

# **Comprehensive Annual Financial Report**

of the

## **City of West Orange, Texas**

**Fiscal Year Ended  
September 30, 2007**



### **Officials Issuing Report**

**Roy C. McDonald  
Mayor**

**Theresa Van Meter  
City Secretary**



# CITY OF WEST ORANGE, TEXAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 2007

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# CITY OF WEST ORANGE, TEXAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 2007

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January 14, 2008

Honorable Members of the City Council  
City of West Orange, Texas

State law requires that all general-purpose local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (“GAAP”) and audited in accordance with U.S. generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, the comprehensive annual financial report of the City of West Orange, Texas (the “City”) for the fiscal year ended September 30, 2007, is hereby submitted.

The responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City's management. The report consists of management's representations concerning the finances of the City. To provide a reasonable basis for making these representations, the City has established a comprehensive internal control framework that is designed to protect the City's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the City's financial in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we believe the enclosed data to be accurate in all material respects and reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the City. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City's financial statements have been audited by **Sandersen Knox & Belt, L.L.P.**, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended September 30, 2007, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon on the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the year ended September 30, 2007, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The comprehensive annual financial report is presented in three sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the City's organizational chart, and a list of principal officials. The financial section includes a Management's Discussion and Analysis (MD&A), basic financial statements, other required supplementary information and combining and individual fund statements and schedules, as well as the auditors' report on the governmental activities, major fund, and the aggregate remaining fund information, as well as management's discussion and analysis, budgetary comparison information and combining and individual fund financial statements and

schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The MD&A is a narrative introduction, overview and analysis to accompany the basic financial statements. The letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of West Orange's MD&A can be found immediately following the report of our independent auditors.

In addition to the MD&A described above, this annual report includes government-wide financial statements, prepared using accrual accounting for all of our financial activities.

These government-wide financial statements will help users:

- Assess the finances of the government in its entirety, including the year's operating results
- Determine whether the government's overall financial position improved or deteriorated
- Evaluate whether the government's current-year revenues were sufficient to pay for current-year services
- See the cost of providing services to its citizenry
- See how the government finances its programs—through user fees and other program revenues versus general tax revenues
- Understand the extent to which the government has invested in capital assets, including streets, bridges, and other infrastructure assets
- Make better comparisons between governments.

## **PROFILE OF THE GOVERNMENT**

The City, incorporated in 1954, is located in the eastern part of the state, currently occupies a land area 3.2 square miles and serves a population of 3,983. The City is empowered to levy a property tax on both real and personal properties located within its boundaries. It also is empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by city council.

The City of West Orange has adopted a Mayor-Council form of government. The Council, vested with policy-making and legislative authority, is comprised of a Mayor and five Council members. The Mayor and Council members are all elected at large for a two-year term, with no term limits. The Mayor and two Council members are elected on one rotation (every odd year), and the three remaining Council members are on a separate rotation (elected in even years). City council is responsible, among other things, for passing ordinances, adopting the budget and the hiring of the City's management and attorney.

The City provides a full range of municipal services: public safety (police and fire protection), public improvements, sanitation, repair and maintenance of infrastructure, recreation and general administrative services. As an independent political subdivision of the State of Texas governed by an elected Mayor and Council, the City is considered a primary government. In accordance with standards established by the Governmental Accounting Standards Board, the City reports all funds and account groups for which the City, as the primary government, is accountable.

The annual budget serves as the foundation for the City's financial planning and control. Department heads are required to submit requests for appropriation to the mayor in June or July of each year. The mayor then presents the proposed budget to council for review. The council is required to hold a public hearing on the proposed final budget and to adopt a final budget by no later than September 30, the close of the City's fiscal year. The appropriated budget is prepared by fund, function (e.g. public safety) and

department (e.g. police). Department heads make transfers of appropriations within a department. Transfers of appropriations between departments, however, require the approval of council. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. The City has adopted a budget for the General Fund, but not the Special Revenue Funds. The City also utilizes an encumbrance accounting system to aid in accomplishing budgetary control. Unencumbered amounts lapse at year end. As demonstrated by the statements and schedules included in the financial section of this report, the City continues to meet its responsibility for sound financial management.

## **LOCAL ECONOMY**

The City of West Orange is home to a small group of industries. Major industries and business activities in the area include healthcare, metals, oil and gas services and a variety of general retail operations. The top two taxpayers account for approximately 27.4% of assessed valuation in the City.

The City is also a major retail trade area for building materials, general merchandise, food stores and restaurants.

Net taxable value for all residential and commercial property in the City was approximately \$102 million for fiscal year 2007, which is a slight increase from fiscal year 2006.

## **LONG-TERM FINANCIAL PLANNING**

Unreserved fund balance in the General Fund amounted to \$563,036 as of September 30, 2007. During fiscal year 2007, the City used a portion of fund balance to reconstruct the City's police and fire stations, which were destroyed during Hurricane Rita in September 2005. The City plans on continuing to build up fund balance in order to finance future capital projects as they arise.

## **ACCOUNTING SYSTEMS AND BUDGETING CONTROL**

### **Accounting Systems**

The City's accounting records for general governmental operations are maintained on a modified accrual basis with the revenues recorded when available and measurable and expenditures recorded when the services and goods are received and the liabilities are incurred. The City has no proprietary activities, which are maintained on the accrual basis.

Consideration of adequate internal accounting controls has been made in designing the City's accounting system. Internal accounting controls, instituted by the Mayor and Council as part of the accounting system, are designed to provide reasonable assurances that assets are properly safeguarded against loss from unauthorized use or disposition, that financial records used in preparation of the financial statements are reliable, and that accountability for the City's assets is maintained. The concept of reasonable assurance in relation to internal controls recognizes that the cost of a control process should not exceed the benefits derived from the performance of related procedures and that the City's management must make estimates and judgments in evaluating the cost and benefit relationships relating to internal control processes and procedures that become a part of the City's accounting system.

### **Budgetary Compliance**

Because budgetary compliance is significant in managing governmental activities, budgetary compliance controls are critical. The objective of these controls is to ensure compliance with legal spending limits in annual or project appropriated budgets approved by City Council. The City Charter provides that the City

Council shall adopt annual or project budgets every fiscal year for all City funds. The budgets are prepared and maintained by the city management.

The objective of budgetary controls is to ensure compliance with legal provisions contained in the annual appropriated budget approved by the City Council. Annual appropriated budgets are adopted for the general fund. The original budget is adopted by the City Council prior to the beginning of the fiscal year. Expenditures may not legally exceed budgeted appropriations at the department level. Expenditure requests, which would require an increase in total budgeted appropriations, must be approved by City Council through a formal budget amendment. At any time in the fiscal year, the Council may make emergency appropriations to meet a pressing need for public expenditure in order to protect the public health, safety, or welfare. The Council has the power to transfer any unencumbered funds allocated by the budget from one activity, function, or department, to another activity, function, or department, to re-estimate revenues and expenditures, and to amend the budget.

### **Budgetary Controls**

During the year, expenditure controls are maintained by each department with review of the budget provided by the Mayor and overall control exercised by the Mayor and Council. Constant review of revenue and expenditure estimates is performed to assure the integrity of the adopted budget and to assure funds are available to meet current obligations. As a result of this review, it is possible to exercise administrative budgetary controls throughout the year. As demonstrated by the financial statements presented in this report, the City continues to meet its responsibility for sound financial management.

## **FINANCIAL CONDITION**

### **Cash Management**

Cash temporarily idle during the year is deposited into various interest-bearing checking accounts. The average yield on these accounts was 4.5 percent for the City.

### **Debt Administration**

The ratio of net bonded debt to assessed valuation and the amount of bonded debt per capita are useful indicators of the City's debt position to municipal management, citizens and investors. At September 30, 2007, the City did not have any direct bonded debt.

### **Risk Management**

The City is exposed to a variety of accidental losses and has established a risk management strategy that attempts to minimize losses and the cost of insurance.

Risk control techniques have been established to reasonably assure that the City's employees are aware of their responsibilities regarding loss exposures related to their duties. In a similar manner, risk control techniques have been established to reduce possible losses to property owned or under the control of the City.

## **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2006. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.



In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial Reports must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. This was the tenth consecutive year that the City has received this prestigious award. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to the GFOA for its review.

In closing, without the dedication of the employees and the direction of the members of the City Council, preparation of this report would not have been possible. As Mayor, I want to express my sincere appreciation to our employees, who have continually demonstrated their professionalism and abilities in the management of the finance function. I also want to thank the Members of the City Council for their support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

Roy C. McDonald  
Mayor

**CITY OF WEST ORANGE, TEXAS**

**CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN  
FINANCIAL REPORTING**

**September 30, 2006 (Prior Fiscal Year)**

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

City of West Orange  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year ended  
September 30, 2006

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards of government accounting and financial reporting.



