

# **Comprehensive Annual Financial Report**

**of the**

**City of West Orange, Texas**

**Fiscal Year Ended  
September 30, 2014**



## **Officials Issuing Report**

**Roy McDonald  
Mayor**

**Theresa Van Meter  
City Secretary**



# **CITY OF WEST ORANGE, TEXAS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended September 30, 2014**

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# **CITY OF WEST ORANGE, TEXAS**

## **COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**Year Ended September 30, 2014**

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# City of West Orange

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West Orange, Texas 77630-6136

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[www.cityofwestorange.com](http://www.cityofwestorange.com)

January 15, 2015

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, 2014, 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 statements 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 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, 2014, 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 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, 2014, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

## **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 3,549. 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 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 14.9% 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 \$126.1 million for fiscal year 2014, which is an increase of approximately \$2.7 million from the previous fiscal year.

## **LONG-TERM FINANCIAL PLANNING**

Unassigned fund balance in the General Fund amounted to \$2,760,263 as of September 30, 2014. 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 of accounting.

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 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.

## **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, 2013. 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 seventeenth 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 McDonald  
Mayor



**CITY OF WEST ORANGE, TEXAS**

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

**September 30, 2013 (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, 2013**

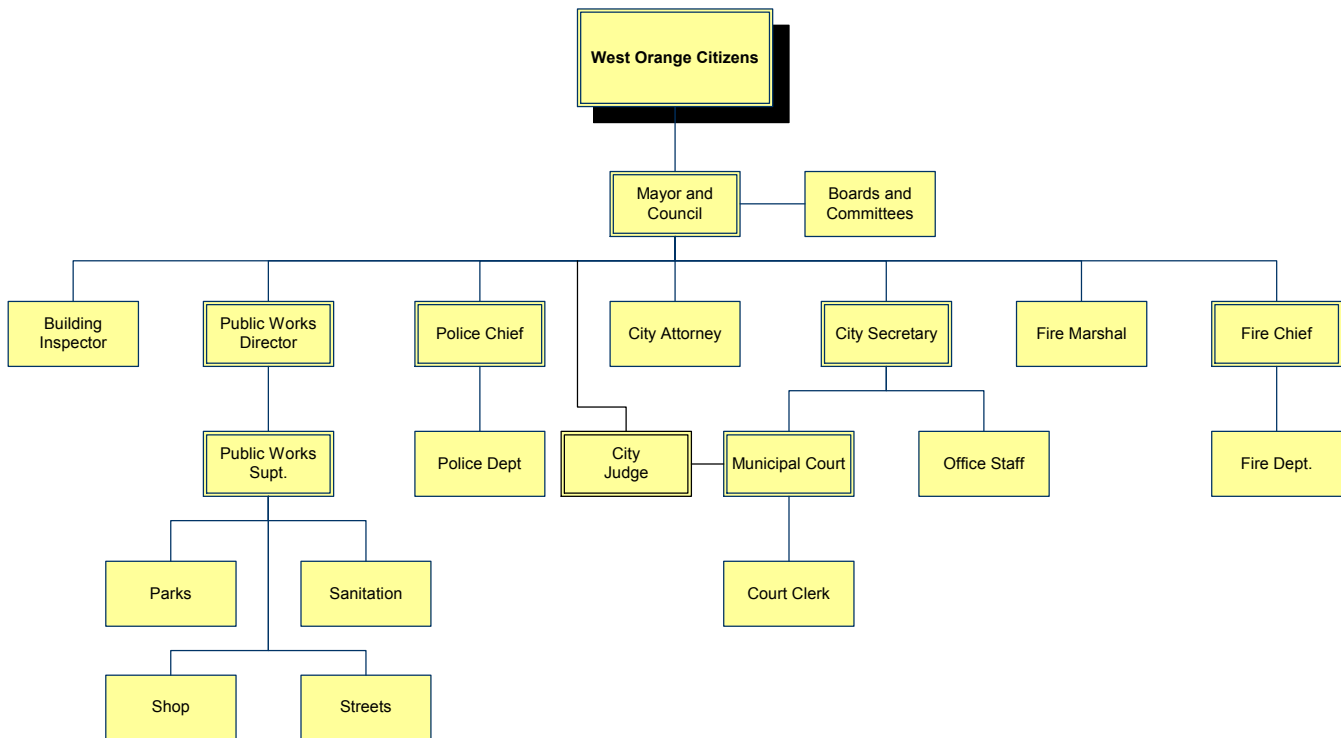
A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director/CEO

# CITY OF WEST ORANGE, TEXAS

## ORGANIZATIONAL CHART

Fiscal Year 2013-2014



# **CITY OF WEST ORANGE, TEXAS**

## **PRINCIPAL OFFICIALS**

**September 30, 2014**

<b><u>City Officials</u></b>	<b><u>Elective Position</u></b>	<b><u>Term Expires</u></b>
Roy McDonald	Mayor	2015
Shirley Bonnin	Council Member (Mayor Pro Tem)	2016
Dale Dardeau	Council Member	2016
Mike Trahan	Council Member	2015
Charles Winter	Council Member	2015
Mike Shugart	Council Member	2016

