

**SPECIAL MEETING OF THE
CITY COUNCIL OF THE CITY OF COTTONWOOD SHORES,
TEXAS
3915 COTTONWOOD DRIVE – CITY HALL
THURSDAY, APRIL 6, 2000 AT 5:30 P.M.**

A G E N D A

- 1) CALL TO ORDER AND ROLL CALL.
- 2) CONSENT AGENDA:
 - A. MINUTES OF A REGULAR MEETING HELD ON MARCH 16, 2000 AND A SPECIAL MEETING HELD ON MARCH 29, 2000.
- 3) CONSIDER AND POSSIBLY TAKE ACTION ON APPROVING THE PURCHASE OF A MAINTAINER FOR THE CITY OF COTTONWOOD SHORES, TEXAS FROM EQUIPMENT LOCATORS.
- 4) PROCLAMATION DECLARING APRIL AS FAIR HOUSING MONTH IN THE CITY OF COTTONWOOD SHORES, TEXAS.
- 5) OPEN DISCUSSION.
- 6) ADJOURNMENT.

I CERTIFY THAT THE ABOVE NOTICE WAS POSTED AT CITY HALL, 3915 COTTONWOOD DRIVE, COTTONWOOD SHORES, TEXAS ON THIS 3RD DAY OF APRIL 2000 AT 5:00 PM.



DALE PICKENS, MAYOR

ATTEST:



TENA COLLIER, CITY SECRETARY



1984 OCT 15 AM 10:15

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1984

DATE: 10/15/84

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ORDER: COLTONWOOD SHORES, TEXAS ON THE 15th DAY OF OCTOBER 1984 BY THE BOARD OF THE CITY OF COLTONWOOD SHORES, TEXAS.

1) RESOLUTION

2) ORDINANCE

3) COLTONWOOD SHORES, TEXAS

4) RESOLUTION DECLARING THAT THE CITY OF COLTONWOOD SHORES, TEXAS IS A CITY OF THE STATE OF TEXAS.

5) RESOLUTION DECLARING THAT THE CITY OF COLTONWOOD SHORES, TEXAS IS A CITY OF THE STATE OF TEXAS.

6) RESOLUTION DECLARING THAT THE CITY OF COLTONWOOD SHORES, TEXAS IS A CITY OF THE STATE OF TEXAS.

7) RESOLUTION DECLARING THAT THE CITY OF COLTONWOOD SHORES, TEXAS IS A CITY OF THE STATE OF TEXAS.

8) RESOLUTION

9) ORDER TO ORDER AND NOT OUT

10/15/84

11/15/84 10:15 AM
12/15/84 10:15 AM

13/15/84

CITY COUNCIL OF THE CITY OF COLTONWOOD SHORES, TEXAS
SPECIAL MEETING OF THE

**CITY OF
COTTONWOOD SHORES**

**ANNUAL FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
SEPTEMBER 30, 1999**

**CLARK, HARPER & COMPANY, P.C.
608 HWY 281, SUITE 101
MARBLE FALLS, TEXAS 78654
(830) 693-6067**

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CITY OF
COTTONWOOD SHORES

ANNUAL FINANCIAL STATEMENTS

FOR THE YEAR SEPTEMBER 30, 1999

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CITY OF COTTONWOOD SHORES

General Purpose Financial Statements Fiscal Year Ended September 30, 1999

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FINANCIAL SECTION



CLARK, HARPER & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

JACK N. CLARK, CPA
BURL N. HARPER, CPA

MEMBER
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
TEXAS SOCIETY OF
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Honorable Mayor and City Council
City of Cottonwood Shores

We have audited the accompanying general-purpose financial statements of City of Cottonwood Shores, Texas (the City) as of and for the year ended September 30, 1999, as listed in the table of contents. These general-purpose financial statements are the responsibility of the City of Cottonwood Shores' management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

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

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Cottonwood Shores, Texas, as of September 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principals.

