

# **Comprehensive Annual Financial Report**

of the

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

**Fiscal Year Ended  
September 30, 2008**



### **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, 2008

### TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<b><u>INTRODUCTORY SECTION</u></b>		
Letter of Transmittal		i-iv
Certificate of Achievement for Excellence in Financial Reporting		v
Organizational Chart		vi
Principal Officials		vii
<b><u>FINANCIAL SECTION</u></b>		
<b>Independent Auditors' Report</b>		3-4
<b>Management's Discussion and Analysis</b>		5-11
<b><u>Basic Financial Statements</u></b>		
Government-Wide Financial Statements:		
Statement of Net Assets	A-1	15
Statement of Activities	A-2	16-17
Fund Financial Statements:		
Balance Sheet - Governmental Funds	A-3	18
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	A-4	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	A-5	21
Notes to Financial Statements	A-6	23-34
<b><u>Required Supplementary Information</u></b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	B-1	36
Notes to Required Supplementary Information	B-2	37
Texas Municipal Retirement System - Schedule of Funding Progress	B-3	38
<b><u>Combining and Individual Fund Statements and Schedules</u></b>		
Combining Balance Sheet - Nonmajor Governmental Funds	C-1	42-43
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	C-2	44-45
Comparative Balance Sheets - General Fund	C-3	46
Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund	C-4	47-49

# CITY OF WEST ORANGE, TEXAS

## COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended September 30, 2008

### TABLE OF CONTENTS

	<u>Exhibit</u>	<u>Page</u>
<u>STATISTICAL SECTION</u>	<u>Table</u>	
Net Assets by Component	1	53
Changes in Net Assets	2	54-55
Governmental Activities Tax Revenues by Source	3	56
Fund Balances of Governmental Funds	4	57
Changes in Fund Balances of Governmental Funds	5	58
General Governmental Tax Revenues by Source	6	59
Assessed Value and Estimated Actual Value of Taxable Property	7	60
Property Tax Rates - Direct and Overlapping Governments	8	61
Principal Property Taxpayers	9	62
Property Tax Levies and Collectons	10	63
Ratios of Outstanding Debt by Type	11	64
Direct and Overlapping Governmental Activities Debt	12	65
Legal Debt Margin Information	13	66
Demographic and Economic Statistics	14	67
Principal Employers	15	68
Full-time Equivalent City Governmental Employees by Function	16	69
Operating Indicators by Function	17	70
Capital Assets Statistics by Function	18	71

February 23, 2009

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, 2008, 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 & Co., 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, 2008, 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, 2008, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

## **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 17.0% 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 \$108.1 million for fiscal year 2008, which is an increase of approximately \$6.3 million from the previous fiscal year.

## **LONG-TERM FINANCIAL PLANNING**

Unreserved fund balance in the General Fund amounted to \$588,986 as of September 30, 2008. 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 2.4 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, 2008, 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, 2007. 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, 2007 (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, 2007

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 in government accounting and financial reporting.



President

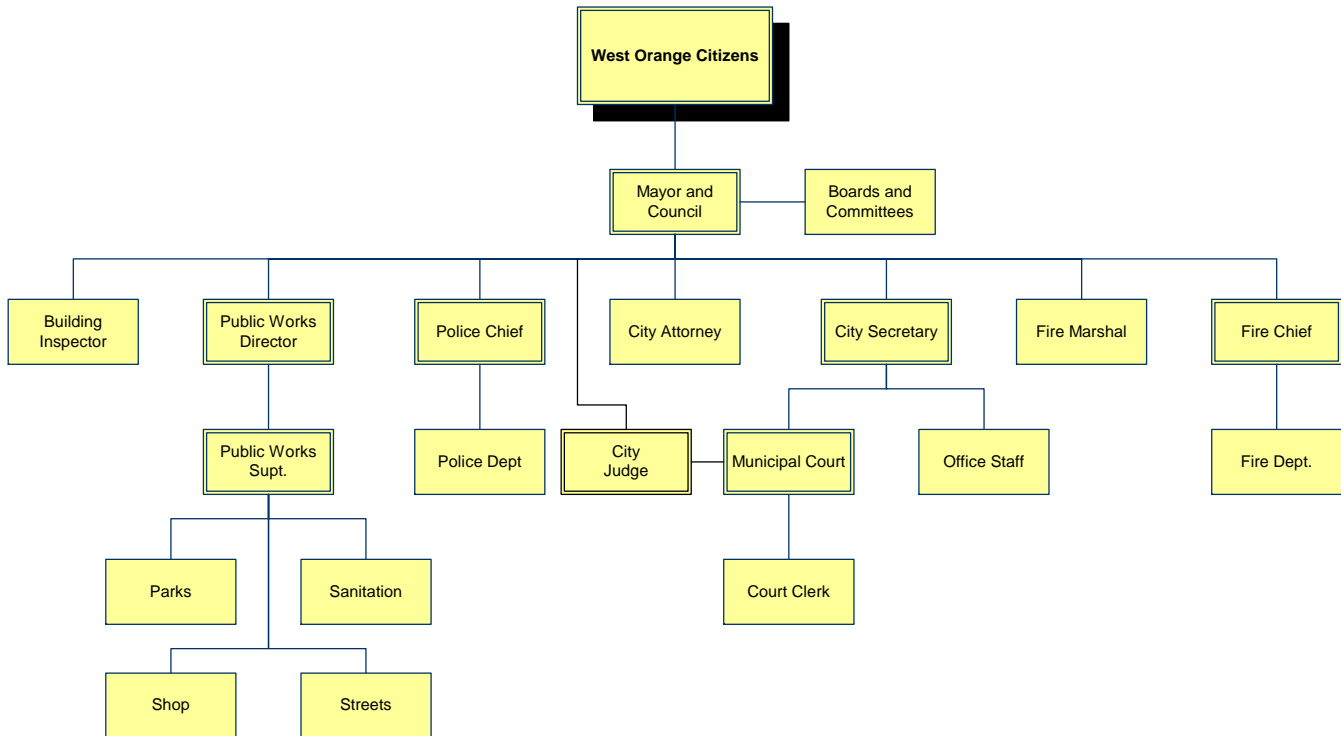
Executive Director

---

# CITY OF WEST ORANGE, TEXAS

## ORGANIZATIONAL CHART

Fiscal Year 2007-2008



# **CITY OF WEST ORANGE, TEXAS**

## **PRINCIPAL OFFICIALS**

**September 30, 2008**

<b><u>City Officials</u></b>	<b><u>Elective Position</u></b>	<b><u>Term Expires</u></b>
Roy C. McDonald	Mayor	2009
Shirley Bonnin	Council Member (Mayor Pro Tem)	2010
Dale Dardeau	Council Member	2010
Frances Droddy	Council Member	2009
Charles Winter	Council Member	2009
Mike Shugart	Council Member	2010

<b><u>Key Staff</u></b>	<b><u>Position</u></b>
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

**(This Page Intentionally Left Blank)**

**FINANCIAL SECTION**

**(This Page Intentionally Left Blank)**

## **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, 2008, 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, 2008, 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 conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Orange's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements, and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and statistical sections 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 cursive script that reads "Sugar Land & Co." with a stylized flourish at the end.