<b><u>Key Staff</u></b>	<b><u>Position</u></b>
Theresa Van Meter	City Secretary *
Joe Alford	City Attorney *
Michael Stelly	Police Chief *
Randy Veitch	Fire Chief *
Ralph “Gene” Roberts	City Judge *
Dean Fuller	Fire Marshal/Building Inspector *
Michael Stelly	Interim Director of Public Works *

\* - City Council Appointive Position

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## **FINANCIAL SECTION**

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130 Industrial Blvd, Suite 130 • Sugar Land, Texas 77478 • 281/242-3232 • fax 281/242-3252 • www.sktx.com

## **Independent Auditors' Report**

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

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the City of West Orange, Texas, as of and for the year ended September 30, 2014, and the related notes to the financial statements, which collectively comprise the City of West Orange, Texas' basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the City of West Orange, Texas, as of September 30, 2014, and the respective

changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5-11, budgetary comparison information on page 38 and pension information on page 40 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of West Orange, Texas' basic financial statements. The introductory section, combining nonmajor and individual 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 nonmajor and individual fund financial statements and schedules on pages 44 to 51 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements 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 do not express an opinion or provide any assurance on them.

A handwritten signature in black ink, appearing to read "Sugar Land & Co.", is written over a horizontal line.

Sugar Land, Texas  
January 15, 2015



## **Management's Discussion and Analysis**

As management of the City 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, 2014.

### **FINANCIAL HIGHLIGHTS**

- The assets of the City exceeded its liabilities at the close of the most recent fiscal year by \$6,155,609 (net position).
- As of September 30, 2014, the City's governmental funds reported an ending fund balance of \$3,014,347.
- The City's cash balance at September 30, 2014, was \$3,013,995, representing an increase of \$455,041 from September 30, 2013.
- The City had expenses net of program revenue of \$2,380,745 and general revenues of \$2,587,177, resulting in a net increase in net position of \$206,432 for the year ended September 30, 2014.
- At the end of the fiscal year, unassigned fund balance for the General Fund was \$2,760,263, or 104.2 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 position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position 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 position changed during the most recent fiscal year. All changes in net position 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 through 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 through 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 35 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 38 through 40 of this report.

## **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$6,155,609 as of September 30, 2014.

The largest portion of the City's net position (53.7 percent) reflects its net 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 position (4.1 percent) represents restricted financial resources to be used for hotel/motel promotions, public safety and public works.

Lastly, a portion of the City's net position (42.2 percent) represents unrestricted financial resources available for future operations.

**SUMMARY OF STATEMENT OF NET POSITION**  
**As of September 30, 2014 and 2013**

	<b>Governmental Activities</b>	
	<b>2014</b>	<b>2013</b>
Current and other assets	\$ 3,217,471	\$ 2,755,609
Capital assets, net	3,306,841	3,555,213
<b>Total Assets</b>	<b>6,524,312</b>	<b>6,310,822</b>
Long-term liabilities	258,886	251,052
Other liabilities	109,817	110,593
<b>Total Liabilities</b>	<b>368,703</b>	<b>361,645</b>
<b>Net Position:</b>		
Net investment in capital assets	3,306,841	3,555,213
Restricted	253,019	249,523
Unrestricted	2,595,749	2,144,441
<b>Total Net Position</b>	<b>\$ 6,155,609</b>	<b>\$ 5,949,177</b>

As of September 30, 2014, current and other assets increased by \$461,862 or 16.8% from the prior year. This increase can mainly be attributed to an increase in cash and cash equivalents resulting from revenues exceeding expenses during the 2014 fiscal year.

Net position of the City, all of which relates to governmental activities, increased by \$206,432. Key elements of the increase are as follows:

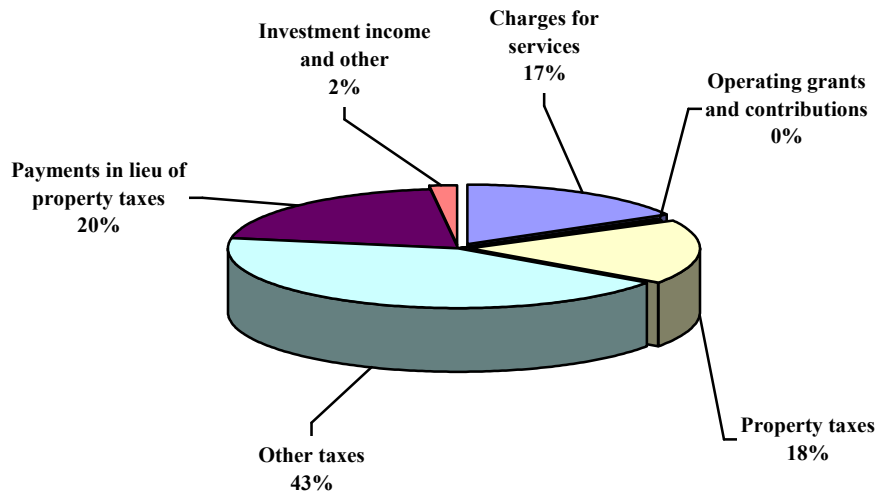
**CHANGES IN NET POSITION**  
**For the Fiscal Years Ended September 30, 2014 and 2013**