Clark, Harper & Company, P.C.
Marble Falls, Texas
February 15, 2000

CITY OF COTTONWOOD SHORES

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 1999

Governmental Fund Types		General Fund	Debt Service Fund
ASSETS			
Cash in Bank	\$	300	\$
Temporary Investments		31,985	-
Receivable:			
Taxes - Net of Allowance for Uncollectible			
Taxes, 1999 \$2,537 and \$791		10,146	3,163
Customers		-	-
Sundry		919	145
Due from Other Funds		2,193	-
Restricted Assets:			
Cash in Bank		-	-
Prepaid Expenses		-	-
Property, Plant & Equipment		-	-
Accumulated Depreciation		-	-
General Fixed Assets		-	-
Amount to be Provided for Debt Service		-	-
TOTAL ASSETS	\$	45,543	\$
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$	7,441	\$
Payable from Restricted Assets:			
Accrued Interest on Certificates of Obligation		-	-
Current Portions of Certificates of Obligation		-	-
Customer Deposits		-	-
Deferred Revenues - Property Taxes		10,146	3,163
Due to Other Funds		217,770	2,193
Certificates of Obligation - Net of Current Portion		-	-
Lease Obligation Payable		-	-
Total Liabilities	\$	235,357	\$
Commitments and Contingencies			
Fund Balances			
Contributed Capital - Equity Grants	\$	-	-
Invested in General Fixed Assets		-	-
Retained Earnings:			
Reserved for Bond Retirement		-	(2,048)
Unreserved		-	-
Fund Balance - Unreserved/(Deficit)	\$	(189,814)	\$
Total Fund Balances	\$	(189,814)	\$
TOTAL LIABILITIES AND FUND BALANCES	\$	45,543	\$

The accompanying notes are an integral part of these financial statements

Proprietary Fund Type	Account Group		Totals (Memorandum Only)
	General Fixed Assets	General Long Term Debt	September 30, 1999
Utility Fund			
\$ 1,280	\$ -	\$ -	\$ 1,580
-	-	-	31,985
-	-	-	13,309
26,278	-	-	26,278
-	-	-	1,064
217,770	-	-	219,963
-	-	-	-
82,599	-	-	82,599
550	-	-	550
2,234,776	-	-	2,234,776
(273,892)	-	-	(273,892)
-	142,667	-	142,667
-	-	106,928	106,928
<u>\$ 2,289,361</u>	<u>\$ 142,667</u>	<u>\$ 106,928</u>	<u>\$ 2,587,807</u>
\$ 7,374	\$ -	\$ -	\$ 14,815
11,383	-	-	11,383
11,000	-	-	11,000
19,340	-	-	19,340
-	-	-	13,309
-	-	-	219,963
576,000	-	-	576,000
-	-	106,928	106,928
<u>\$ 625,097</u>	<u>\$ -</u>	<u>\$ 106,928</u>	<u>\$ 972,738</u>
1,583,292	-	-	1,583,292
-	142,667	-	142,667
45,659	-	-	45,659
35,313	-	-	33,265
-	-	-	-
-	-	-	(189,814)
<u>1,664,264</u>	<u>142,667</u>	<u>-</u>	<u>1,615,069</u>
<u>\$ 2,289,361</u>	<u>\$ 142,667</u>	<u>\$ 106,928</u>	<u>\$ 2,587,807</u>

CITY OF COTTONWOOD SHORES

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND

CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES

YEAR ENDED SEPTEMBER 30, 1999

Governmental Fund Types		
Debt	General	
Service	Fund	
Fund		
(Memorandum Only)		
September 30, 1999		
Totals		
\$ 59,544	\$ 40,123	\$ 19,421
3,029	2,294	735
9,131	9,131	-
11,124	11,124	-
662	662	-
1,665	1,665	-
1,625	1,625	-
4,462	4,462	-
2,325	2,325	-
1,478	1,478	-
8,511	8,511	-
1,536	1,536	-
857	857	-
51,735	51,735	-
137,528	137,528	20,156
157,684		
Revenues		
Ad Valorem Taxes		
Penalty, Interest and Fees		
Franchise Tax		
Sales Taxes		
Animal Control		
Mowing Fees		
Police Donations and Fees		
Permits and Inspection Fees		
Interest on Investments		
Court Cost		
Fines and Forfeitures		
Civic Center and Pool		
Miscellaneous		
Police Grant Funds		
Total Revenue		
Expenditures		
City Administration Department:		
Salaries and Benefits		
Payroll Tax		
Advertising		
Accounting and Auditing		
Attorney Fees		
Telephone and Utilities		
Office Expense		
Dues		
Travel and Education		
Insurance and Bonds		
Election Cost		
Repairs and Maintenance		
Appraisal District Fees		
Capital Outlay		
Debt Service Payments		
10,555	10,555	-
266	266	-
847	847	-
6,380	6,380	-
5,332	5,332	-
8,247	8,247	-
3,834	3,834	-
388	388	-
320	320	-
13,411	13,411	-
61	61	-
718	718	-
1,614	1,614	-
113,945	113,945	-
785	785	20,638
21,423		
187,341	166,703	20,638