*Oliver S. Cox*

President

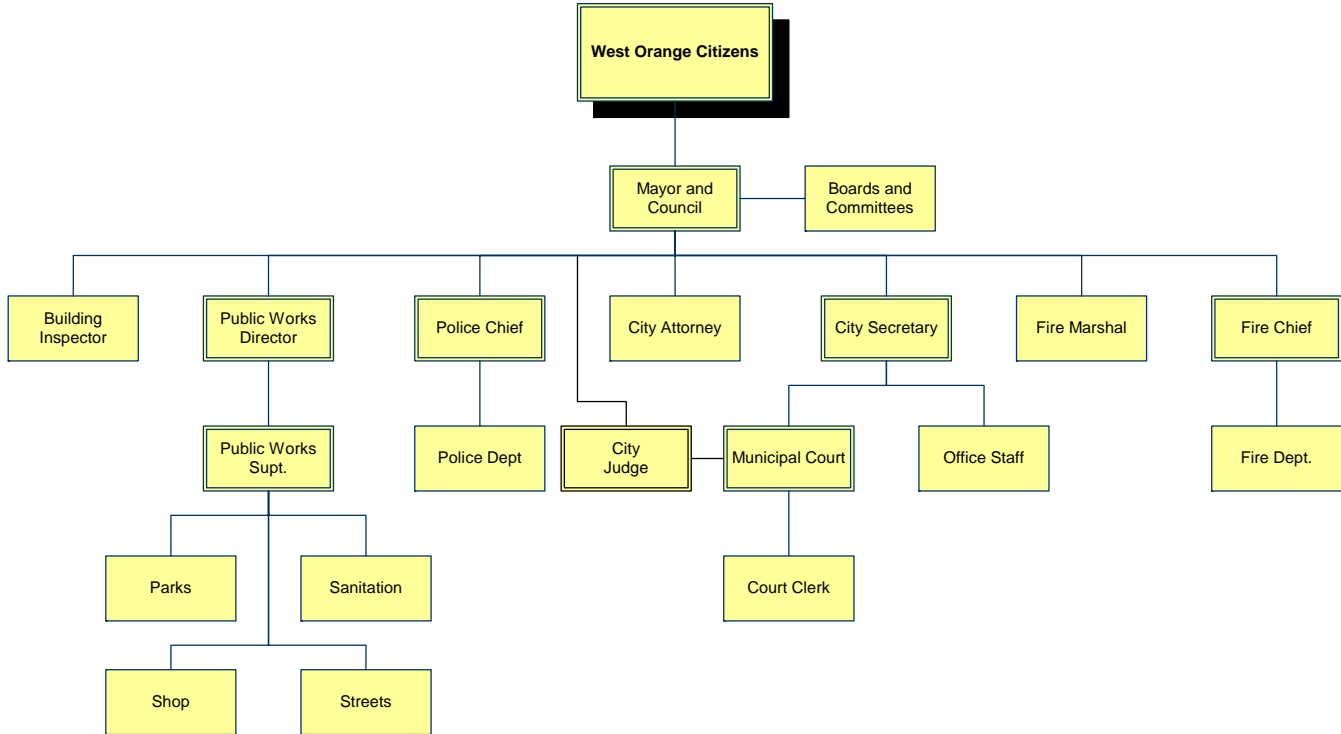
*Jeffrey R. Emery*

Executive Director

# CITY OF WEST ORANGE, TEXAS

## ORGANIZATIONAL CHART

Fiscal Year 2006-2007



# CITY OF WEST ORANGE, TEXAS

## PRINCIPAL OFFICIALS

September 30, 2007

<u>City Officials</u>	<u>Elective Position</u>	<u>Term Expires</u>
Roy C. McDonald	Mayor	2009
Shirley Bonnin	Council Member (Mayor Pro Tem)	2008
Dale Dardeau	Council Member	2008
Frances Droddy	Council Member	2009
Charles Winter	Council Member	2009
Mike Shugart	Council Member	2008

<u>Key Staff</u>	<u>Position</u>
Theresa Van Meter	City Secretary *
Joe D. Alford	City Attorney *
Michael S. Stelly	Police Chief *
Randy Veitch	Fire Chief *
Ralph "Gene" Roberts	City Judge *
Dean Fuller	Fire Marshal/Building Inspector *
Ron Garrison	Director of Public Works *

\* - City Council Appointive Position

## **FINANCIAL SECTION**

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## **Independent Auditors' Report**

To the Honorable Mayor and  
Members of the City Council  
City of West Orange, Texas

We have audited the accompanying financial statements of the governmental activities, major fund and the aggregate remaining fund information of the City of West Orange, Texas, as of September 30, 2007, and for the year then ended, which collectively comprise the City's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the City of West Orange, Texas, management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, major fund and the aggregate remaining fund information of the City of West Orange, Texas, as of September 30, 2007, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The management's discussion and analysis and other required supplementary information on pages 5 through 11 and 36 through 38, respectively, are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods and measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was made for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements of the City of West Orange, Texas, as listed in the table of contents. The introductory section, other supplementary information, and statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining statements and schedules within the other supplementary information have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, are fairly presented in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

A handwritten signature in black ink, appearing to read "Sugar Land, Texas". The signature is stylized and cursive.

Sugar Land, Texas  
January 14, 2008



## Management's Discussion and Analysis

As management of West Orange, Texas (the City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended September 30, 2007.

### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$4,902,083 (net assets).
- As of September 30, 2007, the City's governmental funds reported an ending fund balance of \$629,735.
- The City's cash balance at September 30, 2007 was \$518,243, representing a decrease of \$715,840 from September 30, 2006.
- The City had expenses net of program revenue of \$2,151,342 and general revenues of \$2,054,706, resulting in a net decrease in net assets of \$96,636 for the year ended September 30, 2007.
- At the end of the fiscal year, unreserved and undesignated fund balance for the General Fund was \$563,036, or 15.6 percent of total General Fund expenditures.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

### **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., depreciation and earned but unused vacation leave).

The government-wide financial statements present functions of the City that are provided from funding sources (governmental activities). The government-wide financial statements can be found on pages 15-17 of this report.

### **FUND FINANCIAL STATEMENTS**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses

fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City consist solely of governmental funds (the General Fund and Special Revenue Funds).

**Governmental Funds** - Governmental funds are used to account for essentially the same function reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide an adjustments column to facilitate this comparison between the governmental funds and *governmental activities*. The basic governmental fund financial statements can be found on pages 18-21 of this report.

## **NOTES TO THE FINANCIAL STATEMENTS**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 23 through 33 of this report.

## **OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's General Fund budget and the City's progress in funding its obligation to provide pension benefits to its employees. Required supplementary information can be found on pages 36-38 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$4,902,083 as of September 30, 2007.

The largest portion of the City's net assets (90.0 percent) reflects its investment in capital assets (e.g. land, buildings, vehicles, furniture and equipment), less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to the individuals we serve; consequently, these assets are not available for future spending.

Additionally, a portion of the City's net assets (8.6 percent) represents unrestricted financial resources available for future operations.

**SUMMARY OF STATEMENT OF NET ASSETS**  
**As of September 30, 2007 and 2006**

	<b>Governmental Activities</b>	
	<u>2007</u>	<u>2006</u>
Current and other assets	\$ 688,045	\$ 1,393,582
Capital assets, net	4,412,386	3,835,002
<b>Total Assets</b>	<u>5,100,431</u>	<u>5,228,584</u>
Long-term liabilities	171,570	182,961
Other liabilities	26,778	46,904
<b>Total Liabilities</b>	<u>198,348</u>	<u>229,865</u>
Net Assets:		
Invested in capital assets, net of debt	4,412,386	3,807,713
Restricted	66,699	54,394
Unrestricted	422,998	1,136,612
<b>Total Net Assets</b>	<u>\$ 4,902,083</u>	<u>\$ 4,998,719</u>

Net assets of the City, all of which relate to governmental activities, decreased by \$96,636. Key elements of the decrease are as follows:

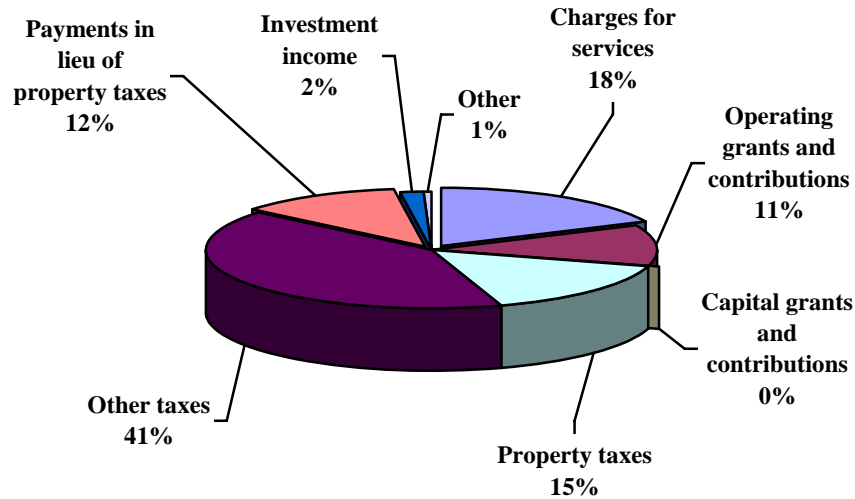
**CHANGES IN NET ASSETS**  
**For the Fiscal Years Ended September 30, 2007 and 2006**

	<b>Governmental Activities</b>	
	<b>2007</b>	<b>2006</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 527,316	\$ 496,156
Operating grants and contributions	328,547	263,763
Capital grants and contributions	4,664	278,578
General revenues:		
Property taxes, penalties and interest	447,726	443,488
Other taxes	1,201,385	1,207,680
Payments in lieu of property taxes	343,689	331,480
Investment income	44,104	57,554
Other	17,802	
<b>Total Revenues</b>	<b>2,915,233</b>	<b>3,078,699</b>
<b>Expenses</b>		
General government	449,332	654,920
Public safety	938,344	937,934
Public works	1,623,646	950,714
Interest on long-term debt	547	544
<b>Total Expenses</b>	<b>3,011,869</b>	<b>2,544,112</b>
<b>Change in Net Assets</b>	<b>(96,636)</b>	<b>534,587</b>
Net assets, beginning	4,998,719	4,464,132
<b>Net Assets, Ending</b>	<b>\$ 4,902,083</b>	<b>\$ 4,998,719</b>

This decrease is primarily a result of a decrease, from the previous fiscal year, in insurance proceeds and FEMA monies received in connection with Hurricane Rita relief efforts, which began in 2005.

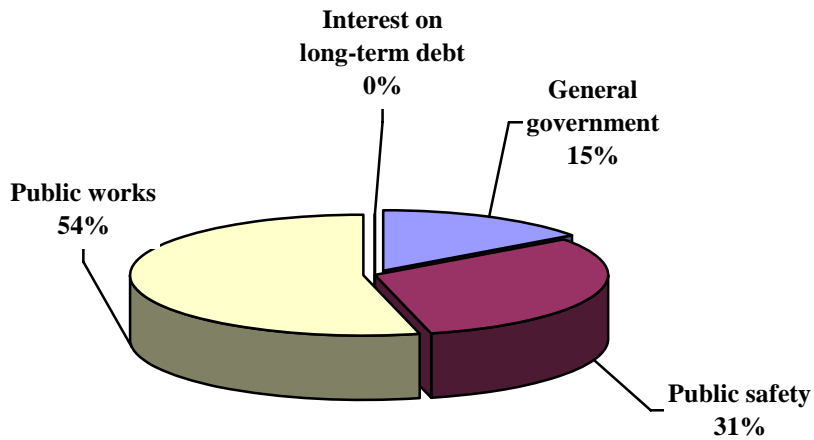
Graphic presentations of selected data from the changes in net assets table follow to assist in the analysis of the City's activities.

### GOVERNMENTAL REVENUES



For the fiscal year ended September 30, 2007 revenue from governmental activities totaled \$2,915,233.

### GOVERNMENTAL FUNCTIONAL EXPENSES



For the fiscal year ended September 30, 2007 expense from governmental activities totaled \$3,011,869, the largest portions of which related to public works (54%) and public safety (31%).