	<b>Governmental Activities</b>	
	<b>2014</b>	<b>2013</b>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 524,558	\$ 537,635
Operating grants and contributions	10,272	9,033
General revenues:		
Property taxes, penalties and interest	548,194	532,357
Other taxes	1,345,893	1,290,586
Payments in lieu of property taxes	633,334	598,246
Investment income	1,329	1,945
Other	58,427	74,242
<b>Total Revenues</b>	<u>3,122,007</u>	<u>3,044,044</u>
<b>Expenses</b>		
General government	502,674	529,454
Public safety	1,323,532	1,327,678
Public works	1,089,369	1,142,952
<b>Total Expenses</b>	<u>2,915,575</u>	<u>3,000,084</u>
<b>Change in Net Position</b>	206,432	43,960
<b>Net Position, Beginning</b>	<u>5,949,177</u>	<u>5,905,217</u>
<b>Net Position, Ending</b>	<u><u>\$ 6,155,609</u></u>	<u><u>\$ 5,949,177</u></u>

This \$206,432 increase in net position is primarily a result of increased sales tax revenues and industrial payments in lieu of property tax revenues due to economic growth during the current fiscal year. In addition, public works expenses decreased by \$53,583 or 4.7% in 2014 mainly due to vacant positions that were not filled during the 2014 fiscal year.

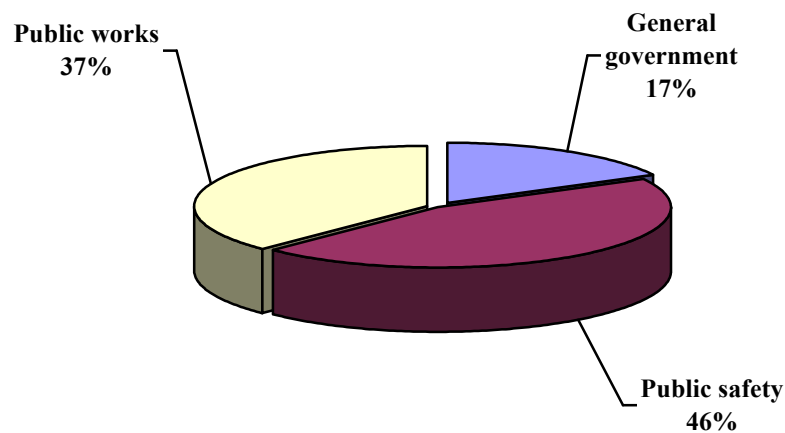
Graphic presentations of selected current year data from the changes in net position table follow in order to assist in the analysis of the City's activities.

### GOVERNMENTAL REVENUES



For the fiscal year ended September 30, 2014, revenue from governmental activities totaled \$3,122,007.

### GOVERNMENTAL FUNCTIONAL EXPENSES



For the fiscal year ended September 30, 2014, expenses from governmental activities totaled \$2,915,575, the largest portions of which relate to public safety (46%) and public works (37%).

## **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, 2014, the City's governmental funds, which consist of a general fund and special revenues funds, reported an ending fund balance of \$3,014,347, which is an increase of \$459,442 from last year's total of \$2,554,905. The General Fund, the City's main operating fund, had an ending fund balance of \$2,794,829, a \$461,083 increase from the prior year. This increase in fund balance can mainly be attributed to various actual revenues in excess of budgeted amounts of approximately \$150,000, as well as actual expenditures in various departments being significantly less than budgeted amounts in 2014. Revenues in excess of amounts budgeted for sales taxes, franchise fees and other revenue account for approximately \$125,000 of this excess and can be attributed in economic growth during the 2014 fiscal year. Significant differences between final budgeted amounts and actual expenditures in various departments are discussed in the following paragraph.

In fiscal year 2014, the City planned for a decrease in fund balance in the General Fund of \$500,369, however, the actual change in fund balance was an increase of \$461,083. For the 2014 fiscal year, City Administration actual expenditures were less than final budgeted amounts by \$85,361, which is mainly due to vacant positions during the year in addition to overtime expenses that were budgeted for in 2014, but were not incurred. Police actual expenditures in 2014 were less than budgeted amounts by \$189,469 which can be attributed to an open position that was not filled in 2014 in addition to overall effort by the department to decrease expenses during the current fiscal year. Fire Marshal actual expenditures were less than budgeted amounts by \$19,618 in 2014 which is mainly due to code enforcement expenditures that were budgeted for in 2014 but were not incurred. Sanitation actual expenditures were less than budgeted amounts by \$162,378 which is a result of salary and related expenses being approximately \$52,000 less than budgeted amounts in 2014, as well as contracted services expenditures that were approximately \$14,600 less than budgeted amounts. In addition, the City budgeted \$40,000 for the purchase of a chipper machine, which was not purchased in 2014. Lastly, Streets expenditures were less than budgeted amounts by \$302,951 and is directly attributable to vacant positions that were not filled in 2014, as well as an overall effort by the department to decrease expenses during the current fiscal year.

As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 104.2 percent of total General Fund expenditures. The nonmajor Special Revenue Funds reported an ending fund balance of \$219,518.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets** - The City's net investment in capital assets as of September 30, 2014, amounts to \$3,306,841 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, machinery and equipment, infrastructure, and construction-in-progress, as applicable.