The accompanying notes are an integral part of these financial statements

CITY OF COTTONWOOD SHORES
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED SEPTEMBER 30, 1999

	<u>Governmental Fund Types</u>		<u>Totals</u> <u>(Memorandum Only)</u> <u>September 30, 1999</u>
	<u>General</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	
CONTINUED			
Public Service Department:			
Salaries and Contract Labor	104,970	-	104,970
Payroll Taxes	7,300	-	7,300
Telephone and Utilities	559	-	559
Travel and Education	898	-	898
Street Repair	17,321	-	17,321
Repairs and Maintenance	4,432	-	4,432
Dispatch Fee	3,014	-	3,014
Police Equipment and Supplies	7,179	-	7,179
Capital Outlay	1,000	-	1,000
Fuel and Oil	4,391	-	4,391
Vehicle Expense	2,971	-	2,971
Total Public Service	<u>154,035</u>	<u>-</u>	<u>154,035</u>
Other Departments:			
Volunteer Fire Department	-	-	-
Civic Center and Pool	3,502	-	3,502
Municipal Court	7,248	-	7,248
Building and Zoning	-	-	-
Animal Control	367	-	367
Total Other Departments	<u>11,117</u>	<u>-</u>	<u>11,117</u>
Total Expenditures	<u>331,855</u>	<u>20,638</u>	<u>352,493</u>
Excess of Expenditures over Revenues	(194,327)	(486)	(194,813)
Other Financing Services:			
Lease Purchase Financing	<u>107,000</u>	<u>-</u>	<u>107,000</u>
Excess of Expenditures over Revenues and Other Services	(87,327)	(482)	(87,809)
Fund Balance - At Beginning of Year	<u>(102,487)</u>	<u>(1,566)</u>	<u>(104,053)</u>
Fund Balance - At End of Year	<u>\$ (189,814)</u>	<u>\$ (2,048)</u>	<u>\$ (191,862)</u>

The accompanying notes are an integral part of these financial statements

CITY OF COTTONWOOD SHORES
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED SEPTEMBER 30, 1999

	GOVERNMENTAL FUND TYPES		
	GENERAL FUND		
	1999		Variance
	<u>Budget</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Public Service Department:			
Salaries and Benefits	\$ 96,352	\$ 104,970	\$ (8,618)
Payroll Tax	6,702	7,300	(598)
Telephone and Utilities	700	559	141
Travel	700	898	(198)
Street Repair	12,000	17,321	(5,321)
Repairs and Maintenance	4,000	4,432	(432)
Dispatch Fee	3,100	3,014	86
Police Equipment and Supplies	1,225	7,179	(5,954)
Fuel and Oil	2,700	4,391	(1,691)
Vehicle Expense	1,500	2,971	(1,471)
Capital Outlay	8,000	1,000	7,000
Total Public Service	<u>136,979</u>	<u>154,035</u>	<u>(17,056)</u>
Other Departments			
Volunteer Fire Department	-	-	-
Civic Center and Pool	2,400	3,502	(1,102)
Municipal Court	7,950	7,248	702
Building and Zoning	-	-	-
Animal Control	200	367	(167)
Total Other Departments	<u>10,550</u>	<u>11,117</u>	<u>(567)</u>
Total Expenditures	<u>209,574</u>	<u>331,855</u>	<u>(122,281)</u>
Excess of Expenditures over Revenues	(80,639)	(194,327)	(113,688)
Other Financing Sources:			
Lease Purchase Financing	-	107,000	107,000
Excess of Expenditures over Revenues and other Sources	(80,693)	(87,327)	(6,634)
Fund Balance At Beginning of Year	<u>(102,487)</u>	<u>(102,487)</u>	<u>-</u>
Fund Balance At End of Year	<u>\$ (183,180)</u>	<u>\$ (189,814)</u>	<u>\$ (6,634)</u>

The accompanying notes are an integral part of these financial statements

The accompanying notes are an integral part of these financial statements

CITY OF COTTONWOOD SHORES COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL ALL GOVERNMENTAL FUND TYPES YEAR ENDED SEPTEMBER 30, 1999		GOVERNMENTAL FUND TYPES		DEBT SERVICE FUND	
		Budget	Actual	Variance	(Unfavorable)
		1999		Favorable	
Revenues:					
Ad Valorem Taxes	\$ 20,638	\$ 20,156	\$ (482)		
Total Revenue	20,638	20,156	(482)		
Expenditures:					
Debt Service Payments	20,638	20,638	-		
Total Expenditures	20,638	20,638	-		
Excess of Expenditures over Revenues	\$ -	\$ (482)	\$ (482)		