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As previously noted, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The City's governmental funds are discussed below:

**Governmental Funds** - The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, fund balances may serve as a useful measure of a government's net resources available for spending for program purposes at the end of the fiscal year.

As of September 30, 2007, the City's governmental funds, which consist of a general fund and special revenues funds, reported an ending fund balance of \$629,735, which is a decrease of \$689,111 from last year's total of \$1,318,846. The General Fund, the City's main operating fund, had an ending fund balance of \$563,036, a \$701,416 decrease from the prior year. The decrease was mainly due to a decrease, from the previous fiscal year, in insurance proceeds and intergovernmental revenue received in conjunction with Hurricane Rita relief efforts, which began in 2005. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 15.6 percent of total general fund expenditures. The Special Revenue funds reported an ending fund balance of \$66,699, all of which is reserved for public safety.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** - The City's investment in capital assets as of September 30, 2007 amounts to \$4,412,386 (net of accumulated depreciation). This investment in capital assets includes land, buildings, machinery and equipment, infrastructure, and construction in progress.

### **CAPITAL ASSETS SCHEDULE**

	<b>Governmental Activities</b>	
	<b>2007</b>	<b>2006</b>
Land	\$ 633,111	\$ 554,011
Buildings	1,517,444	944,244
Machinery and equipment	1,249,153	1,113,786
Infrastructure	4,798,303	4,453,303
Construction in progress		426,385
Less: accumulated depreciation	<u>(3,785,625)</u>	<u>(3,656,727)</u>
<b>Total Capital Assets, Net</b>	<b><u>\$ 4,412,386</u></b>	<b><u>\$ 3,835,002</u></b>

Additional information on the City's capital assets can found in Note 6 in the notes to financial statements.

## **LONG-TERM DEBT**

As of September 30, 2007, the City's long-term debt consists solely of compensated absences, which amounted to \$190,633.

Additional information on the City's long-term debt can be found in Note 7 in the notes to the financial statements.

## **ECONOMIC FACTORS**

- Unreserved fund balance in the General Fund decreased to \$563,036. However, it is intended that the use of available fund balance will avoid the need to raise taxes during the 2008 fiscal year.

## **REQUESTS FOR INFORMATION**

The financial report is designed to provide a general overview of West Orange, Texas' finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to West Orange, Texas: Roy C. McDonald, Mayor, 2700 Western Avenue, West Orange, Texas 77630.

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## **BASIC FINANCIAL STATEMENTS**

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**CITY OF WEST ORANGE, TEXAS**

Exhibit A-1

**STATEMENT OF NET ASSETS**

**September 30, 2007**

	<b><u>Governmental Activities</u></b>
<b><u>Assets</u></b>	
Cash and cash equivalents	\$ 518,243
Receivables	169,056
Prepaid expenses	746
Capital assets:	
Land	633,111
Buildings	1,127,486
Machinery and equipment	390,116
Infrastructure	2,261,673
<b>Total Assets</b>	<b><u>5,100,431</u></b>
<b><u>Liabilities</u></b>	
Accounts payable and other current liabilities	7,715
Noncurrent liabilities:	
Due within one year	19,063
Due in more than one year	171,570
<b>Total Liabilities</b>	<b><u>198,348</u></b>
<b><u>Net Assets</u></b>	
Invested in capital assets, net of related debt	4,412,386
Restricted for:	
Public safety	66,699
Unrestricted	422,998
<b>Total Net Assets</b>	<b><u>\$ 4,902,083</u></b>

See Notes to Financial Statements.

**CITY OF WEST ORANGE, TEXAS**

**STATEMENT OF ACTIVITIES**

**For the Year Ended September 30, 2007**

<b>Functions/Programs</b>	<b><u>Expenses</u></b>	<b><u>Program</u></b>
		<b><u>Charges for</u></b>
		<b><u>Services</u></b>
<b>Governmental Activities:</b>		
General government	\$ 449,332	\$ 12,065
Public safety	938,344	197,240
Public works	1,623,646	318,011
Interest and fiscal agent fees on long term debt	547	
<b>Total Governmental Activities</b>	<b><u>\$ 3,011,869</u></b>	<b><u>\$ 527,316</u></b>
<b>General Revenues:</b>		
Property taxes		
Sales taxes		
Road maintenance taxes		
Franchise taxes		
Payments in lieu of property taxes		
Investment income		
Other		
<b>Total General Revenues</b>		
<b>Change in Net Assets</b>		
Net Assets - beginning		
<b>Net Assets - Ending</b>		

See Notes to Financial Statements.

<b>Revenues</b>		<b>Net (Expense) Revenue and Change in Net Assets</b>	
<b>Operating Grants and Contributions</b>	<b>Capital Grants and Contributions</b>	<b>Governmental Activities (Total)</b>	
\$ 116,766	\$ 4,664	\$	(315,837)
			(741,104)
211,781			(1,093,854)
			(547)
<u>\$ 328,547</u>	<u>\$ 4,664</u>	<u>\$</u>	<u>(2,151,342)</u>
			447,726
			822,615
			202,624
			176,146
			343,689
			44,104
			17,802
			<u>2,054,706</u>
			(96,636)
			<u>4,998,719</u>
		<u>\$</u>	<u>4,902,083</u>

**CITY OF WEST ORANGE, TEXAS**

Exhibit A-3

**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**

**September 30, 2007**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 451,544	\$ 66,699	\$ 518,243
Receivables:			
Taxes	130,791		130,791
Accounts	38,265		38,265
Prepaid items	746		746
<b>Total Assets</b>	<b><u>\$ 621,346</u></b>	<b><u>\$ 66,699</u></b>	<b><u>\$ 688,045</u></b>
<b><u>Liabilities and Fund Balances</u></b>			
<b><u>Liabilities</u></b>			
Accounts payable and accrued liabilities	\$ 7,715	\$	\$ 7,715
Deferred revenue	50,595		50,595
<b>Total Liabilities</b>	<b><u>58,310</u></b>		<b><u>58,310</u></b>
<b><u>Fund Balances</u></b>			
Fund Balances:			
Reserved for public safety		66,699	66,699
Unreserved	563,036		563,036
<b>Total Fund Balances</b>	<b><u>563,036</u></b>	<b><u>66,699</u></b>	<b><u>629,735</u></b>
<b>Total Liabilities and     Fund Balances</b>	<b><u>\$ 621,346</u></b>	<b><u>\$ 66,699</u></b>	
Amounts reported for governmental activities in the statement of net assets are different because:			
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.			4,412,386
Long-term liabilities, including accrued compensated absences (\$190,633) are not due and payable in the current period and are therefore not reported in the funds.			(190,633)
Revenues that do not provide current financial resources are reported as deferred in the funds.			<u>50,595</u>
<b>Net Assets of Governmental Activities</b>			<b><u>\$ 4,902,083</u></b>

**CITY OF WEST ORANGE, TEXAS**

Exhibit A-4

**STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE  
GOVERNMENTAL FUNDS**

**For the Year Ended September 30, 2007**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>			
Taxes	\$ 1,993,381	\$	\$ 1,993,381
Licenses and permits	12,065		12,065
Fines and forfeitures	178,229	8,596	186,825
Fees and charges for services	328,426		328,426
Intergovernmental	216,445	1,247	217,692
Investment earnings	41,642	2,462	44,104
Other	133,321		133,321
<b>Total Revenues</b>	<u>2,903,509</u>	<u>12,305</u>	<u>2,915,814</u>
<b><u>Expenditures</u></b>			
<b>Current:</b>			
General government	425,863		425,863
Public safety	1,649,768		1,649,768
Public works	1,498,318		1,498,318
Non-departmental-other	3,140		3,140
<b>Debt Service:</b>			
Principal retirement	27,289		27,289
Interest and fiscal charges	547		547
<b>Total Expenditures</b>	<u>3,604,925</u>	<u></u>	<u>3,604,925</u>
<b>Net Change in Fund Balance</b>	(701,416)	12,305	(689,111)
Fund balances - Beginning	<u>1,264,452</u>	<u>54,394</u>	<u>1,318,846</u>
<b>Fund Balances - Ending</b>	<u>\$ 563,036</u>	<u>\$ 66,699</u>	<u>\$ 629,735</u>

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**CITY OF WEST ORANGE, TEXAS**

Exhibit A-5

**RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES**

**For the Year Ended September 30, 2007**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ (689,111)
Repayment of note principal is reported as an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.	27,289
Governmental funds report capital outlays as expenditures. However in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (\$824,410) exceeded depreciation (\$247,026) in the current period.	577,384
Revenues in the statement of activities that do not provide current financial resources are not reported as revenue in the funds. This adjustment reflects the net change in property taxes receivable on the accrual basis of accounting.	(581)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This adjustment reflects the net change in accrued compensated absences.	<u>(11,617)</u>
<b>Change in Net Assets of Governmental Activities</b>	<b><u><u>\$ (96,636)</u></u></b>

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# **CITY OF WEST ORANGE, TEXAS**

Exhibit A-6

## **NOTES TO FINANCIAL STATEMENTS**

### **NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of West Orange, Texas (the City), was incorporated on August 10, 1954, under the provisions of Title 28 of the Revised Civil Statutes of Texas, 1925. On May 19, 1956, the City adopted a Home Rule Charter. The City now operates under a mayor-council form of government.

The City Council is the principal legislative body of the City. The Mayor presides at meetings of the City Council.

The City provides the following services: public safety to include police and fire, highways and streets, sanitation, recreation, public improvements, and general administration.

#### **A. Reporting Entity**

The City is an independent political subdivision of the State of Texas governed by an elected council and a mayor and is considered a primary government. As required by generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations or functions as part of the City's financial reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the City's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the City is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the City's financial reporting entity status is that of a primary government are that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

#### **B. Financial Statement Presentation**

These financial statements include implementation of Governmental Accounting Standards Board (GASB) Statement No. 34 – Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments.

Certain of the significant changes in the Statement include the following:

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and changes in financial position.
- Government-wide financial statements prepared using the accrual basis of accounting for all of the City's governmental and business type activities.

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

- Fund financial statements focusing on the major funds.

Statement No. 34 established standards for external financial reporting for all state and local governmental entities, which includes a statement of net assets and a statement of activities. It requires the reclassification of net assets into three components-invested in capital assets, net of related debt; restricted; and unrestricted. These classifications are defined as follows:

- Invested in capital assets, net of related debt – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – This component of net assets consists of constraints placed on net asset use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulation of other governments or constraints imposed by law through contractual provisions or enabling legislation.
- Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

### **C. Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information about the City as a whole. For the most part, the effect of interfund activity has been removed from these statements. Direct expenses are not eliminated from the various functional categories in the process of consolidation.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements or a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

### **D. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Property taxes, franchise taxes, license, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. All other revenue items are considered to be measurable and available only when the cash is received by the government.