Sugar Land, Texas  
December 19, 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, 2008.

### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$4,804,888 (net assets).
- As of September 30, 2008, the City's governmental funds reported an ending fund balance of \$672,946.
- The City's cash balance at September 30, 2008 was \$661,590, representing an increase of \$143,347 from September 30, 2007.
- The City had expenses net of program revenue of \$2,301,595 and general revenues of \$2,204,400, resulting in a net decrease in net assets of \$97,195 for the year ended September 30, 2008.
- At the end of the fiscal year, unreserved and undesignated fund balance for the General Fund was \$588,986, or 20.0 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 34 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 \$4,804,888 as of September 30, 2008.

The largest portion of the City's net assets (88.7 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 (9.5 percent) represents unrestricted financial resources available for future operations.

**SUMMARY OF STATEMENT OF NET ASSETS**  
**As of September 30, 2008 and 2007**

	<b>Governmental</b>	
	<b>Activities</b>	
	<b>2008</b>	<b>2007</b>
Current and other assets	\$ 850,356	\$ 688,045
Capital assets, net	4,262,919	4,412,386
<b>Total Assets</b>	<b>5,113,275</b>	<b>5,100,431</b>
Long-term liabilities	190,637	171,570
Other liabilities	117,750	26,778
<b>Total Liabilities</b>	<b>308,387</b>	<b>198,348</b>
Net Assets:		
Invested in capital assets	4,262,919	4,412,386
Restricted	83,960	66,699
Unrestricted	458,009	422,998
<b>Total Net Assets</b>	<b>\$ 4,804,888</b>	<b>\$ 4,902,083</b>

Net assets of the City, all of which relate to governmental activities, decreased by \$97,195. Key elements of the decrease are as follows:

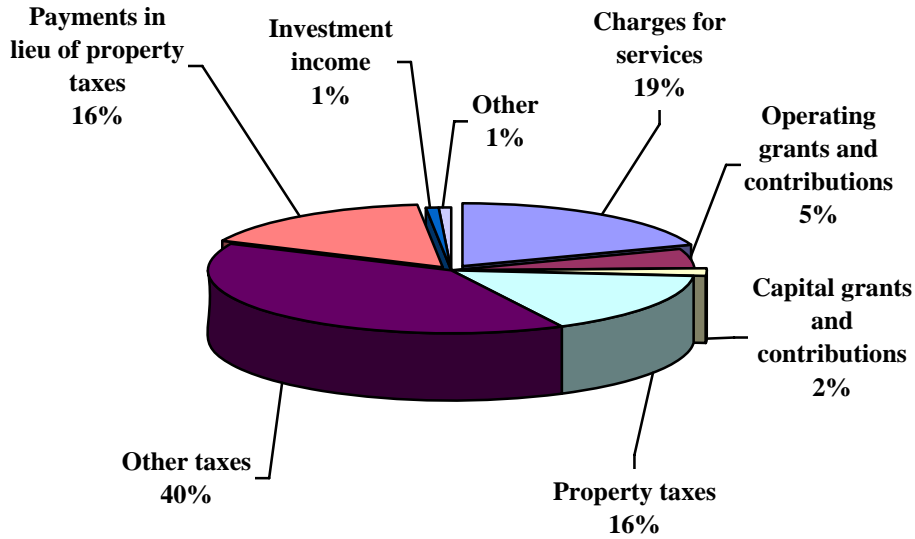
**CHANGES IN NET ASSETS**  
**For the Fiscal Years Ended September 30, 2008 and 2007**

	<b>Governmental Activities</b>	
	<b>2008</b>	<b>2007</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 583,554	\$ 527,316
Operating grants and contributions	153,114	328,547
Capital grants and contributions	59,210	4,664
General revenues:		
Property taxes, penalties and interest	480,972	447,726
Other taxes	1,185,703	1,201,385
Payments in lieu of property taxes	489,623	343,689
Investment income	19,837	44,104
Other	28,265	17,802
<b>Total Revenues</b>	<b>3,000,278</b>	<b>2,915,233</b>
<b>Expenses</b>		
General government	508,617	449,332
Public safety	1,293,321	938,344
Public works	1,295,535	1,623,646
Interest on long-term debt		547
<b>Total Expenses</b>	<b>3,097,473</b>	<b>3,011,869</b>
<b>Change in Net Assets</b>	<b>(97,195)</b>	<b>(96,636)</b>
Net assets, beginning	4,902,083	4,998,719
<b>Net Assets, Ending</b>	<b>\$ 4,804,888</b>	<b>\$ 4,902,083</b>

This \$97,195 decrease in net assets is primarily a result of a decrease in insurance proceeds and FEMA monies received in connection with Hurricane Rita relief efforts, which began in 2005.

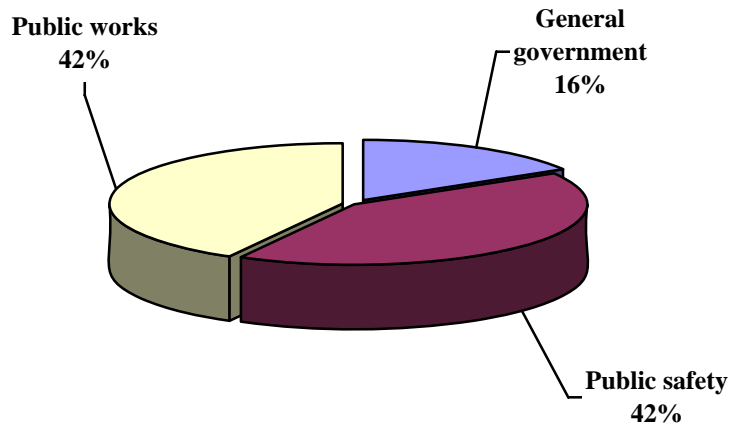
Graphic presentations of selected current year data from the changes in net assets table follow in order to assist in the analysis of the City's activities.

### GOVERNMENTAL REVENUES



For the fiscal year ended September 30, 2008, revenue from governmental activities totaled \$3,000,278.

### GOVERNMENTAL FUNCTIONAL EXPENSES



For the fiscal year ended September 30, 2008 expenses from governmental activities totaled \$3,097,473, the largest portions of which relate to public works (42%) and public safety (42%).