CONTINUED

CITY OF COTTONWOOD SHORES**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
YEAR ENDED SEPTEMBER 30, 1999**

	<u>Proprietary Fund Type Utility</u>	<u>Total (Memorandum Only) September 30, 1999</u>
Revenues		
Water Sales	\$ 127,737	\$ 127,737
Sewer Sales	81,712	81,712
Garbage Collection Fees	54,083	54,083
Connection Fees and Other	15,796	15,796
Interest on Investments	2,133	2,133
	<u>281,461</u>	<u>281,461</u>
Total Revenues		
Expenses		
Water Department:		
Accounting and Legal	5,022	5,022
Salaries and Benefits	61,968	61,968
Payroll Taxes	4,403	4,403
Water Taps	1,097	1,097
Telephone and Utilities	7,938	7,938
Travel and Fuel	5,175	5,175
Water Purchases	13,168	13,168
Chemicals and Testing	5,083	5,083
Repairs and Maintenance	19,995	19,995
Fees and Licenses	847	847
Contract Labor	844	844
Depreciation	19,125	19,125
Interest	995	995
Office Supplies and Expenses	1,353	1,353
	<u>147,013</u>	<u>147,013</u>
Total Water Department		
Sewer Department:		
Accounting and Audit	4,785	4,785
Sewer Treatment	9,985	9,985
Telephone and Utilities	4,157	4,157
Supplies and Repairs	441	441
Sewer Taps	1,922	1,922
Interest	10,513	10,513
Depreciation	45,657	45,657
Office Supplies and Expenses	830	830
	<u>78,290</u>	<u>78,290</u>
Total Sewer		

The accompanying notes are an integral part of these financial statements

**CITY OF COTTONWOOD SHORES
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
 YEAR ENDED SEPTEMBER 30, 1999**

CONTINUED

Proprietary Fund Type	Utility	Total (Memorandum Only) September 30, 1999
45,111	45,111	45,111
Garbage Department: Contract Services		
Total Garbage Department		
Total Expenses		
11,047	11,047	11,047
Excess of Revenues over (under) Expenditures		
Retained Earnings, At Beginning of Year		
\$ 80,972	\$ 80,972	\$ 80,972
Retained Earnings, At End of Year		

CITY OF COTTONWOOD SHORES
COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES
YEAR ENDED SEPTEMBER 30, 1999

Proprietary
Fund Types
Utility
September 30, 1999

Cash Flows from Operations Activities

Net Income (Loss)	\$ 11,047
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:	
Depreciation	64,782
Increase in Accounts Receivable	(4,147)
Increase in Restricted Assets	(14,049)
Increase in Due from Other Funds	(51,933)
Decrease in Accounts Payable	(213)
Decrease in Accrued Interest Payable	(131)
Increase in Customer Deposits	<u>3,244</u>
 Total Adjustments	 <u>(2,447)</u>
 Net Cash Provided by Operating Activities	 <u>8,600</u>
Cash Flows from Capital and Other Financing Activities	
Principle and Bonds	(9,000)
Acquisition of Assets	<u>(500)</u>
Net Cash Used in Financing Activities	<u>(9,500)</u>
Net Increase (Decrease) in Cash Balances	(900)
Unrestricted Cash - Beginning of Year	<u>2,180</u>
Unrestricted Cash - End of Year	<u>\$ 1,280</u>