The government reports the following major governmental fund:

### **General Fund**

The General Fund accounts for the resources used to finance the fundamental operations of the City. The principal sources of revenue of the General Fund are property taxes, sales and use taxes, franchise taxes, fines and forfeitures, permits and fees, and sanitation. Expenditures are for general government, public safety and public works.

### **E. Encumbrances**

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed in the governmental funds. No encumbrances were outstanding at year-end.

### **F. Cash and Cash Equivalents**

Cash and cash equivalents include cash and temporary investments that are generally available for the City's disbursement needs and have a maturity of three months or less from the date of acquisition.

### **G. Receivables**

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

### **H. Inventories**

Inventories are stated at cost. The City uses the FIFO method of accounting for inventories. Inventories consist of expendable supplies held for consumption, and the cost thereof is recorded as an expense/expenditure at the time the inventory items are issued (consumption method). No inventory was on hand at year-end.

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

### **I. Interfund Receivables and Payables**

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are, for the most part, eliminated from the government-wide Statement of Net Assets and are classified as "due from other funds" or "due to other funds" in the fund financial statements.

### **J. Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure items, are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Infrastructure is not held to the \$5,000 limit; all infrastructure is capitalized regardless of cost. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects as constructed.

Property, plant, and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<b><u>Asset Description</u></b>	<b><u>Estimated Useful Life</u></b>
Buildings	31.5 years
Building improvements	31.5 years
Public domain infrastructure	40 years
System infrastructure	40 years
Vehicles	7 years
Machinery and equipment	7 years
Computer equipment	7 years

### **K. Compensated Employee Absences**

The City's employees earn vacation and sick leave which may either be taken or accumulated, up to certain amounts, until paid upon termination or retirement. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

The City accrues vacation and sick leave based on criteria established by the Governmental Accounting Standards Board. For all funds, this liability reflects amounts attributable to cumulative employee services previously rendered, where the payment is probable and can be reasonably estimated.

# CITY OF WEST ORANGE, TEXAS

Exhibit A-6

## NOTES TO FINANCIAL STATEMENTS

### **L. Fund Equity**

Reserved equity balances represent those portions of fund balance not appropriate for expenditure or legally segregated for a specific future use. Unreserved fund balances represent available balances for the City's future use.

### **M. Reclassifications**

Certain reclassifications to prior year balances have been made to conform to current year presentation. Such reclassifications have had no effect on the excess of revenues over expenditures.

### **N. Estimates**

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

## **NOTE 2 - DEPOSITS**

The City's funds are required to be deposited and invested under the terms of a depository contract pursuant to state statutes. The depository bank deposits, for safekeeping and trust with the City's agent bank, approved pledged securities in an amount sufficient to protect City funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") Insurance.

### **Cash and Cash Equivalents**

The City's cash and cash equivalents consist of cash on hand and demand deposits. The City's cash and cash equivalents at September 30, 2007, are shown below.

	<b><u>Carrying Amount</u></b>	<b><u>Fair Value</u></b>
Cash	\$ 518,243	\$ 518,243
<b>Total Cash and Cash Equivalents</b>	<b>\$ 518,243</b>	<b>\$ 518,243</b>

### **Custodial Credit Risk - Deposits**

For deposits, this is the risk that in the event of bank failure, the City's deposits may not be returned to it. The City does not have a deposit policy for custodial credit risk. Collateral is required for all bank deposits at 100% of deposits not covered by federal depository insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. Collateral pledged to cover the City's deposits is required to be held in the City's name by the trust department of a bank other than the pledging bank (the City's agent).

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

Collateral securities must bear a Baa-1 or better rating to qualify for use in securing uninsured depository balances. Deposits at year-end are representative of the types of deposits maintained by the City during the year.

The City's cash deposits, at September 30, 2007, were entirely guaranteed by FDIC insurance or by pledged collateral held by the City's agent bank. The deposits were collateralized in accordance with state law and were properly secured throughout the year.

### **NOTE 3 - PROPERTY TAXES**

The City's property taxes are levied annually in October on the basis of the Appraisal District's assessed values as of January 1 of that calendar year. Appraised values are established by the Appraisal District at market value and assessed at 100% of appraised value. The City's property taxes are billed and collected by the Orange County Tax Assessor/Collector. Such taxes are applicable to the fiscal year in which they are levied and become delinquent with an enforceable lien on property on February 1 of the subsequent calendar year.

Property taxes are levied for operations and based on rates adopted for the year of the levy. For the current year, the City levied property taxes of \$0.42939 per \$100 of assessed valuation. The resulting adjusted tax levy was \$437,003 for operations on the total adjusted taxable valuation of \$101,772,890 for the 2006 tax year.

Property taxes receivable, at September 30, 2007, consists of the following:

<b><u>Tax Year</u></b>	<b><u>General Fund</u></b>
2006	\$ 16,371
2005	9,850
2004	7,607
2003	5,699
2002	4,116
2001 and prior	16,465
	<b><u>\$ 60,108</u></b>



# CITY OF WEST ORANGE, TEXAS

Exhibit A-6

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4 - RECEIVABLES

Receivables as of year-end for the government's individual major and nonmajor funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Total</u>
Receivables:		
Taxes	\$ 140,304	\$ 140,304
Accounts	38,265	38,265
Gross receivables	178,569	178,569
Less: allowance for uncollectibles	(9,513)	(9,513)
<b>Net Total Receivables</b>	<u>\$ 169,056</u>	<u>\$ 169,056</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable - general fund	<u>\$ 50,595</u>	<u>\$</u>

# CITY OF WEST ORANGE, TEXAS

Exhibit A-6

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5 – CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended September 30, 2007:

	<b>Balance Oct. 1, 2006</b>	<b>Increases</b>	<b>(Decreases)</b>	<b>Balance Sept. 30, 2007</b>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 554,011	\$ 79,100	\$	\$ 633,111
Construction in progress	426,385		(426,385)	
Total capital assets not being depreciated	980,396	79,100	(426,385)	633,111
Capital assets being depreciated:				
Buildings	944,244	573,201		1,517,445
Machinery and equipment	1,113,786	253,510	(118,128)	1,249,168
Infrastructure	4,453,303	344,984		4,798,287
Total capital assets being depreciated	6,511,333	1,171,695	(118,128)	7,564,900
Less accumulated depreciation for:				
Buildings	(352,789)	(37,170)		(389,959)
Machinery and equipment	(882,969)	(94,211)	118,128	(859,052)
Infrastructure	(2,420,969)	(115,645)		(2,536,614)
Total accumulated depreciation	(3,656,727)	(247,026)	118,128	(3,785,625)
Total capital assets being depreciated, net	2,854,606	924,669		3,779,275
Governmental activities capital assets, net	\$ 3,835,002	\$ 1,003,769	\$ (426,385)	\$ 4,412,386

Depreciation was charged to functions of the primary government as follows:

<b>Governmental Activities:</b>	
General government	\$ 37,924
Public safety	61,759
Public works	147,343
<b>Total Depreciation Expense-Governmental Activities</b>	<b>\$ 247,026</b>

The City does not have any construction-in-progress as of September 30, 2007.

# CITY OF WEST ORANGE, TEXAS

Exhibit A-6

## NOTES TO FINANCIAL STATEMENTS

### NOTE 6 - LONG-TERM DEBT

#### Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2007, was as follows:

	<u>Balance</u> <u>Oct. 1, 2006</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Sept. 30, 2007</u>	<u>Due within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Capital leases	27,289		(27,289)		
Compensated absences	179,016	11,617		190,633	19,063
<b>Total</b>	<u>\$ 206,305</u>	<u>\$ 11,617</u>	<u>\$ (27,289)</u>	<u>\$ 190,633</u>	<u>\$ 19,063</u>

For governmental activities, compensated absences are generally liquidated by the General Fund.

#### Capital Lease Obligations

During the current fiscal year, the City paid off its capital lease obligation.

### NOTE 7 – EMPLOYEE RETIREMENT SYSTEM

#### Texas Municipal Retirement System

##### Plan Description

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 821 administered by TMRS, an agent multiple-employer public employee retirement system.

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 a percent (100%, 150%, or 200%) of the 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 which, 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 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.

Members can retire at ages 60 and above with ten or more years of service or with 20 years of service regardless of age. A member is vested after ten years. The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS and within the actuarial constraints also in the statutes.

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

### **Contributions**

The contribution rate for the employees is 7%, and the City matching ratio is currently two to one, both as adopted by the governing body of the City. Under the state law governing TMRS, the actuary annually determines the City contribution rate. This rate consists of the normal cost contribution rate and the prior service contribution rate, both of which are calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the currently accruing monetary credits due to the City matching percent, which are the obligation of the City as of an employee's retirement date, not at the time the employee's contributions are made. The normal cost contribution rate is the actuarially determined percent of payroll necessary to satisfy the obligation of the City to each employee at the time his/her retirement becomes effective. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 25-year amortization period. When the City periodically adopts updated service credits and increases its annuities in effect, the increased unfunded actuarial liability is to be amortized over a new 25-year period. The unit credit actuarial cost method is used for determining the City contribution rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that is the basis for the rate and the calendar year when the rate goes into effect.

The City's total contributions were \$163,351 for the fiscal year ended September 30, 2007 and were equal to the required contributions for the year.

Three-year trend information is presented below:

	<u>2007</u>	<u>2006</u>	<u>2005</u>
Annual Pension Cost (APC)	\$ 163,351	\$ 163,353	\$ 131,089
Percentage of APC Contributed	100%	100%	100%
NPO at the End of Period	\$ 0	\$ 0	\$ 0

Because the actuary determines contribution rates on an annual basis and the City pays the calculated rate each month, the City will always have a net pension obligation (NPO) of zero at the beginning and end of the period, and the annually required contributions (ARC) will always equal contributions made.

