,650	11,068,800	910	810
Total	<u>130,677,350</u>	<u>111,109,860</u>	<u>10,673</u>	<u>9,289</u>
Average	<u>10,889,779</u>	<u>9,259,155</u>	<u>889</u>	<u>774</u>

\* Faulty Meter

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
			January 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 - 1981 SERIES  
 COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION

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

Total Amount of Issue: \$ 85,000.00  
 Date of Issue: Willis Bank  
 Willis, Texas  
 Prepayment Option: September 1, 1986 or any interest  
 payment date thereafter.

CITY OF WILLIS, TEXAS  
 REPAYMENT SCHEDULE - 1977 SERIES  
 WATERWORKS AND SEWER SYSTEM REVENUE  
 REFUNDING AND IMPROVEMENT BONDS

Fiscal Year Oct. 1 - Sept. 30	Bond Numbers	Interest Rate	Semi-Annual Interest Due		Annual Principal Due August 1	Total Annual Requirement
			February 1	August 1		
1977-78	1-2	4.5%	\$ 7,622.22	\$ 7,000.00	\$ 10,000.00	\$ 24,622.22
1978-79	3-4	"	6,775.00	6,775.00	10,000.00	23,550.00
1979-80	5-6	"	6,550.00	6,550.00	10,000.00	23,100.00
1980-81	7-8	"	6,325.00	6,325.00	10,000.00	22,650.00
1981-82	9-10	5.0%	6,100.00	6,100.00	10,000.00	22,200.00
1982-83	11-12	"	5,850.00	5,850.00	10,000.00	21,700.00
1983-84	13-14	6.0%	5,600.00	5,600.00	10,000.00	21,200.00
1984-85	15-16	"	5,300.00	5,300.00	10,000.00	20,600.00
1985-86	17-18	"	5,000.00	5,000.00	10,000.00	20,000.00
1986-87	19-20	"	4,700.00	4,700.00	10,000.00	19,400.00
1987-88	21-23	"	4,400.00	4,400.00	15,000.00	23,800.00
1988-89	24-26	"	3,950.00	3,950.00	15,000.00	22,900.00
1989-90	27-29	"	3,500.00	3,500.00	15,000.00	22,000.00
1990-91	30-32	"	3,050.00	3,050.00	15,000.00	21,100.00
1991-92	33-35	6.5%	2,600.00	2,600.00	15,000.00	20,200.00
1992-93	36-38	"	2,112.50	2,112.50	15,000.00	19,225.00
1993-94	39-41	"	1,625.00	1,625.00	15,000.00	18,250.00
1994-95	42-44	"	1,137.50	1,137.50	15,000.00	17,275.00
1995-96	45-57	"	650.00	650.00	15,000.00	16,300.00
1996-97	58	"	162.50	162.50	5,000.00	5,325.00
Totals			\$ 83,009.72	\$ 82,387.50	\$ 240,000.00	\$ 405,397.22

Total Amount of Issue: \$240,000.00  
 Date of Issue: July 15, 1977  
 Paying Agent: Willis Bank  
 Willis, Texas  
 Prepayment Option: August 1, 1987 or any interest  
 payment date thereafter.

CITY OF WILLIS, TEXAS  
 REPAYMENT SCHEDULE - 1981 SERIES  
 WATERWORKS AND SEWER SYSTEM  
 JUNIOR LIEN REVENUE BONDS

Fiscal Year Oct. 1 - Sept. 30	Bond Numbers	Interest Rate	Semi-Annual Interest Due		Annual Principal Due August 1	Total Annual Requirement
			February 1	August 1		
1981-82	1-3	5.60%	\$ 7,000.00	\$ 7,000.00	\$ 15,000.00	\$ 29,000.00
1982-83	4-6	"	6,580.00	6,580.00	15,000.00	28,160.00
1983-84	7-9	"	6,160.00	6,160.00	15,000.00	27,320.00
1984-85	10-12	"	5,740.00	5,740.00	15,000.00	26,480.00
1985-86	13-15	"	5,320.00	5,320.00	15,000.00	25,640.00
1986-87	16-18	"	4,900.00	4,900.00	15,000.00	24,800.00
1987-88	19-21	"	4,480.00	4,480.00	15,000.00	23,960.00
1988-89	22-24	"	4,060.00	4,060.00	15,000.00	23,120.00
1989-90	25-27	"	3,640.00	3,640.00	15,000.00	22,280.00
1990-91	28-30	"	3,220.00	3,220.00	15,000.00	21,440.00
1991-92	31-33	"	2,800.00	2,800.00	15,000.00	20,600.00
1992-93	34-36	"	2,380.00	2,380.00	15,000.00	19,760.00
1993-94	37-39	"	1,960.00	1,960.00	15,000.00	18,920.00
1994-95	40-42	"	1,540.00	1,540.00	15,000.00	18,080.00
1995-96	43-45	"	1,120.00	1,120.00	15,000.00	17,240.00
1996-97	46-50	"	700.00	700.00	25,000.00	25,400.00
	Total		\$ 61,600.00	\$ 61,600.00	\$ 250,000.00	\$ 373,200.00

