

## RULE 15c2-12 FILING COVER SHEET

This cover sheet is sent with all submissions to the Municipal Securities Rulemaking Board (the Nationally Recognized Municipal Securities Information Repository) and any applicable State Information Depository pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

**Issuer Name:** City of Willow Park, Texas

**Issue(s):**

\$	2,665,000	General Obligation Refunding Bonds, Series 2010
\$	5,135,000	General Obligation Refunding Bonds, Series 2012
\$	685,000	Combination Tax and Water and Sewer System Surplus Revenue Certificates of Obligation, Series 2014 (TWDB)
\$	995,000	Combination Tax and Water and Sewer System Surplus Revenue Certificates of Obligation, Series 2016 (TWDB)
\$	6,330,000	General Obligation Bonds, Series 2016

**Filing Format** X electronic \_\_\_ paper; If available on the Internet, give URL: \_\_\_\_\_

**CUSIP Numbers to which the information filed relates** (optional):

X Nine-digit number(s) (see following page(s)):

\_\_\_ Six-digit number if information filed relates to all securities of the issuer

\* \* \*

### Financial & Operating Data Disclosure Information

\_\_\_ Annual Financial Report or CAFR

X Financial Information & Operating Data

\_\_\_ Other (describe) \_\_\_\_\_

X Fiscal Period Covered: FYE 2017

\_\_\_ Monthly \_\_\_ Quarterly X Annual \_\_\_ Other: \_\_\_\_\_

\* \* \*

I hereby represent that I am authorized by the issuer or its agent to distribute this information publicly:

Signature: \_\_\_\_\_

Name: Bryan Grimes Title: City Administrator

Employer: City of Willow Park, Texas

Voice Telephone Number: (871) 441-7108

Email Address: bgrimes@willowpark.org

## DESCRIPTION OF ISSUES COVERED BY THIS REPORT

### General Obligation Refunding Bonds, Series 2010

Date	Principal	CUSIP
02/15/19	\$ 130,000	971148 DV0
02/15/20	135,000	971148 DW8
02/15/21	145,000	971148 DX6
	\$ 410,000	

### General Obligation Refunding Bonds, Series 2012

Date	Principal	CUSIP
02/15/19	\$ 485,000	971148EE7
02/15/20	515,000	971148EF4
02/15/21	555,000	971148EG2
02/15/22	580,000	971148EH0
02/15/23	625,000	971148EJ6
	\$ 2,760,000	

### Combination Tax and Water and Sewer System Surplus Revenue Certificates of Obligation, Series 2014 (TWDB)

Date	Principal	CUSIP
02/15/19	\$ 30,000	971148 EN7
02/15/20	30,000	971148 EP2
02/15/21	30,000	971148 EQ0
02/15/22	30,000	971148 ER8
02/15/23	30,000	971148 ES6
02/15/24	35,000	971148 ET4
02/15/25	35,000	971148 EU1
02/15/26	35,000	971148 EV9
02/15/27	35,000	971148 EW7
02/15/28	35,000	971148 EX5
02/15/29	35,000	971148 EY3
02/15/30	35,000	971148 EZ0
02/15/31	40,000	971148 FA4
02/15/32	40,000	971148 FB2
02/15/33	40,000	971148 FC0
02/15/34	40,000	971148 FD8
02/15/35	40,000	971148 FE6
	\$ 595,000	

**Combination Tax and Water and Sewer System Surplus Revenue Certificates of Obligation, Series 2016 (TWDB)**

Date	Principal	CUSIP
02/15/19	\$ 45,000	971148FG1
02/15/20	45,000	971148FH9
02/15/21	45,000	971148FJ5
02/15/22	45,000	971148FK2
02/15/23	50,000	971148FL0
02/15/24	50,000	971148FM8
02/15/25	50,000	971148FN6
02/15/26	50,000	971148FP1
02/15/27	50,000	971148FQ9
02/15/28	50,000	971148FR7
02/15/29	50,000	971148FS5
02/15/30	50,000	971148FT3
02/15/31	50,000	971148FU0
02/15/32	50,000	971148FV8
02/15/33	50,000	971148FW6
02/15/34	55,000	971148FX4
02/15/35	55,000	971148FY2
02/15/36	55,000	971148FZ9
02/15/37	55,000	971148GA3
	<u>\$ 950,000</u>	