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

All assumptions for the December 31, 2006 valuations are contained in the 2006 TMRS Comprehensive Annual Financial Report, a copy of which may be obtained by writing to P.O. Box 149153, Austin, Texas 78714-9153. Actuarial assumptions of the plan follow:

Actuarial Cost Method	Unit Credit
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	25 Years – Open Period
Asset Valuation Method	Amortized Cost
Investment Rate of Return	7%
Projected Salary Increases	None
Includes Inflation At	3.5%
Cost-of-Living Adjustments	None

### **NOTE 8 – DEFERRED COMPENSATION PLAN**

The City maintains, for its employees, a tax-deferred compensation plan meeting the requirements of Internal Revenue Code Section 457. The plan was established in September 1996 by City Ordinance, and Nationwide Retirement Solutions was appointed as plan administrator. The deferred compensation is not available to employees until termination, retirement, death, or unforeseen emergency. The plan's trust arrangements are established to protect deferred compensation amounts of employees under the plan from any other use other than intended under the plan (eventual payment to employees deferring the compensation) in accordance with federal tax laws. Amounts of compensation deferred by employees under plan provisions are disbursed monthly by the City to a third party administrator. The third party administrator handles all funds in the plan and makes investment decisions and disburses funds to employees in accordance with plan provisions.

### **NOTE 9 – RESERVED FUND BALANCE**

Fund balance in the Special Revenue Fund of \$66,699 is reserved for the police department and designated grants.

### **NOTE 10 – RISK MANAGEMENT**

The City is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs. The City has not significantly reduced insurance coverage or had settlements, which exceeded coverage amounts for the past three fiscal years.

The City had no material unpaid claims liabilities at the end of the current or prior year.

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**REQUIRED SUPPLEMENTARY INFORMATION**  
**OTHER THAN MANAGEMENT'S**  
**DISCUSSION AND ANALYSIS (UNAUDITED)**

**CITY OF WEST ORANGE, TEXAS**

Exhibit B-1

**SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL  
GENERAL FUND**

**Year Ended September 30, 2007**

	Budgeted Amounts		Actual	Variance from Final Over (Under)
	Original	Final		
<b><u>Revenues</u></b>				
Taxes	\$ 1,911,316	\$ 1,911,316	\$ 1,993,381	\$ 82,065
Intergovernmental	5,800	5,800	216,445	210,645
Licenses and permits	10,150	10,150	12,065	1,915
Fines and forfeitures	222,175	222,175	178,229	(43,946)
Fees and charges for services	245,000	245,000	328,426	83,426
Investment earnings	40,000	40,000	41,642	1,642
Other	5,300	5,300	133,321	128,021
<b>Total Revenues</b>	<b>2,439,741</b>	<b>2,439,741</b>	<b>2,903,509</b>	<b>463,768</b>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	485,840	485,840	424,070	61,770
Public safety	1,930,381	1,930,381	1,649,768	280,613
Public works	1,068,057	1,119,057	1,498,318	(379,261)
Non-departmental-improvements	5,000	5,000	3,140	1,860
<b>Debt Service:</b>				
Principal retirement	115,000	115,000	29,082	85,918
Interest and fiscal charges	24,848	24,848	547	24,301
<b>Total Expenditures</b>	<b>3,629,126</b>	<b>3,680,126</b>	<b>3,604,925</b>	<b>75,201</b>
<b>(Deficiency) of Revenues (Under) Expenditures</b>	<b>(1,189,385)</b>	<b>(1,240,385)</b>	<b>(701,416)</b>	<b>538,969</b>
<b><u>Other Financing Sources</u></b>				
Issuance of debt	500,000	500,000		(500,000)
<b>Total Other Financing Sources</b>	<b>500,000</b>	<b>500,000</b>		<b>(500,000)</b>
<b>Net Change in Fund Balance</b>	<b>(689,385)</b>	<b>(740,385)</b>	<b>(701,416)</b>	<b>38,969</b>
Fund balances - Beginning	1,264,452	1,264,452	1,264,452	
<b>Fund Balances - Ending</b>	<b>\$ 575,067</b>	<b>\$ 524,067</b>	<b>\$ 563,036</b>	<b>\$ 38,969</b>



# **CITY OF WEST ORANGE, TEXAS**

Exhibit B-2

## **NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

### **A. Budgets and Budgetary Accounting**

An annual appropriated budget is adopted for the General Fund on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end. Project length budgets are adopted for the Special Revenue Funds.

Expenditures may not legally exceed budgeted appropriations at the department level. Expenditure requests, which would require an increase in total budgeted appropriations, must be approved by City Council through a formal budget amendment. At any time in the fiscal year, the Council may make emergency appropriations to meet a pressing need for public expenditure in order to protect the public health, safety, or welfare. The Council has the power to transfer any unencumbered funds allocated by the budget from one activity, function, or department, to another activity, function, or department, to re-estimate revenues and expenditures, and to amend the budget. Management has the authority to transfer available funds allocated by the budget from one function or activity to another function or activity within the same department.

In cooperation with the department heads of the City, the Mayor prepares an annual budget for the General Fund for the ensuing fiscal year, in a form and style as deemed desirable by Council. The budget, as adopted, must set forth the appropriations for services, functions, and activities of the various City departments and agencies, and shall meet all fund requirements provided by law and required by applicable bond covenants.

### **B. Excess of Expenditures over Appropriations**

For the year ended September, 30, 2007, expenditures exceeded appropriations in the Fire Marshal, Sanitation and Street departments (the legal level of budgetary control) of the General Fund by \$6,038, \$108,008 and \$277,082, respectively. These overexpenditures were funded by available fund balance. Fire Marshal expenditures exceeded appropriations mainly due to code enforcement of hurricane related costs. Overexpenditures in the Sanitation department can be attributed to additional tipping fees due to hurricane debris disposal and equipment repair due to extreme use following the unavoidable situation left by a catastrophic storm. Lastly, Street department expenditures exceeded appropriations mainly due to the fact that current year street repairs were paid with funds that were collected in the previous fiscal year through street maintenance tax collections.

# CITY OF WEST ORANGE, TEXAS

Exhibit B-3

## TEXAS MUNICIPAL RETIREMENT SYSTEM - SCHEDULE OF FUNDING PROGRESS (UNAUDITED)

The City's annual covered payroll and pension costs are actuarially valued on a calendar year basis. Because the City makes all the annually required contributions, no net pension obligation (NPO) exists. The information presented below represents the City's Schedule of Funding Progress.

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Plan Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Percentage Funded</u>	<u>Unfunded AAL (UAAL)</u>	<u>Annual Covered Payroll</u>	<u>UAAL As A Percentage of Covered Payroll</u>
12/31/02	\$ 1,679,783	\$ 2,390,871	70.3%	\$ 711,088	\$ 862,414	82.5%
12/31/03	1,957,078	2,849,445	68.7%	892,367	898,469	99.3%
12/31/04	2,217,822	3,205,590	69.2%	987,768	844,235	117.0%
12/31/05	2,187,550	3,260,252	67.1%	1,072,702	926,416	115.8%
12/31/06	2,456,598	3,566,620	68.9%	1,110,022	1,005,204	110.4%

**COMBINING AND INDIVIDUAL FUND**  
**STATEMENTS AND SCHEDULES**

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**NON-MAJOR GOVERNMENTAL FUNDS**  
**SPECIAL REVENUE FUNDS**

These funds are used to account for specific revenues that are legally restricted for particular purposes.

**Police-Public Safety Fund** - This fund is used to account for amounts received through fines and fees when Department of Public Safety officers issue traffic citations within the city limits. The proceeds are used for unbudgeted police expenditures.

**Police-Seizure and Forfeiture Fund** - This fund accounts for amounts received from police forfeiture revenues, with the proceeds used for unbudgeted police expenditures.

**Police-State Education Fund** - This fund accounts for funds received from the State, based on the number of officers employed, and are designated to be used for law enforcement education.

**Police-Federal Asset Forfeiture Fund** - This fund accounts for funds received from the federal government, with the proceeds used for unbudgeted police expenditures.

**CITY OF WEST ORANGE, TEXAS**

**SPECIAL REVENUE FUNDS**  
**COMBINING BALANCE SHEET**

**September 30, 2007**

	<b><u>Police- Public Safety Fund</u></b>	<b><u>Police- Seizure &amp; Forfeiture Fund</u></b>	<b><u>Police- State Education Fund</u></b>
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 31,969	\$ 16,293	\$ 13,308
<b>Total Assets</b>	<b>\$ 31,969</b>	<b>\$ 16,293</b>	<b>\$ 13,308</b>
<b><u>Fund Balances</u></b>			
<b>Reserved</b>			
Public safety	31,969	16,293	13,308
<b>Total Fund Balances</b>	<b>31,969</b>	<b>16,293</b>	<b>13,308</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 31,969</b>	<b>\$ 16,293</b>	<b>\$ 13,308</b>

<b>Police- Federal Asset Forfeiture Fund</b>	<b>Total Non-major Governmental Funds</b>
<u>\$ 5,129</u>	<u>\$ 66,699</u>
<u><u>\$ 5,129</u></u>	<u><u>\$ 66,699</u></u>
<u>5,129</u>	<u>66,699</u>
<u>5,129</u>	<u>66,699</u>
<u><u>\$ 5,129</u></u>	<u><u>\$ 66,699</u></u>

**CITY OF WEST ORANGE, TEXAS**

**SPECIAL REVENUE FUNDS**

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCE**

**Year Ended September 30, 2007**

	<b><u>Police- Public Safety Fund</u></b>	<b><u>Police- Seizure &amp; Forfeiture Fund</u></b>	<b><u>Police- State Education Fund</u></b>
<b><u>Revenues</u></b>			
Fines and forfeitures	\$ 175	\$ 8,421	\$
Intergovernmental revenue			1,247
Investment earnings	1,280	480	501
<b>Total Revenues</b>	<b><u>1,455</u></b>	<b><u>8,901</u></b>	<b><u>1,748</u></b>
<b><u>Expenditures</u></b>			
<b>Current:</b>			
Public safety	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Total Expenditures</b>	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>Excess of Revenues Over Expenditures</b>	1,455	8,901	1,748
Fund Balances, beginning of year	<u>30,514</u>	<u>7,392</u>	<u>11,560</u>
<b>Fund Balances, End of Year</b>	<b><u>\$ 31,969</u></b>	<b><u>\$ 16,293</u></b>	<b><u>\$ 13,308</u></b>



<b>Police- Federal Asset Forfeiture Fund</b>	<b>Total Non-major Governmental Funds</b>
\$	\$ 8,596
	1,247
<u>201</u>	<u>2,462</u>
<u>201</u>	<u>12,305</u>
201	12,305
<u>4,928</u>	<u>54,394</u>
<u>\$ 5,129</u>	<u>\$ 66,699</u>