## 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, 2008, the City's governmental funds, which consist of a general fund and special revenues funds, reported an ending fund balance of \$672,946, which is an increase of \$43,211 from last year's total of \$629,735. The General Fund, the City's main operating fund, had an ending fund balance of \$588,986, a \$25,950 increase from the prior year. The increase was mainly due to an increase in property tax revenue. 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 20.0 percent of total general fund expenditures. The Special Revenue funds reported an ending fund balance of \$83,960, 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, 2008 amounts to \$4,262,919 (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>2008</b>	<b>2007</b>
Land	\$ 633,111	\$ 633,111
Buildings	1,517,445	1,517,445
Machinery and equipment	1,287,938	1,249,168
Infrastructure	4,798,287	4,798,287
Less: accumulated depreciation	<u>(3,973,862)</u>	<u>(3,785,625)</u>
<b>Total Capital Assets, Net</b>	<b><u>\$ 4,262,919</u></b>	<b><u>\$ 4,412,386</u></b>

Additional information on the City's capital assets can found in Note 5 in the notes to financial statements.

## **LONG-TERM DEBT**

As of September 30, 2008, the City's long-term debt was comprised solely of compensated absences, which amounted to \$190,637.

Additional information on the City's long-term debt can be found in Note 6 in the notes to the financial statements.

## **ECONOMIC FACTORS**

- Unreserved fund balance in the General Fund increased to \$588,986. It is intended that the use of available fund balance will avoid the need to raise taxes during the 2009 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.

**(This Page Intentionally Left Blank)**



## **BASIC FINANCIAL STATEMENTS**

**(This Page Intentionally Left Blank)**

# CITY OF WEST ORANGE, TEXAS

Exhibit A-1

## STATEMENT OF NET ASSETS

September 30, 2008

	<u>Governmental Activities</u>
<b><u>Assets</u></b>	
Cash and cash equivalents	\$ 661,590
Receivables	188,250
Prepaid expenses	516
Capital assets:	
Land	633,111
Buildings	1,090,316
Machinery and equipment	393,464
Infrastructure	2,146,028
<b>Total Assets</b>	<u>5,113,275</u>
<b><u>Liabilities</u></b>	
Accounts payable and other current liabilities	117,750
Noncurrent liabilities:	
Due within one year	19,063
Due in more than one year	171,574
<b>Total Liabilities</b>	<u>308,387</u>
<b><u>Net Assets</u></b>	
Invested in capital assets	4,262,919
Restricted for:	
Public safety	83,960
Unrestricted	458,009
<b>Total Net Assets</b>	<u>\$ 4,804,888</u>

See Notes to Financial Statements.

**CITY OF WEST ORANGE, TEXAS**

**STATEMENT OF ACTIVITIES**

**For the Year Ended September 30, 2008**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Program</b>
		<b>Charges for Services</b>
<b>Governmental Activities:</b>		
General government	\$ 508,617	\$ 14,149
Public safety	1,293,321	215,446
Public works	1,295,535	353,959
<b>Total Governmental Activities</b>	<b>\$ 3,097,473</b>	<b>\$ 583,554</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>	
\$ 151,094	\$ 59,210	\$ (287,695)	
		(1,077,875)	
2,020		(936,025)	
<u>\$ 153,114</u>	<u>\$ 59,210</u>	<u>\$ (2,301,595)</u>	
		480,972	
		821,588	
		203,508	
		160,607	
		489,623	
		19,837	
		28,265	
		<u>2,204,400</u>	
		(97,195)	
		4,902,083	
		<u>\$ 4,804,888</u>	

**CITY OF WEST ORANGE, TEXAS**

Exhibit A-3

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

**September 30, 2008**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 577,630	\$ 83,960	\$ 661,590
Receivables:			
Taxes	138,337		138,337
Accounts	49,913		49,913
Prepaid items	516		516
<b>Total Assets</b>	<b><u>\$ 766,396</u></b>	<b><u>\$ 83,960</u></b>	<b><u>\$ 850,356</u></b>
<b><u>Liabilities and Fund Balances</u></b>			
<b><u>Liabilities</u></b>			
Accounts payable and accrued liabilities	\$ 117,750	\$	\$ 117,750
Deferred revenue	59,660		59,660
<b>Total Liabilities</b>	<b><u>177,410</u></b>		<b><u>177,410</u></b>
<b><u>Fund Balances</u></b>			
Fund Balances:			
Reserved for public safety		83,960	83,960
Unreserved	588,986		588,986
<b>Total Fund Balances</b>	<b><u>588,986</u></b>	<b><u>83,960</u></b>	<b><u>672,946</u></b>
<b>Total Liabilities and     Fund Balances</b>	<b><u>\$ 766,396</u></b>	<b><u>\$ 83,960</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.			4,262,919
Long-term liabilities, including accrued compensated absences (\$190,637) are not due and payable in the current period and are therefore not reported in the funds.			(190,637)
Revenues that do not provide current financial resources are reported as deferred in the funds.			<u>59,660</u>
<b>Net Assets of Governmental Activities</b>			<b><u>\$ 4,804,888</u></b>

See Notes to Financial Statements.

**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, 2008**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Revenues</u></b>			
Taxes	\$ 2,147,233	\$	\$ 2,147,233
Licenses and permits	14,149		14,149
Fines and forfeitures	205,126	649	205,775
Fees and charges for services	363,630		363,630
Intergovernmental	2,020	26,245	28,265
Investment earnings	17,984	1,853	19,837
Other	212,324		212,324
<b>Total Revenues</b>	<u>2,962,466</u>	<u>28,747</u>	<u>2,991,213</u>
<b><u>Expenditures</u></b>			
<b>Current:</b>			
General government	467,756		467,756
Public safety	1,260,270	11,486	1,271,756
Public works	1,187,258		1,187,258
Non-departmental	21,232		21,232
<b>Total Expenditures</b>	<u>2,936,516</u>	<u>11,486</u>	<u>2,948,002</u>
<b>Net Change in Fund Balance</b>	25,950	17,261	43,211
Fund balances - Beginning	<u>563,036</u>	<u>66,699</u>	<u>629,735</u>
<b>Fund Balances - Ending</b>	<u>\$ 588,986</u>	<u>\$ 83,960</u>	<u>\$ 672,946</u>

**(This Page Intentionally Left Blank)**



**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, 2008**

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

Net change in fund balances - total governmental funds	\$ 43,211
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 depreciation (\$257,237) exceeded capital outlay (\$107,770) in the current period.	(149,467)
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.	9,065
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>(4)</u>
<b>Change in Net Assets of Governmental Activities</b>	<b><u><u>\$ (97,195)</u></u></b>

**(This Page Intentionally Left Blank)**

# **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 of 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 accounts that constitute its assets, liabilities, fund equity, revenues, and expenditure/expenses.

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

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
Police vehicles	5 years
Machinery and equipment	7 years
Computer equipment	5 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 appropriable 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, 2008, are shown below.