**General Obligation Bonds, Series 2016**

Date	Principal	CUSIP
02/15/24	\$ 325,000	971148GB1
02/15/25	340,000	971148GC9
02/15/26	355,000	971148GD7
02/15/27	380,000	971148GE5
02/15/28	395,000	971148GF2
02/15/29	410,000	971148GG0
02/15/30	430,000	971148GH8
02/15/31	445,000	971148GJ4
02/15/33	340,000	971148GK1
02/15/35	370,000	971148GL9
02/15/37	400,000	971148GM7
02/15/41	880,000	971148GN5
02/15/46	1,260,000	971148GP0
	<u>\$ 6,330,000</u>	

CONTINUING DISCLOSURE REPORT  
FOR THE  
FISCAL YEAR ENDED SEPTEMBER 30, 2017

CITY OF WILLOW PARK, TEXAS

GENERAL OBLIGATION DEBT



## **FINANCIAL STATEMENTS**

The audited financial statements for the City for the fiscal year ended September 30, 2017 are being separately filed directly with the Nationally Recognized Municipal Securities Information Repository and any applicable State Information Depository, and are hereby incorporated by reference into this Annual Continuing Disclosure Report.

## **SIGNATURE OF ISSUER**

The information set forth herein has been obtained from the City and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the City or other matters described.

## **CITY OF WILLOW PARK, TEXAS**

---

Bryan Grimes  
City Administrator

Approved for Submission:

---

Date

## **CERTIFICATE OF SUBMISSION OF ANNUAL REPORT**

Subject to the continuing disclosure requirements of SEC Rule 15c2-12, this Annual Continuing Disclosure Report for the City of Willow Park, Texas with respect to the issues listed on the report cover was submitted directly to the Nationally Recognized Municipal Securities Information Repository ("NRMSIR") listed below as well as to any applicable State Information Depository ("SID").

### **NRMSIR**

Municipal Securities Rulemaking Board ("MSRB")  
via the Electronic Municipal Market Access ("EMMA") system

HTS Continuing Disclosure Services, A Division of Hilltop Securities Inc.

Signed by:

/s/ Karla Martinez

# CITY OF WILLOW PARK, TEXAS

## 2018 GENERAL OBLIGATION DEBT REPORT

**TABLE 1 - VALUATION, EXEMPTIONS AND GENERAL OBLIGATION DEBT**

2017/2018 Market Valuation Established by Parker County Appraisal District (excluding totally exempt property)		\$ 554,931,057
Less Exemptions/Reductions at 100% Market Value:		
Local Option - Over-65	\$ 4,516,399	
Veterans Exemption Loss	7,823,130	
Productivity Value Loss	17,164,697	
Abatements	10,411,362	
Minimum Value	4,780	
10% Cap Loss	<u>23,502,269</u>	<u>63,422,637</u>
2017/2018 Taxable Assessed Valuation		\$ 491,508,420
General Obligation Debt Payable from Ad Valorem Taxes (as of 3/31/2018)		
Total General Obligation Debt		<u>\$ 14,880,000</u>
Less: Self Supporting Debt		\$ 1,300,000
Net General Obligation Debt Payable from Ad Valorem Taxes		\$ 13,580,000
Interest and Sinking Fund (as of 1/31/2018)		\$ 1,185,955
Ratio Net General Obligation Tax Debt to Taxable Assessed Valuation		2.76%

2018 Estimated Population - 5,080  
Per Capita General Obligation Debt Payable from Ad Valorem Taxes - \$2,929  
Per Capita Net General Obligation Debt Payable from Ad Valorem Taxes - \$2,673

**TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY**

Category	2018		2017		2016	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 375,409,168	67.65%	\$ 316,399,605	66.84%	\$ 307,524,635	66.72%
Real, Residential, Multi-Family	29,177,506	5.26%	23,262,030	4.91%	22,260,670	4.83%
Real, Vacant Lots/Tracts	24,206,542	4.36%	14,649,583	3.09%	10,619,393	2.30%
Real, Acreage (Land Only)	17,235,051	3.11%	19,895,870	4.20%	20,964,708	4.55%
Real, Farm and Ranch Improvements	13,434,262	2.42%	10,821,430	2.29%	11,044,490	2.40%
Real, Commercial & Industrial	78,587,628	14.16%	72,355,570	15.28%	71,343,990	15.48%
Oil, Gas & Minerals	117,870	0.02%	174,210	0.04%	121,850	0.03%
Real and Tangible Personal, Utilities	5,412,490	0.98%	5,266,850	1.11%	4,608,980	1.00%
Tangible Personal, Commercial	7,244,510	1.31%	6,709,940	1.42%	7,005,280	1.52%
Tangible Personal, Industrial	2,573,200	0.46%	2,337,280	0.49%	2,178,960	0.47%
Tangible Personal, Mobile Homes	4,000	0.00%	4,000	0.00%	4,000	0.00%
Inventory, Residential	1,500	0.00%	-	0.00%	448,500	0.10%
Inventory, Special	1,527,330	0.28%	1,527,220	0.32%	2,819,730	0.61%
Total Market Value	\$ 554,931,057	100.00%	\$ 473,403,588	100.00%	\$ 460,945,186	100.00%
Less: Total Exemptions/Reductions	(63,422,637)		(42,796,473)		(46,477,392)	
Net Taxable Assessed Value	<u>\$ 491,508,420</u>		<u>\$ 430,607,115</u>		<u>\$ 414,467,794</u>	

Fiscal Year Ended September 30,					
Category	2015		2014		
	Amount	% of Total	Amount	% of Total	
Real, Residential, Single-Family	\$ 273,471,471	68.99%	\$ 266,068,995	71.01%	
Real, Residential, Multi-Family	18,729,160	4.72%	7,478,340	2.00%	
Real, Vacant Lots/Tracts	11,195,545	2.82%	10,329,461	2.76%	
Real, Acreage (Land Only)	15,686,819	3.96%	16,325,659	4.36%	
Real, Farm and Ranch Improvements	10,177,620	2.57%	10,097,210	2.69%	
Real, Commercial & Industrial	49,964,000	12.60%	45,036,670	12.02%	
Oil, Gas & Minerals	163,850	0.04%	317,040	0.08%	
Real and Tangible Personal, Utilities	4,413,750	1.11%	5,255,890	1.40%	
Tangible Personal, Commercial	7,514,530	1.90%	7,205,810	1.92%	
Tangible Personal, Industrial	2,315,020	0.58%	2,352,120	0.63%	
Tangible Personal, Mobile Homes	4,000	0.00%	4,000	0.00%	
Inventory, Residential	1,414,960	0.36%	2,871,000	0.77%	
Inventory, Special	1,342,080	0.34%	1,342,080	0.36%	
Total Market Value	\$ 396,392,805	100.00%	\$ 374,684,275	100.00%	
Less: Total Exemptions/Reductions	(25,656,284)		(25,770,992)		
Net Taxable Assessed Value	<u>\$ 370,736,521</u>		<u>\$ 348,913,283</u>		

NOTE: Valuations shown are certified taxable assessed values reported by the Parker County Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.



**TABLE 3 - VALUATION AND GENERAL OBLIGATION DEBT HISTORY**

Fiscal Year Ended 9/30	Estimated Population <sup>(1)</sup>	Taxable Assessed Valuation <sup>(2)</sup>	Taxable Assessed Valuation Per Capita	G.O. Tax Debt Outstanding at End of Year <sup>(3)</sup>	Ratio of G.O. Tax Debt to Taxable Assessed Valuation	G.O. Tax Debt Per Capita
2014	4,500	\$ 348,913,283	\$ 77,536	\$ 6,750,000	1.93%	\$ 1,500
2015	4,500	370,736,521	82,386	7,460,000	2.01%	1,658
2016	5,000	414,467,794	82,894	13,995,000	3.38%	2,799
2017	5,017	430,607,115	85,830	15,840,000	3.68%	3,157
2018	5,080	491,508,420	96,754	14,880,000 <sup>(4)</sup>	3.03% <sup>(4)</sup>	2,929 <sup>(4)</sup>

(1) Source: City of Willow Park.