**CITY OF WEST ORANGE, TEXAS**

Exhibit C-3

**GENERAL FUND**  
**COMPARATIVE BALANCE SHEETS**

**September 30, 2007 and 2006**

	<u>2007</u>	<u>2006</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 451,544	\$ 1,179,689
Receivables:		
Taxes	130,791	128,495
Accounts	38,265	29,911
Prepaid items	746	1,093
	<u>                    </u>	<u>                    </u>
<b>Total Assets</b>	<b><u>\$ 621,346</u></b>	<b><u>\$ 1,339,188</u></b>
<b><u>Liabilities and Equity</u></b>		
<b><u>Liabilities</u></b>		
Accounts payable and accrued liabilities	\$ 7,715	\$ 23,560
Due to other funds		
Deferred revenue	50,595	51,176
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities</b>	<b><u>58,310</u></b>	<b><u>74,736</u></b>
<b><u>Equity</u></b>		
<b>Fund Balances:</b>		
Unreserved and undesignated	563,036	1,264,452
	<u>                    </u>	<u>                    </u>
<b>Total Equity</b>	<b><u>563,036</u></b>	<b><u>1,264,452</u></b>
	<u>                    </u>	<u>                    </u>
<b>Total Liabilities and Equity</b>	<b><u>\$ 621,346</u></b>	<b><u>\$ 1,339,188</u></b>

**CITY OF WEST ORANGE, TEXAS**

Exhibit C-4 Page 1 of 3

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**Year Ended September 30, 2007**  
**with Comparative Actual Balances for the Year Ended September 30, 2006**

	2007		Variance	2006
	Budget	Actual	Over (Under)	Actual
<b><u>Revenues</u></b>				
Property taxes	\$ 455,002	\$ 448,307	\$ (6,695)	\$ 440,861
Other taxes	1,192,000	1,201,385	9,385	1,207,680
Industrial payments in lieu of taxes	264,314	343,689	79,375	331,480
Intergovernmental	5,800	216,445	210,645	279,622
Licenses and permits	10,150	12,065	1,915	9,788
Fines and forfeitures	222,175	178,229	(43,946)	218,724
Fees and charges for services	245,000	328,426	83,426	267,557
Investment earnings	40,000	41,642	1,642	55,541
Other	5,300	133,321	128,021	256,339
<b>Total Revenues</b>	<b>2,439,741</b>	<b>2,903,509</b>	<b>463,768</b>	<b>3,067,592</b>
<b><u>Expenditures</u></b>				
<b>City Administration:</b>				
Personnel services	125,923	118,740	7,183	120,570
Supplies and repairs	12,750	10,174	2,576	10,235
Contractual services	8,700	8,904	(204)	8,726
Other services and charges	164,740	145,494	19,246	150,743
Capital outlay	15,000	16,198	(1,198)	92,324
<b>Total City Administration</b>	<b>327,113</b>	<b>299,510</b>	<b>27,603</b>	<b>382,598</b>
<b>Municipal Court:</b>				
Personnel services	66,442	62,306	4,136	64,072
Supplies	2,950	1,363	1,587	1,535
Repairs and maintenance	2,550	1,865	685	1,317
Other services and charges	86,785	59,026	27,759	85,168
<b>Total Municipal Court</b>	<b>158,727</b>	<b>124,560</b>	<b>34,167</b>	<b>152,092</b>
<b>Total General Government</b>	<b>485,840</b>	<b>424,070</b>	<b>61,770</b>	<b>534,690</b>

**CITY OF WEST ORANGE, TEXAS**

Exhibit C-4 Page 2 of 3

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**Year Ended September 30, 2007**  
**with Comparative Actual Balances for the Year Ended September 30, 2006**

	<u>2007</u>		<u>Variance</u>	<u>2006</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over</u>	<u>Actual</u>
			<u>(Under)</u>	
<b><u>Expenditures (continued)</u></b>				
<b>Public Safety:</b>				
<b>Animal Control:</b>				
Personnel services	44,916	43,054	1,862	41,950
Supplies	6,400	6,691	(291)	5,913
Repairs and maintenance	350	363	(13)	163
Other services and charges	4,965	4,495	470	2,868
<b>Total Animal Control</b>	<b>56,631</b>	<b>54,603</b>	<b>2,028</b>	<b>50,894</b>
<b>Police:</b>				
Personnel services	725,598	688,627	36,971	661,308
Supplies	60,150	32,305	27,845	19,895
Repairs and maintenance	14,800	22,321	(7,521)	16,004
Other services and charges	77,150	48,114	29,036	54,277
Capital outlay	463,750	320,463	143,287	21,880
<b>Total Police</b>	<b>1,341,448</b>	<b>1,111,830</b>	<b>229,618</b>	<b>773,364</b>
<b>Fire:</b>				
Personnel services	315	284	31	363
Supplies	25,900	10,638	15,262	14,861
Repairs and maintenance	3,000	1,816	1,184	1,653
Other services and charges	18,000	10,107	7,893	16,057
Capital outlay	387,750	357,115	30,635	
<b>Total Fire</b>	<b>434,965</b>	<b>379,960</b>	<b>55,005</b>	<b>32,934</b>
<b>Fire Marshal:</b>				
Personnel services	51,387	48,863	2,524	38,398
Supplies	800	574	226	597
Repairs and maintenance	2,000	1,731	269	176
Other services and charges	43,150	52,207	(9,057)	15,951
<b>Total Fire Marshal</b>	<b>97,337</b>	<b>103,375</b>	<b>(6,038)</b>	<b>55,122</b>
<b>Total Public Safety</b>	<b>1,930,381</b>	<b>1,649,768</b>	<b>280,613</b>	<b>912,314</b>

**CITY OF WEST ORANGE, TEXAS**

Exhibit C-4 Page 3 of 3

**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**

**Year Ended September 30, 2007**  
**with Comparative Actual Balances for the Year Ended September 30, 2006**

	<u>2007</u>		<u>Variance</u>	<u>2006</u>
	<u>Budget</u>	<u>Actual</u>	<u>Over</u>	<u>Actual</u>
			<u>(Under)</u>	
<b><u>Expenditures (continued)</u></b>				
<b>Public Works:</b>				
<b>Sanitation:</b>				
Personnel services	182,682	183,613	(931)	157,564
Supplies	24,200	23,368	832	21,305
Repairs and maintenance	6,500	66,316	(59,816)	4,494
Other services and charges	213,050	261,143	(48,093)	230,465
<b>Total Sanitation</b>	<u>426,432</u>	<u>534,440</u>	<u>(108,008)</u>	<u>413,828</u>
<b>Streets:</b>				
Personnel services	275,268	277,553	(2,285)	271,334
Supplies	19,700	15,824	3,876	14,898
Repairs and maintenance	285,000	570,612	(285,612)	27,760
Other services and charges	20,950	18,511	2,439	15,471
Capital outlay	30,000	25,500	4,500	5,700
<b>Total Streets</b>	<u>630,918</u>	<u>908,000</u>	<u>(277,082)</u>	<u>335,163</u>
<b>Maintenance Shop:</b>				
Personnel services	52,857	49,955	2,902	52,160
Supplies	3,050	2,818	232	2,121
Other services and charges	5,800	3,105	2,695	6,445
<b>Total Maintenance Shop</b>	<u>61,707</u>	<u>55,878</u>	<u>5,829</u>	<u>60,726</u>
<b>Total Public Works</b>	<u>1,119,057</u>	<u>1,498,318</u>	<u>(379,261)</u>	<u>809,717</u>
<b>Non-departmental-Hurricane</b>				
<b>Rita Recovery</b>				<u>344,079</u>
<b>Non-departmental-Improvements</b>	<u>5,000</u>	<u>3,140</u>	<u>1,860</u>	<u>183,696</u>
<b>Debt Service</b>	<u>139,848</u>	<u>29,629</u>	<u>110,219</u>	<u>15,116</u>
<b>Total Expenditures</b>	<u>3,680,126</u>	<u>3,604,925</u>	<u>75,201</u>	<u>2,799,612</u>
<b>Excess (Deficiency) of Revenues</b>				
<b>Over (Under) Expenditures</b>	<u>(1,240,385)</u>	<u>(701,416)</u>	<u>538,969</u>	<u>267,980</u>
<b><u>Other Financing Sources</u></b>				
Issuance of debt	<u>500,000</u>		<u>(500,000)</u>	
<b>Total Other Financing Sources</b>	<u>500,000</u>		<u>(500,000)</u>	
<b>Net Change in Fund Balance</b>	<u>(740,385)</u>	<u>(701,416)</u>	<u>38,969</u>	<u>267,980</u>
Fund balances - Beginning	<u>1,264,452</u>	<u>1,264,452</u>		<u>996,472</u>
<b>Fund Balances - Ending</b>	<u>\$ 524,067</u>	<u>\$ 563,036</u>	<u>\$ 38,969</u>	<u>\$ 1,264,452</u>

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## **STATISTICAL SECTION**

This part of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the City's overall financial health.

<b>Contents</b>	<b>Page</b>
<b>Financial Trends</b>	53
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
<b>Revenue Capacity</b>	59
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax.	
<b>Debt Capacity</b>	64
These schedules present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	
<b>Demographic and Economic Information</b>	67
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities takes place.	
<b>Operating Information</b>	70
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	

**Sources** - Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

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**CITY OF WEST ORANGE, TEXAS**

Table 1

**NET ASSETS BY COMPONENT**

**Last Four Fiscal Years \***  
**(accrual basis of accounting)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Governmental Activities</b>				
Invested in capital assets, net of related debt	\$ 3,596,135	\$ 3,538,495	\$ 3,807,713	\$ 4,412,386
Restricted	36,889	48,920	54,394	66,699
Unrestricted	<u>864,769</u>	<u>876,717</u>	<u>1,136,612</u>	<u>422,998</u>
<b>Total Governmental Activities Net Assets</b>	<b><u>\$ 4,497,793</u></b>	<b><u>\$ 4,464,132</u></b>	<b><u>\$ 4,998,719</u></b>	<b><u>\$ 4,902,083</u></b>
<b>Primary Government</b>				
Invested in capital assets, net of related debt	\$ 3,596,135	\$ 3,538,495	\$ 3,807,713	\$ 4,412,386
Restricted	36,889	48,920	54,394	66,699
Unrestricted	<u>864,769</u>	<u>876,717</u>	<u>1,136,612</u>	<u>422,998</u>
<b>Total Primary Government Net Assets</b>	<b><u>\$ 4,497,793</u></b>	<b><u>\$ 4,464,132</u></b>	<b><u>\$ 4,998,719</u></b>	<b><u>\$ 4,902,083</u></b>

\* The requirement for statistical data is ten years; only four years are available at this time.