The accompanying notes are an integral part of these financial statements

CITY OF COTTONWOOD SHORES

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES

IN RETAINED EARNINGS - BUDGET AND ACTUAL - PROPRIETARY FUND TYPES

YEAR ENDED SEPTEMBER 30, 1999

Proprietary Fund Types		Utility	
1999		Budget	Actual
Variance	Favorable	(Unfavorable)	
	\$	\$ 154,100	\$ 127,737
		135,500	81,712
		58,000	54,083
		19,000	15,796
		1,400	2,133
		368,000	281,461
		(86,539)	(86,539)
Revenues			
		154,100	127,737
		135,500	81,712
		58,000	54,083
		19,000	15,796
		1,400	2,133
		368,000	281,461
Expenses			
		62,493	61,968
		4,566	4,403
		9,295	5,022
		2,750	1,097
		9,400	7,938
		4,750	5,175
		15,000	13,168
		5,700	5,083
		22,850	19,995
		900	847
		-	844
		18,000	19,125
		5,018	995
		600	1,353
		4,065	-
		165,387	147,013
Total Water Department			
		-	4,785
		10,000	9,985
		-	4,157
		-	441
		3,000	1,922
		15,620	10,513
		46,000	45,657
		-	830
		74,620	78,290
Sewer Department:			
		-	4,785
		10,000	9,985
		-	4,157
		-	441
		3,000	1,922
		15,620	10,513
		46,000	45,657
		-	830
		74,620	78,290
Total Sewer			
		-	4,785
		10,000	9,985
		-	4,157
		-	441
		3,000	1,922
		15,620	10,513
		46,000	45,657
		-	830
		74,620	78,290
Office Supplies and Expenses			
		4,065	-
		600	1,353
		5,018	995
		18,000	19,125
		-	844
		900	847
		22,850	19,995
		5,700	5,083
		15,000	13,168
		4,750	5,175
		15,000	13,168
		5,700	5,083
		22,850	19,995
		900	847
		-	844
		18,000	19,125
		5,018	995
		600	1,353
		4,065	-
		165,387	147,013
Total Water Department			
		-	4,785
		10,000	9,985
		-	4,157
		-	441
		3,000	1,922
		15,620	10,513
		46,000	45,657
		-	830
		74,620	78,290
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		-	4,785
		10,000	9,985
		-	4,157
		-	441
		3,000	1,922
		15,620	10,513
		46,000	45,657
		-	830
		74,620	78,290
Office Supplies and Expenses			
		4,065	-
		600	1,353
		5,018	995
		18,000	19,125
		-	844
		900	847
		22,850	19,995
		5,700	5,083
		15,000	13,168
		4,750	5,175
		15,000	13,168
		5,700	5,083
		22,850	19,995
		900	847
		-	844
		18,000	19,125
		5,018	995
		600	1,353
		4,065	-
		165,387	147,013
Total Water Department			
		-	4,785
		10,000	9,985
		-	4,157
		-	441
		3,000	1,922
		15,620	10,513
		46,000	45,657
		-	830
		74,620	78,290
Sewer Department:			
		-	4,785
		10,000	9,985
		-	4,157
		-	441
		3,000	1,922
		15,620	10,513
		46,000	45,657
		-	830
		74,620	78,290
Office Supplies and Expenses			
		4,065	-
		600	1,353
		5,018	995
		18,000	19,125
		-	844
		900	847
		22,850	19,995
		5,700	5,083
		15,000	13,168
		4,750	5,175
		15,000	13,168
		5,700	5,083
		22,850	19,995
		900	847
		-	844
		18,000	19,125
		5,018	995
		600	1,353
		4,065	-
		165,387	147,013
Total Water Department			
		-	4,785
		10,000	9,985
		-	4,157
		-	441
		3,000	1,922
		15,620	10,513
		46,000	45,657
		-	830
		74,620	78,290
Sewer Department:			
		-	4,785
		10,000	9,985
		-	4,157
		-	441
		3,000	1,922
		15,620	10,513
		46,000	45,657
		-	830
		74,620	78,290
Office Supplies and Expenses			
		4,065	-
		600	1,353
		5,018	995
		18,000	19,125
		-	844
		900	847
		22,850	19,995
		5,700	5,083
		15,000	13,168
		4,750	5,175
		15,000	13,168
		5,700	5,083
		22,850	19,995
		900	847
		-	844
		18,000	19,125
		5,018	995
		600	1,353
		4,065	-
		165,387	147,013
Total Water Department			
		-	4,785
		10,000	9,985
		-	4,157
		-	441
		3,000	1,922
		15,620	10,513
		46,000	45,657
		-	830
		74,620	78,290
Sewer Department:			
		-	4,785
		10,000	9,985
		-	4,157
		-	441
		3,000	1,922
		15,620	10,513
		46,000	45,657
		-	830
		74,620	78,290
Office Supplies and Expenses			
		4,065	-
		600	1,353
		5,018	995
		18,000	19,125
		-	844
		900	847
		22,850	19,995
		5,700	5,083
		15,000	13,168
		4,750	5,175
		15,000	13,168
		5,700	5,083
		22,850	19,995
		900	847
		-	844
		18,000	19,125
		5,018	995
		600	1,353
		4,065	-
		165,387	147,013
Total Water Department			
		-	4,785
		10,000	9,985
		-	4,157