(2) As reported by the Parker County Appraisal District on City's annual State Property Tax Board Reports; subject to change during the ensuing year.

(3) Includes self-supporting debt.

(4) Projected.

**TABLE 4 - TAX RATE, LEVY AND COLLECTION HISTORY**

Fiscal Year Ended 9/30	Total Tax Rate	General Fund	Interest and Sinking Fund	Tax Levy	% Current Collections	% Total Collections
2014	\$ 0.4605	\$ 0.3053	\$ 0.1552	\$ 1,606,746	95.50%	96.94%
2015	0.4605	0.3089	0.1516	1,707,242	94.36%	94.51%
2016	0.4605	0.2889	0.1716	1,908,624	94.70%	95.86%
2017	0.5367	0.2983	0.2384	2,147,274	89.43%	90.51%
2018	0.5367	0.3084	0.2283	2,637,926	51.28% <sup>(1)</sup>	93.48% <sup>(1)</sup>

(1) Collections as of January 31, 2018.

**TABLE 5 - TEN LARGEST TAXPAYERS <sup>(1)</sup>**

Name of Taxpayer	Nature of Property	2017/2018 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
TVCP Holdings LLC	Apartment Complex	\$ 20,443,126	4.16%
The Village at Crown Park	Apartments	7,500,000	1.53%
St. Marianne Cope Health	Health Care	6,500,000	1.32%
WPAL 2015 LLC	Assisted Living Facility	5,649,260	1.15%
Willow Park MOB LLC	Health Care	4,792,390	0.98%
Oncor Electric Company	Electric Utility	3,929,020	0.80%
Texas Health Resources	Health Care	3,853,058	0.78%
Morrison Group Inc.	Real Estate	3,507,940	0.71%
DBT Porcupine	Research & Investment	3,122,820	0.64%
Willow Park North LLC	Retail	2,765,880	0.56%
		<u>\$ 62,063,494</u>	<u>12.63%</u>

(1) Source: Parker County Appraisal District.

**TABLE 6 - TAX ADEQUACY**

2018 Principal and Interest Requirements, All General Obligation Debt <sup>(1)</sup>	\$ 1,452,033
\$0.3078 Tax Rate at 96% Collection Produces	\$ 1,452,348
Maximum Principal and Interest Requirements, All General Obligation Debt, 2021 <sup>(1)</sup>	\$ 1,477,726
\$0.3132 Tax Rate at 96% Collection Produces	\$ 1,477,828
2018 Principal and Interest Requirements, Net General Obligation Debt <sup>(2)</sup>	\$ 978,206
\$0.2074 Tax Rate at 96% Collection Produces	\$ 978,613
Maximum Principal and Interest Requirements, Net General Obligation Debt, 2022 <sup>(2)</sup>	\$ 1,199,353
\$0.2542 Tax Rate at 96% Collection Produces	\$ 1,199,438

(1) Includes self-supporting debt.

(2) Does not include self-supporting debt.

**TABLE 8 - GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS**

FYE 9/30	Outstanding Debt Service			Less: Self Supporting Total Debt Service	Total Tax Supported Debt Service	Principal Retired
	Principal	Interest	Total			
2018	\$ 960,000	\$ 492,033	\$ 1,452,033	\$ 473,827	\$ 978,206	
2019	810,000	437,737	1,247,737	275,027	972,710	
2020	845,000	414,804	1,259,804	274,387	985,417	
2021	1,090,000	387,726	1,477,726	278,373	1,199,353	
2022	980,000	359,459	1,339,459	198,564	1,140,895	29.58%
2023	1,040,000	332,649	1,372,649	205,031	1,167,618	
2024	685,000	308,341	993,341	102,796	890,546	
2025	705,000	286,987	991,987	101,955	890,033	
2026	730,000	264,702	994,702	100,989	893,714	
2027	750,000	241,405	991,405	99,909	891,496	54.26%
2028	775,000	217,122	992,122	98,727	893,395	
2029	795,000	191,962	986,962	97,459	889,503	
2030	825,000	165,817	990,817	96,111	894,706	
2031	855,000	138,578	993,578	99,627	893,951	
2032	520,000	116,939	636,939	98,008	538,931	78.06%
2033	265,000	104,823	369,823	96,323	273,500	
2034	275,000	95,953	370,953	99,553	271,400	
2035	285,000	86,699	371,699	97,699	274,000	
2036	250,000	77,626	327,626	56,326	271,300	
2037	260,000	68,746	328,746	55,446	273,300	86.49%
2038	210,000	61,050	271,050		271,050	
2039	215,000	54,675	269,675	-	269,675	
2040	225,000	48,075	273,075	-	273,075	
2041	230,000	41,250	271,250	-	271,250	
2042	235,000	34,275	269,275	-	269,275	93.53%
2043	245,000	27,075	272,075	-	272,075	
2044	250,000	19,650	269,650	-	269,650	
2045	260,000	12,000	272,000	-	272,000	
2046	270,000	4,050	274,050	-	274,050	100.00%
	<u>\$ 15,840,000</u>	<u>\$ 5,092,204</u>	<u>\$ 20,932,204</u>	<u>\$ 3,006,133</u>	<u>\$ 17,926,071</u>	