	<b>Carrying Amount</b>	<b>Fair Value</b>
Cash	\$ 661,590	\$ 661,590
<b>Total Cash and Cash Equivalents</b>	<b>\$ 661,590</b>	<b>\$ 661,590</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 102% 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, 2008, were entirely guaranteed by FDIC insurance or by pledged collateral held by the City's agent bank.

### **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 \$464,095 for operations on the total adjusted taxable valuation of \$108,082,293 for the 2007 tax year.

Property taxes receivable, at September 30, 2008, consists of the following:

<b><u>Tax Year</u></b>	<b><u>General Fund</u></b>
2007	\$ 19,738
2006	10,730
2005	7,553
2004	5,890
2003	4,411
2002 and prior	16,387
	<u>\$ 64,709</u>



# 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	\$ 143,386	\$ 143,386
Accounts	49,913	49,913
Gross receivables	193,299	193,299
Less: allowance for uncollectibles	(5,049)	(5,049)
<b>Net Total Receivables</b>	<u>\$ 188,250</u>	<u>\$ 188,250</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>\$ 59,660</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, 2008:

	<b>Balance Oct. 1, 2007</b>	<b>Increases</b>	<b>(Decreases)</b>	<b>Balance Sept. 30, 2008</b>
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 633,111	\$	\$	\$ 633,111
Total capital assets not being depreciated	633,111			633,111
Capital assets being depreciated:				
Buildings	1,517,445			1,517,445
Machinery and equipment	1,249,168	107,770	(69,000)	1,287,938
Infrastructure	4,798,287			4,798,287
Total capital assets being depreciated	7,564,900	107,770	(69,000)	7,603,670
Less accumulated depreciation for:				
Buildings	(389,959)	(37,170)		(427,129)
Machinery and equipment	(859,052)	(104,422)	69,000	(894,474)
Infrastructure	(2,536,614)	(115,645)		(2,652,259)
Total accumulated depreciation	(3,785,625)	(257,237)	69,000	(3,973,862)
Total capital assets being depreciated, net	3,779,275	(149,467)		3,629,808
Governmental activities capital assets, net	\$ 4,412,386	\$ (149,467)	\$	\$ 4,262,919

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

<b>Governmental Activities:</b>	
General government	\$ 40,857
Public safety	68,620
Public works	147,760
<b>Total Depreciation Expense-Governmental Activities</b>	<b>\$ 257,237</b>

# 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, 2008, was as follows:

	<u>Balance</u> <u>Oct. 1, 2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>Sept. 30, 2008</u>	<u>Due within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Compensated absences	\$ 190,633	\$ 11,214	\$ (11,210)	\$ 190,637	\$ 19,063
<b>Total</b>	<u>\$ 190,633</u>	<u>\$ 11,214</u>	<u>\$ (11,210)</u>	<u>\$ 190,637</u>	<u>\$ 19,063</u>

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

### 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 827 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

### Funding Policy

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 30-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 30-year period. The projected unit credit actuarial cost method is used for determining the City contribution rate, effective December 2007. 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 \$174,519 for the fiscal year ended September 30, 2008 and were equal to the required contributions for the year.

Three-year trend information is presented below:

	<u>2008</u>	<u>2007</u>	<u>2006</u>
Annual Pension Cost (APC)	\$ 174,519	\$ 163,351	\$ 163,353
Percentage of APC Contributed	100%	100%	100%
NPO at the End of Period	<u>\$ 0</u>	<u>\$ 0</u>	<u>\$ 0</u>

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, 2007 valuations are contained in the 2007 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	Projected Unit Credit
Amortization Method	Level Percent of Payroll
Amortization Period	30 Years – Closed Period
Asset Valuation Method	Amortized Cost
Assumptions:	
Investment Rate of Return	7%
Projected Salary Increases	Varies by age and service
Includes Inflation At	3.0%
Cost-of-Living Adjustments	2.1% (3.0% CPI)
City-specific Assumptions:	
Payroll growth assumption	3.0%
Withdrawal rates for male/female	Mid-Low/Mid-Low

### Other

At its December 8, 2007 meeting, the TMRS Board of Trustees adopted actuarial assumptions to be used in the actuarial valuation for the year ended December 31, 2007. A summary of actuarial assumptions and definitions can be found in the December 31, 2007 TMRS Comprehensive Annual Financial Report (CAFR).

Since its inception, TMRS has used the Unit Credit actuarial funding method. This method accounts for liability accrued as of the valuation date, but does not project the potential future liability of provisions adopted by a city. Two-thirds of the cities participating in TMRS have adopted the Updated Services Credit and Annuity Increases provisions on an annually repeating basis. For the December 31, 2007 valuation, the TMRS Board determined that the Projected Unit Credit (PUC) funding method should be used, which facilitates advance funding for future updated service credits and annuity increases that are adopted on an annually repeating basis. In addition, the Board also adopted a change in the amortization period from a 25-year “open” to a 25-year “closed” period. TMRS Board of Trustee rules provide that, whenever a change in actuarial assumptions or methods results in a contribution rate increase in an amount greater than 0.5%, the amortization period will be increased to 30 years, unless a city requests that the period remain at 25 years. For cities with repeating features, these changes would likely result initially in higher required contributions and lower funded ratios; however, the funded ratio should show steady improvement over time. To assist in this transition to higher rates, the Board also approved an eight-year phase-in period, which will allow cities the opportunity to increase their contributions gradually (approx. 12.5% each year) to their full rate (or their required contribution rate).

If the changes in actuarial funding method and assumptions had not been adopted for the 2007 valuation, the city’s unfunded actuarial accrued liability would have been \$1,227,954 and the funded ratio would have been 62.8%.

In addition, TMRS is currently working on its legislative package for 2009. There is a possibility that the investment rate of return (IRR) assumption of 7% would need to be lowered if desired

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

legislation for the 2009 session is unsuccessful. Maintaining a 7% IRR assumption is contingent in part on the continued diversification of the TMRS portfolio, from an almost exclusive bond portfolio to a portfolio that includes equities as well. If state legislation needed to facilitate the continued diversification is not enacted, TMRS may have to revisit the continued diversification of the portfolio and consider reducing the assumed IRR. A reduction in the IRR would result in increased actuarial accrued liabilities, thus causing further increases in city contribution rates, following the December 31, 2009 actuarial valuation.

### **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 \$83,960 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.