CITY OF COTTONWOOD SHORES

**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - BUDGET AND ACTUAL - PROPRIETARY FUND TYPES
YEAR ENDED SEPTEMBER 30, 1999**

	<u>Proprietary Fund Type</u>		Variance Favorable (Unfavorable)
	<u>Utility</u>		
	1999		
	<u>Budget</u>	<u>Actual</u>	
CONTINUED			
Garbage Department:			
Contract Services	<u>47,300</u>	<u>45,111</u>	<u>2,189</u>
Total Garbage Department	<u>47,300</u>	<u>45,111</u>	<u>2,189</u>
Total Expenses	<u>287,307</u>	<u>270,414</u>	<u>16,893</u>
 Excess of Revenues over (under) Expenditures	80,693	11,047	(69,646)
 Retained Earnings, At the Beginning of Year	<u>69,925</u>	<u>69,925</u>	<u>-</u>
 Retained Earnings, At the End of Year	<u>\$ 150,618</u>	<u>\$ 80,972</u>	<u>\$ (69,646)</u>

The accompanying notes are an integral part of these financial statements

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Cottonwood Shores conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Reporting Entity - The Mayor and City Council are the basic level of government which has oversight responsibility and control over all activities related to the City of Cottonwood Shores, Texas. The City of Cottonwood Shores receives funding from local, state and federal government sources and must comply with the concomitant requirements of these funding source entities. However, the City is not included in any other governmental "reporting entity" as defined by the GASB pronouncement, since the Mayor and City Council are elected by the public and have decision making authority, the authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters.

B. 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 various funds are grouped in the accompanying financial statements into the following categories:

Governmental Fund

General Fund - The general fund is the general operating fund of the city

Debt Service Fund

Debt Service Fund - This fund is established to make debt service payments.

Proprietary Fund

Enterprise Fund - The Utility Fund (Water, Sewer and Garbage) is operated as an enterprise fund.

Account Groups

General Fixed Assets - Fixed assets used in governmental fund type operations are accounted for in this account group.

General Long Term Debt - Governmental long-term obligations are accounted for in this account group.

C. Basis of Accounting - Governmental fund type revenues and expenditures are recorded on the modified accrual basis. Revenues are recorded when they become available and measurable. Expenditures are recorded when the liability is incurred, if measurable, except for unmatured interest on general long-term debt which is recorded when due.

CITY OF COTTONWOOD SHORES

Notes to the Financial Statements For the Year Ended September 30, 1999

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Proprietary Fund Type (Utility) revenues and expenditures are recorded on the full accrual basis.

D. Taxes Receivable - Property taxes are recorded as revenue when collected and the amount of billed but uncollected taxes are deferred pending collection.

E. Property, Plant and Equipment - Property, plant and equipment of the enterprise funds are recorded at cost less accumulated depreciation. Depreciation is computed on the straight-line method over the estimated useful lives of the asset. The estimated useful lives are as follows:

Water and Sewer Plant	40 years
Buildings and Improvements	20 years
Equipment	5-7 years

Maintenance and repairs are charged to operations as incurred and improvements which extend the asset lives are capitalized.

F. General Fixed Assets – Purchases of fixed assets are capitalized at cost in the General Fixed Asset account group, offset by a similar invested fund-balance account. There is no provision for depreciation on assets in this account group. General Fixed Assets purchased from the General Funds are recorded as expenditures in the acquiring fund at the time of purchase. Infrastructure assets are not included.

G. Vacation and Sick Leave – Vacation and sick pay expenses are charged to operations when taken by the employees of the City. Accordingly, no accruals are reflected in accounts for unpaid amounts of vacation and sick pay earned by employees. In the event of termination, an employee is reimbursed for all accumulated vacation days. The liabilities for accumulated vacation and sick leave at September 30, 1999, are estimated to be insignificant, and are not reflected in the accompanying financial statements.

H. Budget – The official budget was prepared for adoption for all funds and formally adopted by the City Council prior to disbursement of funds.

I. Inventory of Supplies – cost of all supplies and materials is recorded as expenditures/expenses at the time of purchase. Quantity on hand is insignificant.

J. Cash Flows – For purposes of reporting cash flows, cash equivalents are considered to be temporary cash investments purchased with a maturity of three months or less (does not include restricted assets).

CITY OF COTTONWOOD SHORES

Notes to the Financial Statements

For the Year Ended September 30, 1999

NOTE 1. SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. Inter-fund Charges – The City allocates a percentage of general administrative expenditures to the various accounts group, governmental fund and proprietary fund.