**TABLE 9 - INTEREST AND SINKING FUND BUDGET PROJECTION<sup>(1)</sup>**

Tax Supported Debt Service Requirements, Fiscal Year Ending September 30, 2018		\$	1,452,033
Interest and Sinking Fund, 1/31/2018	1,185,955		
Budgeted Transfer from Water Fund	98,020		
Budgeted Interest and Sinking Fund Levy, FYE 9/30/2018	925,884		2,209,859
Estimated Balance, 9/30/2018			757,827

(1) Includes self-supporting debt.

**TABLE 10 - AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS**

As of January 31, 2018, the City has no authorized but unissued general obligation debt.

**TABLE 11 - OTHER OBLIGATIONS<sup>(1)</sup>**

In October 2014 the City refinanced the lease for the Willow Park Fire and Rescue fire truck for \$202,870. The lease is due in annual installments of \$31,918 including interest at 2.981% through February 15, 2021. The lease is secured by the 2010 Pierce Fire Truck.

In February 2014 the City acquired a Chevy Tahoe for the police department with a capital lease. The lease requires annual payments of \$4,443 including interest at 3.92% through February 28, 2022.

In February 2014 the City acquired a brush truck for the fire department and a 2015 Freightliner for the water department with a capital lease. The lease requires annual payments of \$27,524 including interest at 3.626% through February 29, 2024. This lease is split between the governmental activities and business-type activities.

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2017, were as follows:

Year Ending September 30,	Governmental Activities	Business-type Activities
2018	\$ 93,758	\$ 18,419
2019	93,758	18,419
2020	93,758	18,419
2021	93,758	18,419
2022	61,840	18,419
2023-2024	259,668	36,836
Total Minimum lease payments	696,540	128,931
Less: Interest Portion	(95,988)	(16,835)
Obligations Under Capital Lease	\$ 600,552	\$ 112,096

**PENSION FUND** . . . The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the State-wide Texas Municipal Retirement System ("TMRS") one of 860 administered by TMRS, an agent multiple-employer retirement system. Each employer, including the City, has an annual actuarial valuation performed. The City makes annual contributions to the plan equal to the amounts accrued for pension expense.

Benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. At the date the plan began, the City granted monetary credits for service rendered before the plan began of a theoretical amount equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the plan began are 100 percent of employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit, which is a theoretical amount that, when added to the employee's accumulated contributions and the monetary credits for service since the plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and the City matching percent had always been in existence and if the employee's salary had always been the average of his or her salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions with interest and the employer-financed monetary credits with interest were used to purchase an annuity.

Employees can retire at ages 60 and above with five or more years of service or with 20 years of service regardless of age. An employee is vested after five years. The plan provisions are adopted by the City Council of the City, within the options available in the State statutes governing TMRS. The contribution rate for the employees is 7%. The City's contributions to TMRS for the year ended September 30, 2017, were \$159,980, and were equal to the required contributions.

For more detailed information concerning the City's retirement plan, see Appendix B, "Excerpts from the City's Annual Financial Report" - Note 9.