## CAPITAL ASSETS SCHEDULE

	<b>Governmental Activities</b>	
	<b>2014</b>	<b>2013</b>
Land	\$ 573,061	\$ 573,061
Buildings	1,614,781	1,614,781
Machinery and equipment	1,611,494	1,647,345
Infrastructure	4,798,287	4,798,287
Less: accumulated depreciation	(5,290,782)	(5,078,261)
<b>Total Capital Assets, Net</b>	<b>\$ 3,306,841</b>	<b>\$ 3,555,213</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, 2014, the City's long-term debt was comprised solely of compensated absences, which amounted to \$258,886. The City has established a separate bank account in which money is being accumulated for the payment of compensated absences. As of September 30, 2014, this bank account has a balance of \$76,951.

Additional information on the City's long-term debt can be found in Note 6 in the Notes to Financial Statements.

### GENERAL FUND ENDING FUND BALANCE

- Unassigned fund balance in the General Fund increased to \$2,760,263. It is intended that, if necessary, the use of available fund balance will avoid the need to raise taxes during the 2015 fiscal year.

### REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City 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 The City of West Orange, Texas: Roy McDonald, Mayor, 2700 Western Avenue, West Orange, Texas 77630.

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## **BASIC FINANCIAL STATEMENTS**

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# **CITY OF WEST ORANGE, TEXAS**

Exhibit A-1

## **STATEMENT OF NET POSITION**

**September 30, 2014**

	<b><u>Governmental Activities</u></b>
<b><u>Assets</u></b>	
Cash and cash equivalents	\$ 3,013,995
Receivables	202,411
Prepaid expenses	1,065
Capital assets:	
Land	573,061
Buildings	905,823
Machinery and equipment	405,691
Infrastructure	1,422,266
<b>Total Assets</b>	<b><u>6,524,312</u></b>
<b><u>Liabilities</u></b>	
Accounts payable and other current liabilities	109,817
Noncurrent liabilities:	
Due within one year	25,889
Due in more than one year	232,997
<b>Total Liabilities</b>	<b><u>368,703</u></b>
<b><u>Net Position</u></b>	
Net investment in capital assets	3,306,841
Restricted for:	
Hotel/Motel	33,501
Public safety	211,784
Public works	7,734
Unrestricted	2,595,749
<b>Total Net Position</b>	<b><u>\$ 6,155,609</u></b>

See Notes to Financial Statements.

# **CITY OF WEST ORANGE, TEXAS**

## **STATEMENT OF ACTIVITIES**

**For the Year Ended September 30, 2014**

<b>Functions/Programs</b>	<b>Expenses</b>	<b>Charges for Services</b>
<b>Governmental Activities:</b>		
General government	\$ 502,674	\$ 22,852
Public safety	1,323,532	124,884
Public works	1,089,369	376,822
<b>Total Governmental Activities</b>	<b>\$ 2,915,575</b>	<b>\$ 524,558</b>
<b>General Revenues:</b>		
Property taxes		
Sales taxes		
Road maintenance taxes		
Franchise taxes		
Mixed beverage taxes		
Hotel/motel occupancy taxes		
Payments in lieu of property taxes		
Investment income		
Other		
<b>Total General Revenues</b>		
Change in Net Position		
<b>Net Position - Beginning</b>		
<b>Net Position - Ending</b>		

See Notes to Financial Statements.

<b>Program Revenues</b>	<b>Net (Expense) Revenue and Change in Net Position</b>
<b>Operating Grants and Contributions</b>	<b>Governmental Activities (Total)</b>
\$	\$
10,272	(479,822)
	(1,188,376)
	(712,547)
<u>\$ 10,272</u>	<u>\$ (2,380,745)</u>
	548,194
	855,967
	213,449
	265,085
	6,269
	5,123
	633,334
	1,329
	58,427
	<u>2,587,177</u>
	206,432
	5,949,177
	<u>\$ 6,155,609</u>

# CITY OF WEST ORANGE, TEXAS

Exhibit A-3

## BALANCE SHEET GOVERNMENTAL FUNDS

September 30, 2014

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>Assets</u></b>			
Cash and cash equivalents	\$ 2,794,477	\$ 219,518	\$ 3,013,995
Receivables:			
Taxes	177,186		177,186
Accounts	25,225		25,225
Prepaid items	1,065		1,065
<b>Total Assets</b>	<u>\$ 2,997,953</u>	<u>\$ 219,518</u>	<u>\$ 3,217,471</u>
<b><u>Liabilities, Deferred Inflows of Resources and Fund Balances</u></b>			
<b><u>Liabilities</u></b>			
Accounts payable and accrued liabilities	\$ 109,817	\$	\$ 109,817
<b>Total Liabilities</b>	<u>109,817</u>		<u>109,817</u>
<b><u>Deferred Inflows of Resources</u></b>			
Unearned revenues - property taxes	93,307		93,307
<b>Total Deferred Inflows of Resources</b>	<u>93,307</u>		<u>93,307</u>
<b><u>Fund Balances</u></b>			
Nonspendable	1,065		1,065
Restricted	33,501	219,518	253,019
Unassigned	2,760,263		2,760,263
<b>Total Fund Balances</b>	<u>2,794,829</u>	<u>219,518</u>	<u>3,014,347</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 2,997,953</u>	<u>\$ 219,518</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	\$ 3,306,841
Long-term liabilities, consisting of accrued compensated absences (\$258,886) are not due and payable in the current period and are therefore not reported in the funds.	(258,886)
Revenues that do not provide current financial resources are reported as deferred in the funds.	<u>93,307</u>
<b>Net Position of Governmental Activities</b>	<u>\$ 6,155,609</u>

See Notes to Financial Statements.