**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, 2008**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance from Final Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>Revenues</u></b>				
Taxes	\$ 2,136,940	\$ 2,136,940	\$ 2,147,233	\$ 10,293
Intergovernmental			2,020	2,020
Licenses and permits	8,250	8,250	14,149	5,899
Fines and forfeitures	179,600	179,600	205,126	25,526
Fees and charges for services	323,000	325,000	363,630	38,630
Investment earnings	42,000	42,000	17,984	(24,016)
Other	106,360	110,010	212,324	102,314
<b>Total Revenues</b>	<u>2,796,150</u>	<u>2,801,800</u>	<u>2,962,466</u>	<u>160,666</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	479,352	486,502	467,756	15,215
Public safety	1,242,210	1,242,210	1,260,270	(18,060)
Public works	1,194,140	1,253,350	1,187,258	69,623
Non-departmental-improvements	5,000	5,000	21,232	(16,232)
<b>Total Expenditures</b>	<u>2,920,702</u>	<u>2,987,062</u>	<u>2,936,516</u>	<u>50,546</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(124,552)</u>	<u>(185,262)</u>	<u>25,950</u>	<u>211,212</u>
<b>Net Change in Fund Balance</b>	(124,552)	(185,262)	25,950	211,212
Fund balances - Beginning	<u>563,036</u>	<u>563,036</u>	<u>563,036</u>	
<b>Fund Balances - Ending</b>	<u>\$ 438,484</u>	<u>\$ 377,774</u>	<u>\$ 588,986</u>	<u>\$ 211,212</u>



# **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, 2008, expenditures exceeded appropriations in the Municipal Court, Fire, Sanitation and Non-departmental-Hurricane Ike Recovery departments (the legal level of budgetary control) of the General Fund by \$3,714, \$56,684, \$49,689 and \$16,269, respectively. These overexpenditures were funded by available fund balance.

# 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>
12/31/2005	\$ 2,187,550	\$ 3,260,252	67.1%	\$ 1,072,702	\$ 926,416	115.8%
12/31/2006	2,456,598	3,566,620	68.9%	1,110,022	1,005,204	110.4%
12/31/2007 *	2,070,484	4,036,393	51.3%	1,965,909	995,020	197.6%

\* - New actuarial cost method and assumptions were adopted by the TMRS Board of Trustees at their December 2007 meeting, to be effective for the 12/31/2007 valuation.

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

**(This Page Intentionally Left Blank)**

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

Special revenue 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**

**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**

**September 30, 2008**

	<u>Special Revenue Funds</u>		
	<u>Police- Public Safety Fund</u>	<u>Police- Seizure &amp; Forfeiture Fund</u>	<u>Police- State Education Fund</u>
<u>Assets</u>			
Cash and cash equivalents	\$ 33,401	\$ 14,545	\$ 14,889
<b>Total Assets</b>	<b>\$ 33,401</b>	<b>\$ 14,545</b>	<b>\$ 14,889</b>
<u>Fund Balances</u>			
<b>Reserved</b>			
Public safety	33,401	14,545	14,889
<b>Total Fund Balances</b>	<b>33,401</b>	<b>14,545</b>	<b>14,889</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 33,401</b>	<b>\$ 14,545</b>	<b>\$ 14,889</b>

<u>Police- Federal Asset Forfeiture Fund</u>	<u>Total Non-major Governmental Funds</u>
\$ 21,125	\$ 83,960
<u>\$ 21,125</u>	<u>\$ 83,960</u>
<u>21,125</u>	<u>83,960</u>
<u>21,125</u>	<u>83,960</u>
<u>\$ 21,125</u>	<u>\$ 83,960</u>

**CITY OF WEST ORANGE, TEXAS**

**COMBINING STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS**

**Year Ended September 30, 2008**

	<u>Special Revenue Funds</u>		
	<u>Police- Public Safety Fund</u>	<u>Police- Seizure &amp; Forfeiture Fund</u>	<u>Police- State Education Fund</u>
<b><u>Revenues</u></b>			
Fines and forfeitures	\$ 649	\$	\$
Intergovernmental revenue			1,245
Investment earnings	783	378	336
<b>Total Revenues</b>	<u>1,432</u>	<u>378</u>	<u>1,581</u>
<b><u>Expenditures</u></b>			
<b>Current:</b>			
Public safety		2,126	
<b>Total Expenditures</b>		<u>2,126</u>	
<b>Net Change in Fund Balance</b>	1,432	(1,748)	1,581
Fund Balances, beginning of year	<u>31,969</u>	<u>16,293</u>	<u>13,308</u>
<b>Fund Balances, End of Year</b>	<u>\$ 33,401</u>	<u>\$ 14,545</u>	<u>\$ 14,889</u>



<u>Police- Federal Asset Forfeiture Fund</u>	<u>Total Non-major Governmental Funds</u>
\$	\$
25,000	649
356	26,245
<u>25,356</u>	<u>1,853</u>
	<u>28,747</u>
9,360	11,486
<u>9,360</u>	<u>11,486</u>
15,996	17,261
5,129	66,699
<u>21,125</u>	<u>83,960</u>

**CITY OF WEST ORANGE, TEXAS**

Exhibit C-3

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

**September 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 577,630	\$ 451,544
Receivables:		
Taxes	138,337	130,791
Accounts	49,913	38,265
Prepaid items	516	746
	<u>516</u>	<u>746</u>
<b>Total Assets</b>	<b><u>\$ 766,396</u></b>	<b><u>\$ 621,346</u></b>
<b><u>Liabilities and Equity</u></b>		
<b><u>Liabilities</u></b>		
Accounts payable and accrued liabilities	\$ 117,750	\$ 7,715
Deferred revenue	59,660	50,595
	<u>59,660</u>	<u>50,595</u>
<b>Total Liabilities</b>	<b><u>177,410</u></b>	<b><u>58,310</u></b>
<b><u>Equity</u></b>		
<b>Fund Balances:</b>		
Unreserved and undesignated	588,986	563,036
	<u>588,986</u>	<u>563,036</u>
<b>Total Equity</b>	<b><u>588,986</u></b>	<b><u>563,036</u></b>
<b>Total Liabilities and Equity</b>	<b><u>\$ 766,396</u></b>	<b><u>\$ 621,346</u></b>

**CITY OF WEST ORANGE, TEXAS**

Exhibit C-4 Page 1 of 3

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

**Year Ended September 30, 2008**  
**with Comparative Actual Balances for the Year Ended September 30, 2007**

	<u>2008</u>		<u>Variance Over (Under)</u>	<u>2007 Actual</u>
	<u>Budget</u>	<u>Actual</u>		
<b><u>Revenues</u></b>				
Property taxes	\$ 450,640	\$ 471,907	\$ 21,267	\$ 448,307
Other taxes	1,184,000	1,185,703	1,703	1,201,385
Industrial payments in lieu of taxes	502,300	489,623	(12,677)	343,689
Intergovernmental		2,020	2,020	216,445
Licenses and permits	8,250	14,149	5,899	12,065
Fines and forfeitures	179,600	205,126	25,526	178,229
Fees and charges for services	325,000	363,630	38,630	328,426
Investment earnings	42,000	17,984	(24,016)	41,642
Other	110,010	212,324	102,314	133,321
<b>Total Revenues</b>	<u>2,801,800</u>	<u>2,962,466</u>	<u>160,666</u>	<u>2,903,509</u>
<b><u>Expenditures</u></b>				
<b>City Administration:</b>				
Personnel services	123,666	129,242	(5,576)	118,740
Supplies and repairs	12,750	10,265	2,485	10,174
Contractual services	10,000	10,848	(848)	8,904
Other services and charges	175,710	155,638	20,072	145,494
Capital outlay	11,000	4,673	6,327	16,198
<b>Total City Administration</b>	<u>333,126</u>	<u>310,666</u>	<u>22,460</u>	<u>299,510</u>
<b>Municipal Court:</b>				
Personnel services	66,576	65,837	739	62,306
Supplies	1,900	907	993	1,363
Repairs and maintenance	2,550	1,499	1,051	1,865
Other services and charges	82,350	88,847	(6,497)	59,026
<b>Total Municipal Court</b>	<u>153,376</u>	<u>157,090</u>	<u>(3,714)</u>	<u>124,560</u>
<b>Total General Government</b>	<u>486,502</u>	<u>467,756</u>	<u>18,746</u>	<u>424,070</u>