**OTHER POST-EMPLOYMENT BENEFITS...*Supplemental Death Benefits*...** The City also participates in the cost sharing multiple-employer defined benefit group term life insurance plan operated by the Texas Municipal Retirement System (TMRS) known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other postemployment benefit" or OPEB.

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers. The city's contributions to the TMRS SDBF for the years ended 2017, 2016, and 2015 of \$2,291, \$2,289 and \$2,232, respectively, were equal to the required contributions each year.

---

(1) Unaudited.

*(Remainder of Page Intentionally Left Blank)*

**TABLE 12 - GENERAL FUND REVENUES AND EXPENDITURES HISTORY**

	Fiscal Years Ended September 30,				
	2017 <sup>(1)</sup>	2016	2015	2014	2013
<b>Revenues:</b>					
Taxes	\$ 2,411,562	\$ 2,371,962	\$ 2,139,056	\$ 2,608,838	\$ 2,465,632
Licenses and Permits	270,448	307,126	368,774	195,780	312,244
Fines & Forfeits	237,122	213,950	224,818	169,377	219,752
Interest	6,283	2,616	2,950	1,236	1,766
Contributions	4,949	22,095	67,925	3,548	27,479
Miscellaneous	15,426	30,050	58,100	40,088	43,210
Total Revenues	<u>\$ 2,945,790</u>	<u>\$ 2,947,799</u>	<u>\$ 2,861,623</u>	<u>\$ 3,018,867</u>	<u>\$ 3,070,083</u>
<b>Expenditures:</b>					
Administration	\$ 353,074	\$ 402,327	\$ 285,327	\$ 308,822	\$ 441,136
Development Services	271,856	229,920	240,310	201,157	253,992
Police	1,002,192	1,020,280	1,091,091	960,412	1,048,152
Fire and Rescue	723,762	701,752	678,220	574,454	541,718
Municipal Court	146,890	137,754	110,475	90,430	104,067
Legislative	136,999	119,760	82,610	69,291	-
Public Works, Parks, Roads and Facilities	254,731	404,007	635,297	121,392	246,184
Capital Outlay	406,651	743,220	-	-	-
Debt Service: Interest & Fiscal Charges	850,070	74,661	100,075	55,410	54,609
Total Expenditures	<u>\$ 4,146,225</u>	<u>\$ 3,833,681</u>	<u>\$ 3,223,405</u>	<u>\$ 2,381,368</u>	<u>\$ 2,689,858</u>
Excess (Deficient) Revenues					
Over Expenditures	\$ (1,200,435)	\$ (885,882)	\$ (361,782)	\$ 637,499	\$ 380,225
Issuance of Capital Lease	-	-	108,209	-	-
Issuance of Certificates of Obligation	406,651	866,438	-	-	-
Proceeds from Sale of Capital Assets	-	11,030	-	-	-
Transfers In (Out)	-	(108,262)	(42,285)	(336,590)	(270,262)
Fund Balance Beginning of Year	<u>\$ 1,113,540</u>	<u>\$ 1,230,216</u>	<u>\$ 1,526,074</u>	<u>\$ 1,225,165</u>	<u>\$ 1,115,202</u>
Fund Balance End of Year	<u>\$ 319,756</u>	<u>\$ 1,113,540</u>	<u>\$ 1,230,216</u>	<u>\$ 1,526,074</u>	<u>\$ 1,225,165</u>

(1) Unaudited.