# CITY OF WEST ORANGE, TEXAS

Table 2 (Page 1 of 2)

## CHANGES IN NET ASSETS

**Last Four Fiscal Years \***  
**(accrual basis of accounting)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Expenses</b>				
<b>Governmental Activities</b>				
General government	\$ 388,361	\$ 427,659	\$ 654,920	\$ 449,332
Public safety	868,797	848,174	937,934	938,344
Public works	997,977	1,071,183	950,714	1,623,646
Interest and fiscal agent fees on long-term debt	507	2,867	544	547
<b>Total Governmental Activities Expenses</b>	<u>2,255,642</u>	<u>2,349,883</u>	<u>2,544,112</u>	<u>3,011,869</u>
<b>Total Primary Government Expenses</b>	<u>\$ 2,255,642</u>	<u>\$ 2,349,883</u>	<u>\$ 2,544,112</u>	<u>\$ 3,011,869</u>
<b>Program Revenues</b>				
<b>Governmental Activities</b>				
Charges for services				
General government	\$ 7,260	\$ 11,580	\$ 9,788	\$ 12,065
Public safety	148,232	216,462	229,327	197,240
Public works	239,812	261,876	257,041	318,011
Operating grants and contributions	70,373	41,858	263,763	328,547
Capital grants and contributions			278,578	4,664
<b>Total Governmental Activities Program Revenues</b>	<u>465,677</u>	<u>531,776</u>	<u>1,038,497</u>	<u>860,527</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 465,677</u>	<u>\$ 531,776</u>	<u>\$ 1,038,497</u>	<u>\$ 860,527</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (1,789,965)	\$ (1,818,107)	\$ (1,505,615)	\$ (2,151,342)
<b>Total Primary Government Net Expense</b>	<u>\$ (1,789,965)</u>	<u>\$ (1,818,107)</u>	<u>\$ (1,505,615)</u>	<u>\$ (2,151,342)</u>

**CITY OF WEST ORANGE, TEXAS**

Table 2 (Page 2 of 2)

**CHANGES IN NET ASSETS**

**Last Four Fiscal Years \***  
**(accrual basis of accounting)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>General Revenues and Other Changes in Net Assets</b>				
<b>Governmental Activities</b>				
Taxes				
Property taxes	\$ 401,781	\$ 411,706	\$ 443,488	\$ 447,726
Other taxes	1,075,490	1,061,171	1,207,680	1,201,385
Payments in lieu of property taxes	302,118	290,241	331,480	343,689
Investment earnings	9,343	21,328	57,554	44,104
Other				17,802
<b>Total Governmental Activities</b>	<u>1,788,732</u>	<u>1,784,446</u>	<u>2,040,202</u>	<u>2,054,706</u>
<b>Total Primary Government</b>	<u>\$ 1,788,732</u>	<u>\$ 1,784,446</u>	<u>\$ 2,040,202</u>	<u>\$ 2,054,706</u>
<b>Change in Net Assets</b>				
Governmental activities	\$ (1,233)	\$ (33,661)	\$ 534,587	\$ (96,636)
<b>Total Primary Government</b>	<u>\$ (1,233)</u>	<u>\$ (33,661)</u>	<u>\$ 534,587</u>	<u>\$ (96,636)</u>

\* The requirement for statistical data is ten years; only four years are available at this time.

**CITY OF WEST ORANGE, TEXAS**

Table 3

**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**

**Last Four Fiscal Years \***  
**(accrual basis of accounting)**

<b><u>Function</u></b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>
Property taxes	\$ 401,781	\$ 411,706	\$ 443,488	\$ 447,726
Other taxes	1,075,490	1,061,171	1,207,680	1,201,385
Payments in lieu of property taxes	302,118	290,241	331,480	343,689
<b>Total</b>	<b><u>\$ 1,779,389</u></b>	<b><u>\$ 1,763,118</u></b>	<b><u>\$ 1,982,648</u></b>	<b><u>\$ 1,992,800</u></b>

\* The requirement for statistical data is ten years; only four years are available at this time.

**CITY OF WEST ORANGE, TEXAS**

Table 4

**FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Four Fiscal Years \***  
**(modified accrual basis of accounting)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>General Fund</b>				
Unreserved	\$ 984,994	\$ 996,472	\$ 1,264,452	\$ 563,036
<b>Total General Fund</b>	<u>\$ 984,994</u>	<u>\$ 996,472</u>	<u>\$ 1,264,452</u>	<u>\$ 563,036</u>
<b>All Other Governmental Funds</b>				
Reserved	\$ 36,889	\$ 48,920	\$ 54,394	\$ 66,699
<b>Total All Other Governmental Funds</b>	<u>\$ 36,889</u>	<u>\$ 48,920</u>	<u>\$ 54,394</u>	<u>\$ 66,699</u>

\* The requirement for statistical data is ten years; only four years are available at this time.

**CITY OF WEST ORANGE, TEXAS**

Table 5

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Four Fiscal Years \***  
**(modified accrual basis of accounting)**

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
<b>Revenues</b>				
Taxes	\$ 1,781,251	\$ 1,761,081	\$ 1,980,021	\$ 1,993,381
Licenses and permits	7,260	11,580	9,788	12,065
Fines and forfeitures	136,909	203,928	218,811	186,825
Fees and charges for services	251,135	274,410	267,557	328,426
Intergovernmental	44,924	33,625	280,885	217,692
Investment earnings	9,343	21,328	57,554	44,104
Other revenues	25,449	8,233	261,456	133,321
<b>Total Revenues</b>	<u>2,256,271</u>	<u>2,314,185</u>	<u>3,076,072</u>	<u>2,915,814</u>
<b>Expenditures</b>				
General government	360,226	409,248	534,690	425,863
Public safety	867,704	857,429	915,181	1,649,768
Public works	917,552	915,850	809,856	1,498,318
Non-departmental-Hurricane Rita			344,079	
Non-departmental-improvements	36,508	93,062	183,696	3,140
Debt service				
Principal	14,572	14,572	14,572	27,289
Interest and fiscal charges	507	515	544	547
<b>Total Expenditures</b>	<u>2,197,069</u>	<u>2,290,676</u>	<u>2,802,618</u>	<u>3,604,925</u>
<b>Excess of Revenues Over Expenditures</b>	59,202	23,509	273,454	(689,111)
<b>Other Financing Sources</b>				
Capital leases	66,851			
<b>Total Other Financing Sources</b>	<u>66,851</u>			
<b>Net Change in Fund Balances</b>	<u>\$ 126,053</u>	<u>\$ 23,509</u>	<u>\$ 273,454</u>	<u>\$ (689,111)</u>
Debt service as a percentage of noncapital expenditures	0.7%	0.7%	0.6%	0.8%

\* The requirement for statistical data is ten years; only four years are available at this time.

**CITY OF WEST ORANGE, TEXAS**

Table 6

**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**

**Last Four Fiscal Years \***  
**(modified accrual basis of accounting)**

<u>Function</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Property taxes	\$ 403,643	\$ 409,669	\$ 440,861	\$ 448,307
Sales taxes	1,075,490	1,061,171	1,207,680	1,201,385
Payments in lieu of property taxes	302,118	290,241	331,480	343,689
<b>Total</b>	<b>\$ 1,781,251</b>	<b>\$ 1,761,081</b>	<b>\$ 1,980,021</b>	<b>\$ 1,993,381</b>

\* The requirement for statistical data is ten years; only four years are available at this time.

**CITY OF WEST ORANGE, TEXAS**

Table 7

**ASSESSED VALUE AND ESTIMATED VALUE  
OF TAXABLE PROPERTY**

**Last Ten Fiscal Years**

<b><u>Fiscal Year Ended Sept. 30,</u></b>	<b><u>Residential Property</u></b>	<b><u>Commercial Property</u></b>	<b><u>Personal Property</u></b>	<b><u>Less: Tax-Exempt Real Property</u></b>	<b><u>Total Taxable Assessed Value (1)</u></b>	<b><u>Total Direct Tax Rate</u></b>
1998	\$ 49,923,150	\$ 25,070,050	\$ 23,781,360	\$ 16,071,090	\$ 82,703,470	\$ 0.42570
1999	51,750,560	24,853,010	23,716,100	17,874,010	82,445,660	0.42939
2000	35,794,310	43,201,810	26,889,220	17,947,380	87,937,960	0.42939
2001	51,250,170	32,819,200	24,046,510	18,715,070	89,400,810	0.42939
2002	35,280,580	48,866,620	27,860,050	18,886,850	93,120,400	0.42939
2003	37,147,770	46,994,680	27,616,040	19,430,270	92,328,220	0.42939
2004	54,705,410	29,460,790	28,390,220	19,072,360	93,484,060	0.42939
2005	61,716,230	37,570,796	30,807,762	27,411,181	102,683,607	0.42939
2006	64,801,373	27,840,318	32,208,093	23,329,176	101,520,608	0.42939
2007	65,883,811	28,158,211	30,807,762	23,076,894	101,772,890	0.42939

Source - Tax assessor/collector's records.

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.

Tax rates are per \$100 of assessed value.



# CITY OF WEST ORANGE, TEXAS

Table 8

## PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

### Last Ten Fiscal Years

<u>Fiscal Year</u>	<u>Tax Year</u>	<u>Direct Rate</u>		<u>Overlapping Rates (1)</u>		<u>Total</u>
		<u>City of West Orange</u>	<u>West Orange Cove CISD</u>	<u>Orange County (2)</u>		
<u>Tax Rates (*)</u>						
1998	1997	\$ 0.42570	\$ 1.55350	\$ 0.53636	\$ 2.51556	
1999	1998	0.42939	1.56667	0.57350	2.56956	
2000	1999	0.42939	1.56454	0.59008	2.58401	
2001	2000	0.42939	1.55786	0.63115	2.61840	
2002	2001	0.42939	1.55786	0.64125	2.62850	
2003	2002	0.42939	1.54609	0.66994	2.64542	
2004	2003	0.42939	1.57357	0.67972	2.68268	
2005	2004	0.42939	1.58926	0.71886	2.73751	
2006	2005	0.42939	1.58265	0.68542	2.69746	
2007	2006	0.42939	1.46040	0.56227	2.45206	

**Source** - Tax Department records of the various taxing authorities.

(\*) Per \$100 of assessed valuation.

(1) Overlapping rates are those of local and county governments that apply within the City of West Orange. Not all overlapping rates apply to all City of West Orange property owners (e.g., the rates for special districts apply only to the proportion of the government's property owners whose property is located within the geographic boundaries of the special district).

(2) Orange County tax rate includes Orange County Navigation & Port District, Orange County Drainage District, and Orange County Lateral Roads tax rates.