**CITY OF WEST ORANGE, TEXAS**

Exhibit C-4 Page 2 of 3

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

**Year Ended September 30, 2008**  
**with Comparative Actual Balances for the Year Ended September 30, 2007**

	2008		Variance Over (Under)	2007 Actual
	Budget	Actual		
<b><u>Expenditures (continued)</u></b>				
<b>Public Safety:</b>				
<b>Animal Control:</b>				
Personnel services	47,267	45,977	1,290	43,054
Supplies	6,450	8,882	(2,432)	6,691
Repairs and maintenance	350	172	178	363
Other services and charges	10,410	6,244	4,166	4,495
<b>Total Animal Control</b>	<b>64,477</b>	<b>61,275</b>	<b>3,202</b>	<b>54,603</b>
<b>Police:</b>				
Personnel services	794,153	803,537	(9,384)	688,627
Supplies	50,050	45,009	5,041	32,305
Repairs and maintenance	24,000	21,988	2,012	22,321
Other services and charges	62,650	50,318	12,332	48,114
Capital outlay	85,000	86,121	(1,121)	320,463
<b>Total Police</b>	<b>1,015,853</b>	<b>1,006,973</b>	<b>8,880</b>	<b>1,111,830</b>
<b>Fire:</b>				
Personnel services	288	395	(107)	284
Supplies	19,450	69,134	(49,684)	10,638
Repairs and maintenance	2,000	1,760	240	1,816
Other services and charges	13,900	21,033	(7,133)	10,107
Capital outlay				357,115
<b>Total Fire</b>	<b>35,638</b>	<b>92,322</b>	<b>(56,684)</b>	<b>379,960</b>
<b>Fire Marshal:</b>				
Personnel services	51,442	58,645	(7,203)	48,863
Supplies	800	927	(127)	574
Repairs and maintenance	2,000	337	1,663	1,731
Other services and charges	70,500	39,641	30,859	52,207
Capital outlay	1,500	150	1,350	
<b>Total Fire Marshal</b>	<b>126,242</b>	<b>99,700</b>	<b>26,542</b>	<b>103,375</b>
<b>Total Public Safety</b>	<b>1,242,210</b>	<b>1,260,270</b>	<b>(18,060)</b>	<b>1,649,768</b>

**CITY OF WEST ORANGE, TEXAS**

Exhibit C-4 Page 3 of 3

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

**Year Ended September 30, 2008  
with Comparative Actual Balances for the Year Ended September 30, 2007**

	2008		Variance Over (Under)	2007 Actual
	Budget	Actual		
<b><u>Expenditures (continued)</u></b>				
<b>Public Works:</b>				
<b>Sanitation:</b>				
Personnel services	185,348	165,740	19,608	183,613
Supplies	24,350	29,427	(5,077)	23,368
Repairs and maintenance	6,500	3,062	3,438	66,316
Other services and charges	264,000	331,658	(67,658)	261,143
<b>Total Sanitation</b>	<u>480,198</u>	<u>529,887</u>	<u>(49,689)</u>	<u>534,440</u>
<b>Streets:</b>				
Personnel services	267,998	285,386	(17,388)	277,553
Supplies	19,400	17,745	1,655	15,824
Repairs and maintenance	236,400	151,895	84,505	570,612
Other services and charges	25,200	19,639	5,561	18,511
Capital outlay	162,210	121,541	40,669	25,500
<b>Total Streets</b>	<u>711,208</u>	<u>596,206</u>	<u>115,002</u>	<u>908,000</u>
<b>Maintenance Shop:</b>				
Personnel services	54,594	56,487	(1,893)	49,955
Supplies	2,350	2,336	14	2,818
Other services and charges	5,000	2,342	2,658	3,105
<b>Total Maintenance Shop</b>	<u>61,944</u>	<u>61,165</u>	<u>779</u>	<u>55,878</u>
<b>Total Public Works</b>	<u>1,253,350</u>	<u>1,187,258</u>	<u>66,092</u>	<u>1,498,318</u>
<b>Non-departmental-Hurricane   Ike Recovery</b>		16,269	(16,269)	
<b>Non-departmental-Improvements</b>	5,000	4,963	37	3,140
<b>Debt Service</b>				29,629
<b>Total Expenditures</b>	<u>2,987,062</u>	<u>2,936,516</u>	<u>50,546</u>	<u>3,604,925</u>
<b>Net Change in Fund Balance</b>	(185,262)	25,950	211,212	(701,416)
Fund balances - Beginning	<u>563,036</u>	<u>563,036</u>		<u>1,264,452</u>
<b>Fund Balances - Ending</b>	<u>\$ 377,774</u>	<u>\$ 588,986</u>	<u>\$ 211,212</u>	<u>\$ 563,036</u>

**(This Page Intentionally Left Blank)**

## **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.

**(This Page Intentionally Left Blank)**



**CITY OF WEST ORANGE, TEXAS**

Table 1

**NET ASSETS BY COMPONENT**

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</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	\$ 4,262,919
Restricted	36,889	48,920	54,394	66,699	83,960
Unrestricted	864,769	876,717	1,136,612	422,998	458,009
<b>Total Governmental Activities Net Assets</b>	<u>\$ 4,497,793</u>	<u>\$ 4,464,132</u>	<u>\$ 4,998,719</u>	<u>\$ 4,902,083</u>	<u>\$ 4,804,888</u>
<b>Primary Government</b>					
Invested in capital assets, net of related debt	\$ 3,596,135	\$ 3,538,495	\$ 3,807,713	\$ 4,412,386	\$ 4,262,919
Restricted	36,889	48,920	54,394	66,699	83,960
Unrestricted	864,769	876,717	1,136,612	422,998	458,009
<b>Total Primary Government Net Assets</b>	<u>\$ 4,497,793</u>	<u>\$ 4,464,132</u>	<u>\$ 4,998,719</u>	<u>\$ 4,902,083</u>	<u>\$ 4,804,888</u>