Total Amount of Issue: \$250,000.00  
 Date of Issue: August 1, 1981  
 Paying Agent: American National Bank  
 Austin, Texas  
 Prepayment Option: Any interest payment date

Note - Bond Number 50, maturing August 1, 1997 was paid July 23, 1983,  
 from surplus construction funds as required by the Texas  
 Department of Water Resources.

CITY OF WILLIS, TEXAS  
 INSURANCE COVERAGE  
 SEPTEMBER 30, 1985

<u>Type of Coverage</u>	<u>Policy Limits and Deductibles</u>	<u>Insurer</u>
<u>Municipal Liability</u>		
General Liability	\$1,000,000 Limit/\$500 Deductible	Texas Municipal League
Auto Liability	\$1,000,000 Limit/\$500 Deductible	Texas Municipal League
Personal Injury	\$1,000,000 Limit/\$1000 Deductible	Texas Municipal League
Errors and Omissions	\$1,000,000 Limit/\$1000 Deductible	Texas Municipal League
<u>Municipal Property</u>		
Basic Property, All Risks	\$1,356,500 Blanket/\$1000 Deductible	Texas Municipal League
Autos - Private and Other Specified Perils, Commission	Actual Cash Value/\$500 Deductible	Texas Municipal League
<u>Fidelity and Security Bonds</u>		
Janice Wilson, City Secretary	\$ 5,000.00	Reliance Insurance Company
Brenda Buckner	\$ 5,000.00	Reliance Insurance Company
Joseph S. Kroll, Jr., City Judge	\$ 1,000.00	Reliance Insurance Company
Patricia Miley, Court Clerk & Cashier	\$ 5,000.00	Reliance Insurance Company
Don D. Lacy, Chief of Police	\$ 5,000.00	Reliance Insurance Company
<u>Workman's Compensation</u>	Statutory	Texas Municipal League

CITY OF WILLIS, TEXAS  
 ELECTED OFFICIALS, ADMINISTRATIVE PERSONNEL  
 AND LEGAL COUNSEL  
 SEPTEMBER 30, 1985

Name	Address	Term of Office
Carl Kleimann Mayor	P. O. Box 154 Willis, Texas 77378	April, 1985/ April, 1987
Jack Parker Alderman, Place 1	P. O. Box 633 Willis, Texas 77378	April, 1984/ April, 1986
Ruth Castleschouldt Alderwoman, Place 2	P. O. Box 909 Willis, Texas 77378	April, 1984/ April, 1986
David Hagan Alderman, Place 3	P.O. Box 612 Willis, Texas 77378	April, 1985/ April, 1987
W. L. Bilnoski Alderman, Place 4	P. O. Box 207 Willis, Texas 77378	April, 1985/ April, 1987
Bill Van Alstyne Alderman, Place 5	206 W. Stewart Willis, Texas 77378	April, 1985/ April, 1987
Janice Wilson City Secretary/ Tax Collector	P. O. Box 436 Willis, Texas 77378	Appointed By Council
J. Ritchie Field City Attorney	P. O. Box 2625 Conroe, Texas 77305	Appointed By Council
Joseph S. Kroll, Jr. City Judge	202 Gerald St. Willis, Texas 77378	Appointed By Council
Don D. Lacy Police Chief	City Hall Willis, Texas 77378	Appointed By Council
S. Allen Cook Water Superintendent	City Hall Willis, Texas 77378	Appointed By Council
J. Walter Defoor Sewer Superintendent	City Hall Willis, Texas 77378	Appointed By Council