NOTE 2. DEPOSITS AND INVESTMENTS

The City maintains a cash pool that is available for use by all funds. All cash funds were held by local financial institutions in demand and interest bearing accounts which were secured at the balance sheet date by FDIC coverage.

The collateral for the City's deposits is categorized to give an indication of the level of risk assumed by the City at the year end. Category 1 includes deposits that are insured or for which the securities are held by the City or its agent in the City's name.

All of the deposits are classified as category 1.

NOTE 3. PROPERTY TAXES

Property taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent February 1 of the following year.

The City contracts with the Burnet County Appraisal District for the appraisal and collection of taxes. For the tax roll for 1998 the assessed valuation was \$15,809,147 and a tax rate of \$.3852 per \$100 valuation.

NOTE 4. RESTRICTED ASSETS

Restricted assets represent cash that has been set aside in the Utility Fund for future payments of certificates of obligation, customer deposits and for the purchase and improvements to the water and wastewater system, as follows:

Restricted for Customer Deposits	\$ 20,959
Restricted for Debt Service	45,659
Restricted for Capital Improvements	15,981
Total Restricted Assets	<u>\$ 82,599</u>

CITY OF COTTONWOOD SHORES

Notes to the Financial Statements
For the Year Ended September 30, 1999

NOTE 5. PROPERTY, PLANT AND EQUIPMENT

A summary of fixed assets in the Utility Fund as follows:

	<u>Balance</u> <u>10/1/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/99</u>
Land	\$ 18,984	\$	\$	\$ 18,984
Water Plant	352,498			352,498
Building & Improvements	8,805			8,805
Office Furniture & Equipment	62,328			62,328
Wastewater Collection System	1,535,337			1,535,337
Water Distribution System	254,924			254,924
Vehicles	<u>1,400</u>	<u>500</u>		<u>1,900</u>
Total Fixed Assets	<u>\$2,234,276</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 2,234,776</u>
Less: Accumulated Depreciation				<u>(273,892)</u>
Net Fixed Assets				<u>\$ 1,960,884</u>

NOTE 6. GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>10/1/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>9/30/99</u>
Building and Improvements	\$ 11,275	\$ 111,780	\$	\$ 123,055
Office Furniture & Equipment	14,417	3,165		17,582
Streets	<u>2,030</u>			<u>2,030</u>
Total	<u>\$ 27,722</u>	<u>\$ 114,945</u>	<u>\$ -</u>	<u>\$ 142,667</u>

NOTE 7. CERTIFICATES OF OBLIGATION

A summary of changes in revenue bonds payable follows:

	<u>Outstanding</u> <u>10/1/98</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding</u> <u>9/30/99</u>
Combination Tax & Revenue Certificates of Obligation Series #1990	\$ 84,000	\$ -0-	\$ 4,000	\$ 80,000
Combination Tax & Revenue Certificates of Obligation Series #1993	<u>512,000</u>	<u>-0-</u>	<u>5,000</u>	<u>507,000</u>
	<u>\$ 596,000</u>	<u>\$ -0-</u>	<u>\$ 9,000</u>	<u>\$ 587,000</u>

CITY OF COTTONWOOD SHORES

Notes to the Financial Statements

For the Year Ended September 30, 1999

NOTE 7. CERTIFICATES OF OBLIGATION (Continued)

The annual requirements to amortize the certificates of obligation outstanding at September 30, 1999, including interest payments of \$152,031 for the next five years follows:

Year Ended September 30,	FmHA Series #1990	FmHA Series #1993	Total
2000	10,723	31,984	42,707
2001	10,370	31,676	42,046
2002	10,013	31,369	41,382
2003	9,650	32,061	41,711
2004	9,283	31,703	40,986
Thereafter	68,250	906,730	974,980
Totals	\$ 118,289	\$ 1,065,523	\$ 1,183,812

The Certificates of Obligation Series 1990 are payable on March 1 and September 1 (interest only) at interest rates which range from 5.65% to 7.5%. The City has the option to redeem the certificates on or after March 1, 2001 at par.

The Certificates of Obligation, FmHA Series 1993 were issued in conjunction with an FmHA Grant of \$1,170,000 for the purpose of constructing a Wastewater Collections System. The obligations have an annual rate of interest of 5 1/8%, payable semi-annually on May 1 and November 1, with principle installments payable May 1 each year.