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

**CITY OF WEST ORANGE, TEXAS**

Table 2 (Page 1 of 2)

**CHANGES IN NET ASSETS**

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Expenses</b>					
<b>Governmental Activities</b>					
General government	\$ 388,361	\$ 427,659	\$ 654,920	\$ 449,332	\$ 508,617
Public safety	868,797	848,174	937,934	938,344	1,293,321
Public works	997,977	1,071,183	950,714	1,623,646	1,295,535
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>	<u>3,097,473</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>	<u>\$ 3,097,473</u>
 <b>Program Revenues</b>					
<b>Governmental Activities</b>					
Charges for services					
General government	\$ 7,260	\$ 11,580	\$ 9,788	\$ 12,065	\$ 14,149
Public safety	148,232	216,462	229,327	197,240	215,446
Public works	239,812	261,876	257,041	318,011	353,959
Operating grants and contributions	70,373	41,858	263,763	328,547	153,114
Capital grants and contributions			278,578	4,664	59,210
<b>Total Governmental Activities Program Revenues</b>	<u>465,677</u>	<u>531,776</u>	<u>1,038,497</u>	<u>860,527</u>	<u>795,878</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>	<u>\$ 795,878</u>
 <b>Net (Expense)/Revenue</b>					
Governmental activities	<u>\$ (1,789,965)</u>	<u>\$ (1,818,107)</u>	<u>\$ (1,505,615)</u>	<u>\$ (2,151,342)</u>	<u>\$ (2,301,595)</u>
<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>	<u>\$ (2,301,595)</u>

**CITY OF WEST ORANGE, TEXAS**

Table 2 (Page 2 of 2)

**CHANGES IN NET ASSETS**

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</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	\$ 480,972
Other taxes	1,075,490	1,061,171	1,207,680	1,201,385	1,185,703
Payments in lieu of property taxes	302,118	290,241	331,480	343,689	489,623
Investment earnings	9,343	21,328	57,554	44,104	19,837
Other				17,802	28,265
<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>	<u>2,204,400</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>	<u>\$ 2,204,400</u>
<b>Change in Net Assets</b>					
Governmental activities	<u>\$ (1,233)</u>	<u>\$ (33,661)</u>	<u>\$ 534,587</u>	<u>\$ (96,636)</u>	<u>\$ (97,195)</u>
<b>Total Primary Government</b>	<u>\$ (1,233)</u>	<u>\$ (33,661)</u>	<u>\$ 534,587</u>	<u>\$ (96,636)</u>	<u>\$ (97,195)</u>

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

**CITY OF WEST ORANGE, TEXAS**

Table 3

**GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**

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

<b>Function</b>	<b>2004*</b>	<b>2005*</b>	<b>2006*</b>	<b>2007</b>	<b>2008</b>
Property taxes	\$ 401,781	\$ 411,706	\$ 443,488	\$ 447,726	\$ 480,972
Sales taxes	1,075,490	1,061,171	1,207,680	812,296	811,862
Payments in lieu of property taxes	302,118	290,241	331,480	343,689	489,623
Mixed beverage taxes				2,766	3,587
Road maintenance taxes				202,624	203,508
Hotel/Motel occupancy taxes				7,553	6,139
Franchise taxes				176,146	160,607
<b>Total</b>	<b>\$ 1,779,389</b>	<b>\$ 1,763,118</b>	<b>\$ 1,982,648</b>	<b>\$ 1,992,800</b>	<b>\$ 2,156,298</b>

\* Mixed beverage taxes, road maintenance taxes, hotel/motel occupancy taxes and franchise taxes were all reported as sales taxes. Beginning in 2007, these taxes are reported separately.

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

**CITY OF WEST ORANGE, TEXAS**

Table 4

**FUND BALANCES OF GOVERNMENTAL FUNDS**

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Fund</b>					
Unreserved	\$ 984,994	\$ 996,472	\$ 1,264,452	\$ 563,036	\$ 588,986
<b>Total General Fund</b>	<u>\$ 984,994</u>	<u>\$ 996,472</u>	<u>\$ 1,264,452</u>	<u>\$ 563,036</u>	<u>\$ 588,986</u>
<b>All Other Governmental Funds</b>					
Reserved	\$ 36,889	\$ 48,920	\$ 54,394	\$ 66,699	\$ 83,960
<b>Total All Other Governmental Funds</b>	<u>\$ 36,889</u>	<u>\$ 48,920</u>	<u>\$ 54,394</u>	<u>\$ 66,699</u>	<u>\$ 83,960</u>

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

**CITY OF WEST ORANGE, TEXAS**

Table 5

**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**

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

	<b><u>2004</u></b>	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
<b>Revenues</b>					
Taxes	\$ 1,781,251	\$ 1,761,081	\$ 1,980,021	\$ 1,993,381	\$ 2,147,233
Licenses and permits	7,260	11,580	9,788	12,065	14,149
Fines and forfeitures	136,909	203,928	218,811	186,825	205,775
Fees and charges for services	251,135	274,410	267,557	328,426	363,630
Intergovernmental	44,924	33,625	280,885	217,692	28,265
Investment earnings	9,343	21,328	57,554	44,104	19,837
Other revenues	25,449	8,233	261,456	133,321	212,324
<b>Total Revenues</b>	<b><u>2,256,271</u></b>	<b><u>2,314,185</u></b>	<b><u>3,076,072</u></b>	<b><u>2,915,814</u></b>	<b><u>2,991,213</u></b>
<b>Expenditures</b>					
General government	360,226	409,248	534,690	425,863	467,756
Public safety	867,704	857,429	915,181	1,649,768	1,271,756
Public works	917,552	915,850	809,856	1,498,318	1,187,258
Non-departmental	36,508	93,062	527,775	3,140	21,232
Debt service					
Principal	14,572	14,572	14,572	27,289	
Interest and fiscal charges	507	515	544	547	
<b>Total Expenditures</b>	<b><u>2,197,069</u></b>	<b><u>2,290,676</u></b>	<b><u>2,802,618</u></b>	<b><u>3,604,925</u></b>	<b><u>2,948,002</u></b>
<b>Excess of Revenues Over Expenditures</b>	59,202	23,509	273,454	(689,111)	43,211
<b>Other Financing Sources</b>					
Capital leases	66,851				
<b>Total Other Financing Sources</b>	<b><u>66,851</u></b>				
<b>Net Change in Fund Balances</b>	<b><u>\$ 126,053</u></b>	<b><u>\$ 23,509</u></b>	<b><u>\$ 273,454</u></b>	<b><u>\$ (689,111)</u></b>	<b><u>\$ 43,211</u></b>
Debt service as a percentage of noncapital expenditures	0.7%	0.7%	0.7%	0.8%	0.0%

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

**CITY OF WEST ORANGE, TEXAS**

Table 6

**GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**

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

<b>Function</b>	<b>2004*</b>	<b>2005*</b>	<b>2006*</b>	<b>2007</b>	<b>2008</b>
Sales taxes	\$ 1,075,490	\$ 1,061,171	\$ 1,207,680	\$ 812,296	\$ 811,862
Property taxes	403,643	409,669	440,861	448,307	471,907
Payments in lieu of property taxes	302,118	290,241	331,480	343,689	489,623
Mixed beverage taxes				2,766	3,587
Road maintenance taxes				202,624	203,508
Hotel/Motel occupancy taxes				7,553	6,139
Franchise taxes				176,146	160,607
<b>Total</b>	<b><u>\$ 1,781,251</u></b>	<b><u>\$ 1,761,081</u></b>	<b><u>\$ 1,980,021</u></b>	<b><u>\$ 1,993,381</u></b>	<b><u>\$ 2,147,233</u></b>

\* Mixed beverage taxes, road maintenance taxes, hotel/motel occupancy taxes and franchise taxes were all reported as sales taxes. Beginning in 2007, these taxes are reported separately.