# **CITY OF WEST ORANGE, TEXAS**

Exhibit A-4

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

**For the Year Ended September 30, 2014**

	<b><u>General</u></b>	<b><u>Other Governmental Funds</u></b>	<b><u>Total Governmental Funds</u></b>
<b><u>Revenues</u></b>			
Property taxes	\$ 544,998	\$	\$ 544,998
Other taxes	1,345,893		1,345,893
Payments in lieu of property taxes	633,334		633,334
Licenses and permits	15,564		15,564
Fines and forfeitures	118,975		118,975
Fees and charges for services	384,692		384,692
Intergovernmental		5,486	5,486
Investment earnings	1,231	98	1,329
Other	64,370	4,170	68,540
<b>Total Revenues</b>	<b><u>3,109,057</u></b>	<b><u>9,754</u></b>	<b><u>3,118,811</u></b>
<b><u>Expenditures</u></b>			
<b>Current:</b>			
General government	477,646		477,646
Public safety	1,283,345	11,395	1,294,740
Public works	886,983		886,983
<b>Total Expenditures</b>	<b><u>2,647,974</u></b>	<b><u>11,395</u></b>	<b><u>2,659,369</u></b>
<b>Net Change in Fund Balances</b>	<b>461,083</b>	<b>(1,641)</b>	<b>459,442</b>
<b>Fund Balances - Beginning</b>	<b><u>2,333,746</u></b>	<b><u>221,159</u></b>	<b><u>2,554,905</u></b>
<b>Fund Balances - Ending</b>	<b><u>\$ 2,794,829</u></b>	<b><u>\$ 219,518</u></b>	<b><u>\$ 3,014,347</u></b>

See Notes to Financial Statements.

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# **CITY OF WEST ORANGE, TEXAS**

Exhibit A-5

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

**For the Year Ended September 30, 2014**

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

Net change in fund balances - total governmental funds	\$ 459,442
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 expense (\$303,135) exceeded capital outlay (\$54,763) in the current period.	(248,372)
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.	3,196
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>(7,834)</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 206,432</u></b>

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# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

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

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

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

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

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

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

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

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

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

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

- A Management's Discussion and Analysis (MD&A) section providing an analysis of the City's overall financial position and changes in financial position.

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

- Government-wide financial statements prepared using the accrual basis of accounting for all of the City's governmental activities.
- 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 position and a statement of activities. It requires the reclassification of net position into three components – net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- Net investment in capital assets – This component of net position 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 position consists of constraints placed on net position 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 position – This component of net position consists of net position that do not meet the definition of “restricted” or “net investment in capital assets.”

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

The government-wide financial statements (i.e., the statement of net position and the statement of activities) 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.

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

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 expenditures. 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.

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

### **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.

### **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 Position and are classified as "due from other funds" or "due to other funds" in the fund financial statements, when applicable.

### **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 column 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 are constructed.

Property, plant, and equipment of the primary government are 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

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

### **K. Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Deferred inflows of resources consist of unearned tax revenues.

### **L. 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. However, only accumulated sick days are paid upon termination from employment. 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.

### **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. Date of Management's Review**

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through January 15, 2015, the date that the financial statements were available to be issued.

### **O. 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

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

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, 2014, are shown as follows.

	<b>Carrying Amount</b>	<b>Fair Value</b>
Cash	\$ 3,013,995	\$ 3,013,995
<b>Total Cash and Cash Equivalents</b>	<b>\$ 3,013,995</b>	<b>\$ 3,013,995</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). 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, 2014, 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 \$0.42500 per \$100 of assessed valuation. The resulting adjusted tax levy was \$535,798 for operations on the total adjusted taxable valuation of \$126,070,087 for the 2013 tax year.



# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

Property taxes receivable, at September 30, 2014, consists of the following:

<b>Tax Year</b>	<b>General Fund</b>
2013	\$ 26,635
2012	18,937
2011	15,420
2010	10,678
2009	6,879
2008 and prior	23,316
	<u>\$ 101,865</u>

### **NOTE 4 - RECEIVABLES**

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

	<b>General</b>	<b>Total</b>
Receivables:		
Taxes	\$ 185,744	\$ 185,744
Accounts	<u>25,225</u>	<u>25,225</u>
Gross receivables	210,969	210,969
Less: allowance for uncollectibles	<u>(8,558)</u>	<u>(8,558)</u>
<b>Net Total Receivables</b>	<u>\$ 202,411</u>	<u>\$ 202,411</u>

Governmental funds report deferred inflows of resources 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 inflows of resources reported in the governmental funds were as follows:

Delinquent property taxes receivable - General Fund	<u>\$ 93,307</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, 2014:

	Balance Oct. 1, 2013	Increases	Decreases	Balance Sept. 30, 2014
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 573,061	\$	\$	\$ 573,061
Total capital assets not being depreciated	573,061			573,061
Capital assets being depreciated:				
Buildings	1,614,781			1,614,781
Machinery and equipment	1,647,345	54,763	(90,614)	1,611,494
Infrastructure	4,798,287			4,798,287
Total capital assets being depreciated	8,060,413	54,763	(90,614)	8,024,562
Less accumulated depreciation for:				
Buildings	(663,501)	(45,457)		(708,958)
Machinery and equipment	(1,158,654)	(137,763)	90,614	(1,205,803)
Infrastructure	(3,256,106)	(119,915)		(3,376,021)
Total accumulated depreciation	(5,078,261)	(303,135)	90,614	(5,290,782)
Total capital assets being depreciated, net	2,982,152	(248,372)		2,733,780
Governmental activities capital assets, net	\$ 3,555,213	\$ (248,372)	\$	\$ 3,306,841

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

<b>Governmental Activities:</b>	
General government	\$ 24,088
Public safety	79,481
Public works	199,566
<b>Total Depreciation Expense - Governmental Activities</b>	<u>\$ 303,135</u>

### NOTE 6 - LONG-TERM DEBT

#### Changes in Long-Term Liabilities

Long-term liability activity for the year ended September 30, 2014, is as follows:

	Balance Oct. 1, 2013	Additions	(Reductions)	Balance Sept. 30, 2014	Amounts Due Within One Year
<b>Governmental Activities:</b>					
Compensated absences	\$ 251,052	\$ 46,835	\$ (39,001)	\$ 258,886	\$ 25,889
<b>Total</b>	<u>\$ 251,052</u>	<u>\$ 46,835</u>	<u>\$ (39,001)</u>	<u>\$ 258,886</u>	<u>\$ 25,889</u>

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

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

### **NOTE 7 – FUND BALANCES**

The Governmental Accounting Standards Board has issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* (GASB 54). This Statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes. GASB 54 requires the fund balance amounts to be properly reported within one of the following five fund balance categories:

*Nonspendable:*

To indicate fund balance associated with inventories, prepaids, long-term loans and notes receivable and property held for resale (unless the proceeds are restricted, committed or assigned).

*Restricted:*

To indicate fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers or through enabling legislation.

*Committed:*

To indicate fund balance that can be used only for the specific purposes determined by a formal action of the City Council (the City's highest level of decision-making authority). City Council must place an item on the Council's agenda, followed by a majority vote to approve such, in order to establish, modify or rescind a fund balance commitment.

*Assigned:*

To indicate fund balance to be used for specific purposes but do meet the criteria to be classified as restricted or committed. Currently, only City Council has the authority to assign fund balances.

*Unassigned:*

To indicate the residual classification of fund balance in the General Fund and includes all spendable amounts not contained in the other classifications.

In circumstances where an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned and unassigned.

Fund balances for all the major and nonmajor governmental funds as of September 30, 2014, were distributed as follows:

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

	<b>General</b>	<b>Other Governmental Funds</b>	<b>Total</b>
<b>Nonspendable:</b>			
Prepays	\$ 1,065	\$	\$ 1,065
Subtotal	1,065		1,065
<b>Restricted for:</b>			
Hotel motel	33,501		33,501
Public safety		211,784	211,784
Public works		7,734	7,734
Subtotal	33,501	219,518	253,019
<b>Unassigned</b>	2,760,263		2,760,263
<b>Total</b>	<u>\$ 2,794,829</u>	<u>\$ 219,518</u>	<u>\$ 3,014,347</u>

GASB 54 requires disclosure of any formally adopted minimum fund balance policies. The City does not currently have any such policies.

### **NOTE 8 - 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), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information (RSI) for TMRS; the report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by the System. This report may be obtained by writing to TMRS, P.O. Box 149153, Austin, TX 78714-9153 or by calling 800-924-8677; in addition, the report is available on TMRS's website at [www.TMRS.com](http://www.TMRS.com).

The plan provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS. Plan provisions for the City were as follows:

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

	<b><u>Plan Year 2013</u></b>	<b><u>Plan Year 2014</u></b>
Employee deposit rate	7.0%	7.0%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	10	10
Service retirement eligibility (expressed as age/years of service)	60/10, 0/20	60/10, 0/20
Updated service credit	100% Repeating	100% Repeating
Annuity increase (to retirees)	70% of CPI Repeating	70% of CPI Repeating

### **Contributions**

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) cost method (EAN in the December 31, 2013 valuation; previously, the Projected Unit Credit actuarial cost method had been used). This rate consists of the normal cost contribution rate and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate for an employee is the contribution rate which, if applied to a member's compensation throughout their period of anticipated covered service with the municipality, would be sufficient to meet all benefits payable on their behalf. The salary-weighted average of the individual rates is the total normal cost rate. The prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the applicable period for that city. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits, such as the Updated Service Credits and Annuity Increases.

The City contributes to the TMRS Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect (i.e., the December 31, 2013 valuation will determine the contribution rate beginning January 1, 2015).