**CITY OF WEST ORANGE, TEXAS**

Table 9

**PRINCIPAL PROPERTY TAXPAYERS**

**Current Year and Four Years Ago\***

<b>Taxpayer</b>	<b>2007</b>			<b>2003</b>		
	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>% of Total Taxable Assessed Value</b>	<b>Taxable Assessed Value</b>	<b>Rank</b>	<b>% of Total Taxable Assessed Value</b>
G E Betz-Betz Dearborn	\$ 11,322,820	1	11.13 %	\$ 8,053,090	1	8.72 %
Wal-Mart Store #00777	9,422,630	2	9.26	7,302,350	2	7.91
Wal-Mart Stores Inc.	7,094,613	3	6.97	6,617,500	3	7.17
Albanese Real Estate	2,934,745	4	2.88			
Entergy Gulf States, Inc.	1,662,350	5	1.63	1,657,560	5	1.80
Dupont Employees Rec Assn.	1,501,280	6	1.48	1,506,030	7	1.63
Union Pacific Railroad Company	742,160	7	0.73			
Bank of the West	638,452	8	0.63			
Metal Depot, Inc.	624,191	9	0.61			
Harmon Chevrolet, Inc.	620,501	10	0.61			
West Orange Shopping				2,785,040	4	3.02
Jones Contractors				1,583,540	6	1.72
Staples #565				1,137,610	8	1.23
Laidlaw Transit, Inc.				1,043,620	9	1.13
Enterprise Leasing Co.				1,042,650	10	1.13
Subtotal	36,563,742		35.93	32,728,990		35.45
Other taxpayers	65,209,148		64.07	59,599,230		64.55
Total	<u>\$ 101,772,890</u>		<u>100.00</u>	<u>\$ 92,328,220</u>		<u>100.00</u>

Source - Tax assessor/collector's records.

\* The requirement for statistical data is ten years; only four years are available at this time.

**CITY OF WEST ORANGE, TEXAS**

Table 10

**PROPERTY TAX LEVIES AND COLLECTIONS**

**Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Tax Rate</b>	<b>Total Tax Levy and Adjust.</b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
			<b>Amount</b>	<b>% of Levy</b>		<b>Amount</b>	<b>% of Levy</b>
1998	\$ 0.42570	\$ 363,419	\$ 343,701	94.57 %	\$ 9,890	\$ 353,591	97.30 %
1999	0.42939	341,109	336,717	98.71	14,376	351,093	102.93
2000	0.42939	363,775	340,040	93.48	11,432	351,472	96.62
2001	0.42939	367,041	363,868	99.14	12,161	376,029	102.45
2002	0.42939	379,721	368,659	97.09	7,471	376,130	99.05
2003	0.42939	398,420	383,142	96.17	11,477	394,619	99.05
2004	0.42939	390,622	378,308	96.85	7,246	385,554	98.70
2005	0.42939	399,439	381,878	95.60	11,095	392,973	98.38
2006	0.42939	435,919	418,785	96.07	8,355	427,140	97.99
2007	0.42939	437,003	423,872	97.00		423,872	97.00

Source - Tax assessor/collector's records.

**CITY OF WEST ORANGE, TEXAS**

Table 11

**RATIOS OF OUTSTANDING DEBT BY TYPE**

**Last Four Fiscal Years \***

<b><u>Fiscal Year Ended Sept. 30,</u></b>	<b><u>Governmental Activities Capital Leases</u></b>	<b><u>Total Primary Government</u></b>	<b><u>% of Personal Income **</u></b>	<b><u>Per Capita **</u></b>
2004	\$ 52,279	\$ 52,279	0.13%	\$ 13
2005	40,059	40,059	0.01%	10
2006	27,289	27,289	0.07%	7
2007	***	***	***	***

\* The requirement for statistical data is ten years; only four years are available at this time.

\*\* See the Schedule of Demographic and Economic Statistics (Table 14) for personal income and population data.

\*\*\* The City had no outstanding debt.

**CITY OF WEST ORANGE, TEXAS**

Table 12

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

**September 30, 2007**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>City of West Orange Share of Debt</u>
West Orange Cove CISD	\$ 10,776,572	18.71 %	\$ 2,016,297
Orange County	2,122,525	4.92	104,428
Subtotal, overlapping debt			2,120,725
<b>City Direct Debt</b>			_____
<b>Total Direct and Overlapping Debt</b>			<u><u>\$ 2,120,725</u></u>

Source - West Orange Cove CISD, Orange County

**Note** - Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore, responsible for repaying the debt of each overlapping government.

(1) The percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of the overlapping government's taxable assessed value that is within the City's boundaries and dividing it by the overlapping government's total taxable assessed value.

**CITY OF WEST ORANGE, TEXAS**

Table 13

**LEGAL DEBT MARGIN INFORMATION**

**Last Four Fiscal Years \***

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Debt limit	\$ 9,348,406	\$ 10,268,361	\$ 10,152,061	\$ 10,177,289
Total net debt applicable to limit				
Legal debt margin	<u>\$ 9,348,406</u>	<u>\$ 10,268,361</u>	<u>\$ 10,152,061</u>	<u>\$ 10,177,289</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%
<b>Legal Debt Margin Calculation by Fiscal Year</b>				
Assessed value	93,484,060	102,683,607	101,520,608	101,772,890
Debt limit (10% of assessed value)	<u>9,348,406</u>	<u>10,268,361</u>	<u>10,152,061</u>	<u>10,177,289</u>
Legal debt margin	<u>\$ 9,348,406</u>	<u>\$ 10,268,361</u>	<u>\$ 10,152,061</u>	<u>\$ 10,177,289</u>

**Note** - Under state finance law, the City of West Orange's outstanding general obligation debt should not exceed 10 percent of total assessed property value. By law the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds. The City did not have any general obligation debt for the last four fiscal years.

\* The requirement for statistical data is ten years; only four years are available at this time.

# CITY OF WEST ORANGE, TEXAS

Table 14

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### Last Ten Fiscal Years

<u>Fiscal Year Ended Sept. 30,</u>	<u>Population (1) (3)</u>	<u>Personal Income (3)</u>	<u>Per Capita Personal Income (3)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate</u>
1998	4,189	\$ n/a	\$ n/a	29	3,655	n/a
1999	4,189	n/a	n/a	29	3,712	n/a
2000	4,111	n/a	n/a	37	3,564	n/a
2001	4,111	n/a	n/a	37	3,403	n/a
2002	4,111	n/a	n/a	37	3,328	n/a
2003	4,111	n/a	n/a	37	3,210	n/a
2004	4,111	n/a	n/a	37	2,916	n/a
2005	4,111	n/a	n/a	37	2,924	n/a
2006	4,111	n/a	n/a	37	2,665	n/a
2007	3,983	72,251,620	18,140	37	2,700	n/a

n/a - information not available.

**Data sources:**

(1) Bureau of the Census

(2) West Orange Cove CISD

(3) Orange County Economic Development Council

**CITY OF WEST ORANGE, TEXAS**

Table 15

**PRINCIPAL EMPLOYERS**

**Current Year and Five Years Ago\***

<b><u>Employer</u></b>	<b><u>2007</u></b>			<b><u>2002</u></b>		
	<b><u>Employees</u></b>	<b><u>Rank</u></b>	<b><u>% of Total City Employment</u></b>	<b><u>Employees</u></b>	<b><u>Rank</u></b>	<b><u>% of Total City Employment</u></b>
Wal Mart	368	1	22.33%	n/a		n/a %
WOCCISD	205	2	12.44%	n/a		n/a
Akrotex, Inc.	46	3	2.79%	n/a		n/a
Betz Laboratories	45	4	2.73%	n/a		n/a
Laidlaw Transit	44	5	2.67%	n/a		n/a
Harmon Chevrolet	35	6	2.12%	n/a		n/a
City of West Orange	26	7	1.58%	23		n/a
Sonic Drive-In	24	8	1.46%	n/a		n/a
Goody's	21	9	1.27%	n/a		n/a
Little Giant/TMRX	16	10	0.97%	n/a		n/a
<b>Total</b>	<b>830</b>		<b>50.36%</b>	<b>n/a</b>		<b>n/a</b>

n/a - information not available.

**Source** - City records.

\* The requirement for statistical data is ten years; only the current year is available at this time.



**CITY OF WEST ORANGE, TEXAS**

Table 16

**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**

**Last Ten Fiscal Years**

<b>Function</b>	<b>Full-time Equivalent Employees as of September 30</b>									
	<b>1998</b>	<b>1999</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>
General government	6	6	6	6	6	6	6	6	6	6
Public safety										
Police										
Officers	9	9	9	9	9	9	8	9	9	9
Civilians	1	1	1	1	1	1	1	1	1	1
Fire										
Firefighters	15	14	14	16	17	15	14	15	17	17
Public works										
Streets and sanitation	4	4	5	4	4	4	4	4	5	5
Maintenance and operations	2	2	2	2	2	2	2	2	3	3
<b>Total</b>	<b>37</b>	<b>36</b>	<b>37</b>	<b>38</b>	<b>39</b>	<b>37</b>	<b>35</b>	<b>37</b>	<b>41</b>	<b>41</b>

Source - City personnel records.

**CITY OF WEST ORANGE, TEXAS**

Table 17

**OPERATING INDICATORS BY FUNCTION**

**Last Four Fiscal Years \***

<b>Function</b>	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>
<b>Police</b>				
Arrests	691	769	555	555
Accident reports	64	70	76	76
Citations	2,219	2,201	2,136	2,136
Offense reports	1,314	1,383	1,221	1,221
Calls for service	4,863	3,515	3,977	3,977
<b>Fire</b>				
Emergency responses	22	9	8	8
Fire incidents	42	37	19	19
Service calls and other calls	23	54	26	26
Automatic aid, mutual aid given	11	6	2	2

Source - Various City departments.

\* The requirement for statistical data is ten years; only four years are available at this time.

**CITY OF WEST ORANGE, TEXAS**

Table 18

**CAPITAL ASSETS STATISTICS BY FUNCTION**

**Last Ten Fiscal Years**

Function	Fiscal Year									
	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	0*	1
Patrol units	8	8	8	8	8	8	8	9	9	9
Fire										
Stations	1	1	1	1	1	1	1	1	0*	1
Public works										
Collection trucks	3	3	3	3	3	3	3	3	3	3
Streets (miles)	28.9	28.9	28.9	28.9	28.9	28.9	28.9	28.9	28.9	28.9

**Source** - Various City departments.

**Note** - No capital asset indicators are available for the general government function.

\* - Police and fire stations destroyed in Hurricane Rita. They were re-constructed in the 2007 fiscal year.

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