Since the City anticipates the Utility Fund (Water, Sewer and Garbage) will provide the annual debt service on the certificates of obligation, they are considered to be liabilities of the Utility Fund. The certificates of obligation are payable from a continuing ad valorem tax levied on all taxable property which may be reduced to the extent and by the amount of gross revenues of the City's Utility Fund on deposit in the interest and sinking fund in advance of the time when taxes are levied. Although the certificates are reported on the balance sheet of the Utility Fund, they are backed by the full faith credit of the City and are a contingent liability to the general government.

NOTE 8. LEASE PURCHASE OBLIGATION

On September 1, 1999, the City entered into a lease – purchase agreement to acquire land and a building to serve as a City Hall. The term of the lease is seven (7) years with the option to purchase the property at the end of the term. The lease calls for monthly installments of \$785.13, with a balloon payment in the eighty-fourth (84th) month of \$99,075. The effective rate of interest is 8% per annum.

The annual payments under the terms of the lease – purchase agreement, for the next five years are as follows:

CITY OF COTTONWOOD SHORES

Notes to the Financial Statements For the Year Ended September 30, 1999

NOTE 8. LEASE PURCHASE OBLIGATION(Continued)

<u>Year Ended</u> <u>September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 822	\$ 7,814	\$ 8,636
2001	968	8,453	9,421
2002	1,048	8,373	9,421
2003	1,135	8,286	9,421
2004	1,230	8,191	9,421
Thereafter	<u>101,725</u>	<u>16,785</u>	<u>118,510</u>
	<u>\$106,928</u>	<u>\$ 57,902</u>	<u>\$164,830</u>

NOTE 9. STATEMENT OF CASH FLOWS

The City has adopted the indirect method of reporting cash flows for its proprietary fund activity. For purpose of reporting cash flow, all highly liquid investments (excluding restricted assets) with a maturity date of three (3) months or less are considered to be cash equivalents.

NOTE 10. COMMITMENTS AND CONTINGENCIES

The City entered into a standard water sale contract for municipal uses with the Lower Colorado River Authority in January 1991 for a term of 25 years (through December 2015).

The City entered into a solid waste collection and disposal contract with Browning-Ferris Industries. The initial term of this contract was May 1, 1994, through April 30, 1997, with an automatic extension of the contract annually for three (3) additional years.

The City entered into a Wastewater Treatment Disposal contract in the Lake LBJ Municipal Utility District, effective November 10, 1993, for a term of forty (40) years and may be mutually extended by agreement of the parties.

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PROCLAMATION

OF "APRIL" AS FAIR HOUSING MONTH IN THE CITY OF COTTONWOOD SHORES, TEXAS

WHEREAS, Title VIII of the Civil Rights Act of 1968, the National Fair Housing Law, as amended, prohibits discrimination in housing and declares it a national policy to provide, within constitutional limits, for fair housing in the United States; and

WHEREAS, The principal of Fair Housing is not only national law and national policy, but a fundamental human concept and entitlement for all Americans; and

WHEREAS, The thirty-first anniversary of the National Fair Housing Law, during the month of April, provides an opportunity for all Americans to recognize that complete success in the goal of equal housing opportunity can only be accomplished with the help and cooperation of all Americans.

NOW, THEREFORE, WE the City Council of the City of Cottonwood Shores, Texas, do proclaim April as Fair Housing Month in the City of Cottonwood Shores and do hereby urge all the citizens of the locality to become aware of and support the Fair Housing Law.

IN WITNESS WHEREOF, I, Mayor for the City of Cottonwood Shores, Texas have affixed my signature and seal on this the 6th day of April, 2000.


Dale Pickens, Mayor

ATTEST:


Tena Collier, City Secretary





City of Cottonwood Shores

Chartered 1987

3915 Cottonwood Drive
Marble Falls, Texas 78654

830/ 693-3830

Fax 830/ 693-6436

Dale Pickens - Mayor

Tena Collier - City Secretary

AGENDA ITEM REQUEST

I hereby request the following subject to be placed on the Agenda for the next Regular Meeting of the City Commissioners of the City of Cottonwood Shores, Texas:

Date of next Regular Meeting: APRIL 20 - 7:00 P.M.

Subject to be addressed: 42-50 59-67 PLYWOOD
REZONING 18 LOTS ON HWY 2147 WEST

Informational Presentation: Yes No SPEAK ONLY

Requires Action by Commission: Yes No

Name(s) of requester: BILL RAINEY

Address: 207 MUIRFIELD MF

Phone No.: 693-4273

[Signature] 3-31-00
Requester Date

[Signature] 3-31-00 10:20
Received by City Employee Date Time a.m./p.m.

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