**TABLE 12A - CHANGE IN NET ASSETS**

	Fiscal Year Ended September 30,				
	2017 <sup>(1)</sup>	2016	2015	2014	2013
<b>Revenues:</b>					
Program Revenues:					
Charges for Services	\$ 537,641	\$ 552,182	\$ 625,023	\$ 383,885	\$ 554,439
Operating Grants and Contributions	6,276	22,435	68,045	5,703	27,479
Capital Grants and Contributions	-	-	341,156	-	-
General Revenues:					
Property Tax	2,156,694	1,856,820	1,616,438	1,525,133	1,550,934
Sales Taxes	852,606	834,871	808,638	849,687	710,618
Franchise Tax	346,216	386,114	257,263	231,847	210,474
Motel Tax	13,858	14,901	16,209	14,617	18,745
Interest	50,385	4,997	2,977	1,241	1,766
Miscellaneous (Including Transfers)	43,880	74,312	60,385	40,088	43,165
Total Revenues	<u>\$ 4,007,556</u>	<u>\$ 3,746,632</u>	<u>\$ 3,796,134</u>	<u>\$ 3,052,201</u>	<u>\$ 3,117,620</u>
<b>Expenses:</b>					
Administration	\$ 367,720	\$ 394,221	\$ 301,472	\$ 310,097	\$ 455,307
Development Services	273,612	231,211	241,512	196,748	249,750
Police Department	1,127,593	1,093,938	1,119,734	1,016,330	967,888
Fire and Rescue	829,305	778,155	723,845	569,624	541,718
Legislative	137,755	120,025	83,520	67,967	-
Municipal Court	149,626	138,553	113,563	94,808	117,187
Public Works, Parks & Roads	579,075	643,892	424,154	358,147	508,294
Tourism	-	9,646	9,137	5,457	10,626
Interest on Long Term Debt	281,068	105,624	84,763	86,797	90,768
Debt Issuance Costs	-	181,594	-	-	-
Total Expenses	<u>\$ 3,745,754</u>	<u>\$ 3,696,859</u>	<u>\$ 3,101,700</u>	<u>\$ 2,705,975</u>	<u>\$ 2,941,538</u>
Increase (Decrease) in Net Assets	\$ 261,802	\$ 49,773	\$ 694,434	\$ 346,226	\$ 176,082
Transfers	\$ 4,849	\$ (154,482)	\$ -	\$ 111,902	-
Beginning Net Assets	\$ 2,629,076	\$ 2,733,785	\$ 2,093,859	\$ 1,635,731	\$ 1,459,649
Prior Year Adjustment	-	-	(54,508)	-	-
Ending Net Assets	<u>\$ 2,895,727</u>	<u>\$ 2,629,076</u>	<u>\$ 2,733,785</u>	<u>\$ 2,093,859</u>	<u>\$ 1,635,731</u>

(1) Unaudited.

**TABLE 13 - CITY SALES TAX HISTORY**

The City has adopted the Municipal Sales and Use Tax Act, Texas Tax Code, Chapter 321, which grants the City the power to impose and levy a 1% Local Sales and Use Tax within the City; the proceeds are credited to the General Fund and are not pledged to the payment of the Bonds. Collections and enforcements are effected through the offices of the Comptroller of Public Accounts, State of Texas, who remits the proceeds of the tax, after deduction of a 2% service fee, to the City monthly. The Tax Code provides certain cities and counties the option of assessing a maximum one-half percent (1/2%) sales tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional tax is approved and levied, the ad valorem property tax levy must be reduced by the estimated amount of the sales tax revenues to be generated in the current year. Subject to the approval of a majority of the voters in a local option election, state law also provides certain cities the option of assessing a sales and use tax for a variety of other purposes, including economic and industrial development, municipal street maintenance and repair, and sports and community venues.

State law limits the maximum aggregate sales and use tax rate in any area to 8¼%. Accordingly, the collection of local sales and use taxes in the area of the City (including sales and use taxes levied by the City) is limited to no more than 2% (when combined with the State sales and use tax rate of 6¼%).

In addition to the one percent (1%) local sales and use tax referred to above, the City imposes an additional one-half percent (1/2%) sales and use tax for the reduction of ad valorem taxes.

Fiscal Year Ended 9/30	Total Collected <sup>(1)</sup>	% of Ad Valorem Tax Levy	Equivalent of Ad Valorem Tax Rate	Per Capita
2014	\$ 826,509	51.44%	\$ 0.2369	\$ 183.67
2015	808,638	47.37%	0.2181	179.70
2016	834,871	43.74%	0.2014	166.97
2017	831,932	38.74%	0.1932	165.82
2018	286,135 <sup>(2)</sup>	10.85%	0.0582	56.33

(1) Includes the additional one-half percent (1/2%) sales and use tax collected for the reduction of ad valorem taxes.

(2) Collections as of March 21, 2018.

**TABLE 14 - CURRENT INVESTMENTS**

As of February 28, 2018, the City's investable funds were invested in the following categories:

Description	Book Value
Certificates of Deposit	\$ 389,614
Totals	\$ 389,614