\*\* The requirement for statistical data is ten years; only five 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>
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
2008	63,076,601	27,610,188	29,765,086	12,369,582	108,082,293	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>		
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	
2008	2007	0.42939	1.13175	0.54261	2.10375	

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

(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 Five Years Ago**

<b>Taxpayer</b>	<b>2008</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	\$ 9,885,860	1	9.15 %	\$ 8,053,090	1	8.72 %
Wal-Mart Store #00777	8,459,908	2	7.83	7,302,350	2	7.91
Wal-Mart Stores Inc.	7,041,603	3	6.52	6,617,500	3	7.17
Albanese Real Estate	3,831,444	4	3.54			
Entergy Gulf States, Inc.	1,749,080	5	1.62	1,657,560	5	1.80
Dupont Employees Rec Assn.	1,501,280	6	1.39	1,506,030	7	1.63
Union Pacific Railroad Company	862,060	7	0.80			
Metal Depot, Inc.	847,387	8	0.78			
Boyett Construction	827,921	9	0.77			
Citadel W.O. Partners, LTD	772,901	10	0.72			
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	35,779,444		33.10	32,728,990		35.45
Other taxpayers	72,302,849		66.90	59,599,230		64.55
Total	<u>\$ 108,082,293</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 five 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>
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	14,361	438,233	100.28
2008	0.42939	464,095	445,096	95.91		445,096	95.91

Source - Tax assessor/collector's records.

**CITY OF WEST ORANGE, TEXAS**

Table 11

**RATIOS OF OUTSTANDING DEBT BY TYPE**

**Last Five Fiscal Years \***

<b>Fiscal Year Ended Sept. 30,</b>	<b>Governmental Activities Capital Leases</b>	<b>Total Primary Government</b>	<b>% of Personal Income **</b>	<b>Per Capita **</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	***	***	***	***
2008	***	***	***	***

\* The requirement for statistical data is ten years; only five 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, 2008**

<b><u>Governmental Unit</u></b>	<b><u>Debt Outstanding</u></b>	<b><u>Estimated Percentage Applicable (1)</u></b>	<b><u>City of West Orange Share of Debt</u></b>
West Orange Cove CISD	\$ 10,776,572	18.71 %	\$ 2,016,297
Orange County	1,669,969	2.37	39,578
Subtotal, overlapping debt			2,055,875
<b>City Direct Debt</b>			
<b>Total Direct and Overlapping Debt</b>			<b>\$ 2,055,875</b>

**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 Five Fiscal Years \***

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$ 9,348,406	\$ 10,268,361	\$ 10,152,061	\$ 10,177,289	\$ 10,207,162
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>	<u>\$ 10,207,162</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	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	\$ 102,071,624
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>	<u>10,207,162</u>
Legal debt margin	<u>\$ 9,348,406</u>	<u>\$ 10,268,361</u>	<u>\$ 10,152,061</u>	<u>\$ 10,177,289</u>	<u>\$ 10,207,162</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 five fiscal years.

\* The requirement for statistical data is ten years; only five 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>
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
2008	3,983	72,251,620	18,140	37	2,385	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 One Year Ago\***

<b>Employer</b>	<b>2008</b>			<b>2007</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment</b>
Wal Mart	415	1	25.18%	368	1	22.33%
WOCCISD	193	2	11.71%	205	2	12.44%
Betz Laboratories	45	3	2.73%	45	4	2.73%
Akrotex, Inc.	35	4	2.12%	46	3	2.79%
Laidlaw Transit	35	5	2.12%	44	5	2.67%
Granger (formerly Harmon) Chevrolet	35	6	2.12%	35	6	2.12%
City of West Orange	25	7	1.52%	26	7	1.58%
Sonic Drive-In	25	8	1.52%	24	8	1.46%
Goody's	25	9	1.52%	21	9	1.27%
Little Giant/TMRX	15	10	0.91%	16	10	0.97%
<b>Total</b>	<b>848</b>		<b>51.46%</b>	<b>830</b>		<b>50.36%</b>

n/a - information not available.

**Source** - City records.

\* The requirement for statistical data is ten years; only the past two years are 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>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>	<b>2008</b>
General government	6	6	6	6	6	6	6	6	6	6
Public safety										
Police										
Officers	9	9	9	9	9	8	9	9	9	8
Civilians	1	1	1	1	1	1	1	1	1	1
Fire										
Firefighters	14	14	16	17	15	14	15	17	17	19
Public works										
Streets and sanitation	4	5	4	4	4	4	4	5	5	8
Maintenance and operations	2	2	2	2	2	2	2	3	3	2
<b>Total</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>	<b>44</b>

Source - City personnel records.

**CITY OF WEST ORANGE, TEXAS**  
**OPERATING INDICATORS BY FUNCTION**

Table 17

**Last Five 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><u>2008</u></b>
<b>Police</b>					
Arrests	691	769	555	555	543
Accident reports	64	70	76	76	68
Citations	2,219	2,201	2,136	2,136	1,788
Offense reports	1,314	1,383	1,221	1,221	776
Calls for service	4,863	3,515	3,977	3,977	3,794
<b>Fire</b>					
Emergency responses	22	9	8	8	24
Fire incidents	42	37	19	19	16
Service calls and other calls	23	54	26	26	7
Automatic aid, mutual aid given	11	6	2	2	1

**Source** - Various City departments.

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

**CITY OF WEST ORANGE, TEXAS**

Table 18

**CAPITAL ASSETS STATISTICS BY FUNCTION**

**Last Ten Fiscal Years**

<b>Function</b>	<b>Fiscal Year</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>	<b>2008</b>
Public safety										
Police										
Stations	1	1	1	1	1	1	1	0*	1	1
Patrol units	8	8	8	8	8	8	9	9	9	8
Fire										
Stations	1	1	1	1	1	1	1	0*	1	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.

**(This Page Intentionally Left Blank)**