Three year trend information is presented below:

	<b><u>2014</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Annual Required Contributions(ARC)	\$ 240,164	\$ 239,240	\$ 240,111
Percentage of ARC Contributed	100%	100%	100%
Net Pension Obligation at the End of Year	\$ 0	\$ 0	\$ 0

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

The required contribution rates for the 2014 fiscal year were determined as part of the December 31, 2011 and 2012 actuarial valuations. Additional information as of the latest actuarial valuation, December 31, 2013, also follows:

# CITY OF WEST ORANGE, TEXAS

Exhibit A-6

## NOTES TO FINANCIAL STATEMENTS

	<u>Valuation Date</u>		
	<u>12/31/11</u>	<u>12/31/12</u>	<u>12/31/13</u>
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Entry Age Normal
Amortization Method	Level Percent of Payroll	Level Percent of Payroll	Level Percent of Payroll
GASB 25 Equivalent Single Amortization Period	25.9 Years; Closed Period	24.9 Years; Closed Period	24.0 Years; Closed Period
Amortization Period for new Gains/Losses	30 Years	30 Years	30 Years
Asset Valuation Method	10-year Smoothed Market	10-year Smoothed Market	10-year Smoothed Market
Actuarial Assumptions:			
Investment Rate of Return *	7.5%	7.0%	7.0%
Projected Salary Increases *	Varies by Age and Service	Varies by Age and Service	Varies by Age and Service
* - Includes Inflation at	3.00%	3.00%	3.00%
Cost-of-Living Adjustments	2.1%	2.1%	2.1%

### Funded Status and Funding Progress

In October 2013, the TMRS Board approved actuarial changes in (a) the funding method from Projected Unit Credit to Entry Age Normal, (b) the post-retirement mortality assumptions used in calculating liabilities and contribution rates and in the development of the Annuity Purchase Rate factors, and (c) the amortization policy. These actuarial changes were effective with the December 31, 2013 actuarial valuation. For a complete description of the new actuarial cost method and assumptions, please see the December 31, 2013 TMRS Comprehensive Annual Financial Report (CAFR).

The funded status as of December 31, 2013, the most recent actuarial valuation date, is presented as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Funded Ratio</u>	<u>Unfunded AAL (UAAL)</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
	(1)	(2)	(3)	(4)	(5)	(6)
			(1) / (2)	(2) - (1)		(4) / (5)
12/31/13	\$6,340,339	\$8,311,376	76.3%	\$1,971,037	\$1,242,551	158.6%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual

# **CITY OF WEST ORANGE, TEXAS**

**Exhibit A-6**

## **NOTES TO FINANCIAL STATEMENTS**

revision as actual results are compared to past expectations and new estimates are made about the future.

Actuarial calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation, and reflect a long-term perspective. Consistent with that perspective, actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. The schedule of funding progress, presented as Required Supplementary Information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability of benefits.

### **NOTE 9 - 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 10 - RESTRICTED FUND BALANCES**

Fund balances in the General Fund and the non-major special revenue funds totaling \$33,501 and \$219,518, respectively are restricted for hotel/motel promotion (General Fund) and public safety and public works (Special Revenue Funds).

### **NOTE 11 - RISK MANAGEMENT**

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

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

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**REQUIRED SUPPLEMENTARY INFORMATION**

# **CITY OF WEST ORANGE, TEXAS**

Exhibit B-1

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

**Year Ended September 30, 2014**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance Over (Under)</b>
	<b>Original</b>	<b>Final</b>		
<b><u>Revenues</u></b>				
Property taxes	\$ 526,500	\$ 526,500	\$ 544,998	\$ 18,498
Other taxes	1,247,500	1,247,500	1,345,893	98,393
Payments in lieu of property taxes	633,333	633,333	633,334	1
Licenses and permits	12,175	12,175	15,564	3,389
Fines and forfeitures	144,550	144,550	118,975	(25,575)
Fees and charges for services	373,900	373,900	384,692	10,792
Investment earnings	1,750	1,750	1,231	(519)
Other	21,633	21,633	64,370	42,737
<b>Total Revenues</b>	<u>2,961,341</u>	<u>2,961,341</u>	<u>3,109,057</u>	<u>147,716</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
General government	578,846	578,846	477,646	101,200
Public safety	1,503,048	1,503,048	1,283,345	219,703
Public works	1,379,816	1,379,816	886,983	492,833
<b>Total Expenditures</b>	<u>3,461,710</u>	<u>3,461,710</u>	<u>2,647,974</u>	<u>813,736</u>
<b>Net Change in Fund Balance</b>	(500,369)	(500,369)	461,083	961,452
<b>Fund Balance - Beginning</b>	<u>2,333,746</u>	<u>2,333,746</u>	<u>2,333,746</u>	
<b>Fund Balance - Ending</b>	<u>\$ 1,833,377</u>	<u>\$ 1,833,377</u>	<u>\$ 2,794,829</u>	<u>\$ 961,452</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.

# **CITY OF WEST ORANGE, TEXAS**

Exhibit B-3

## **TEXAS MUNICIPAL RETIREMENT SYSTEM - SCHEDULE OF FUNDING PROGRESS**

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.

<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Plan Assets</b>	<b>Actuarial Accrued Liability (AAL)</b>	<b>Percentage Funded</b>	<b>Unfunded AAL (UAAL)</b>	<b>Annual Covered Payroll</b>	<b>UAAL As A Percentage of Covered Payroll</b>
12/31/2011	\$ 5,420,140	\$ 7,091,211	76.4%	\$ 1,671,071	\$ 1,169,677	142.9%
12/31/2012	5,859,893	7,534,716	77.8%	1,674,823	1,217,879	137.5%
12/31/2013	6,340,339	8,311,376	76.3%	1,971,037	1,242,551	158.6%

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

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## **NON-MAJOR GOVERNMENTAL FUNDS**

### **SPECIAL REVENUE FUNDS**

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes. The City's nonmajor special revenue funds include the following:

**Police-Public Safety Fund** - This fund is used to account for monies received through fines and fees when Texas Department of Public Safety officers issue traffic citations within the City limits. These monies are restricted for the use of unbudgeted law enforcement expenditures.

**Police-Seizure and Forfeiture Fund** - This fund accounts for monies received from police seizure and forfeiture revenues. These monies are restricted for the use of unbudgeted law enforcement expenditures.

**Police-State Education Fund** - This fund accounts for monies received from the State of Texas, based on the number of police officers employed by the City, and are restricted for law enforcement education.

**Police-Federal Asset Forfeiture Fund** - This fund accounts for monies received from the federal government relating to federal forfeiture revenues. These monies are restricted for the use of unbudgeted law enforcement expenditures.

**Police-Federal Treasury Asset Forfeiture Fund** - This fund accounts for monies received from the federal government relating to federal forfeiture revenues. These monies are restricted for the use of unbudgeted law enforcement expenditures.

**Demolition Grant Fund** - This fund is used to account for monies received from the property owners of structures that had initially been demolished at the expense of the City and subsequently reimbursed by grant monies received from the Stark Foundation. These monies are restricted for the use of future demolitions within the City.

**CITY OF WEST ORANGE, TEXAS**

**COMBINING BALANCE SHEET**

**NON-MAJOR GOVERNMENTAL FUNDS**

**September 30, 2014**

	<b>Special Revenue Funds</b>			
	<b>Police- Public Safety Fund</b>	<b>Police- Seizure &amp; Forfeiture Fund</b>	<b>Police- State Education Fund</b>	<b>Police- Federal Asset Forfeiture Fund</b>
<b><u>Assets</u></b>				
Cash and cash equivalents	\$ 71,174	\$ 11,767	\$ 7,792	\$ 16,469
<b>Total Assets</b>	<b>\$ 71,174</b>	<b>\$ 11,767</b>	<b>\$ 7,792</b>	<b>\$ 16,469</b>
<b><u>Liabilities</u></b>				
Accounts payable				
<b><u>Fund Balances</u></b>				
Restricted	71,174	11,767	7,792	16,469
<b>Total Fund Balances</b>	<b>71,174</b>	<b>11,767</b>	<b>7,792</b>	<b>16,469</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 71,174</b>	<b>\$ 11,767</b>	<b>\$ 7,792</b>	<b>\$ 16,469</b>



<b>Police- Federal Treasury Asset Forfeiture Fund</b>	<b>Demolition Grant Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ 104,582	\$ 7,734	\$ 219,518
<u>\$ 104,582</u>	<u>\$ 7,734</u>	<u>\$ 219,518</u>
<u>104,582</u>	<u>7,734</u>	<u>219,518</u>
<u>104,582</u>	<u>7,734</u>	<u>219,518</u>
<u>\$ 104,582</u>	<u>\$ 7,734</u>	<u>\$ 219,518</u>

# **CITY OF WEST ORANGE, TEXAS**

## **COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NON-MAJOR GOVERNMENTAL FUNDS**

**Year Ended September 30, 2014**

	<b>Special Revenue Funds</b>			
	<b>Police- Public Safety Fund</b>	<b>Police- Seizure &amp; Forfeiture Fund</b>	<b>Police- State Education Fund</b>	<b>Police- Federal Asset Forfeiture Fund</b>
<b><u>Revenues</u></b>				
Intergovernmental revenue	\$	\$	\$ 1,165	\$
Investment earnings	29	6	4	8
Other	100			
<b>Total Revenues</b>	<u>129</u>	<u>6</u>	<u>1,169</u>	<u>8</u>
<b><u>Expenditures</u></b>				
<b>Current:</b>				
Public safety	380		1,338	
<b>Total Expenditures</b>	<u>380</u>		<u>1,338</u>	
<b>Net Change in Fund Balances</b>	(251)	6	(169)	8
<b>Fund Balances, Beginning of Year</b>	<u>71,425</u>	<u>11,761</u>	<u>7,961</u>	<u>16,461</u>
<b>Fund Balances, End of Year</b>	<u>\$ 71,174</u>	<u>\$ 11,767</u>	<u>\$ 7,792</u>	<u>\$ 16,469</u>

<b>Police- Federal Treasury Asset Forfeiture Fund</b>	<b>Demolition Grant Fund</b>	<b>Total Non-Major Governmental Funds</b>
\$ 4,321	\$	\$ 5,486
48	3	98
	4,070	4,170
<u>4,369</u>	<u>4,073</u>	<u>9,754</u>
<u>9,677</u>		<u>11,395</u>
<u>9,677</u>		<u>11,395</u>
(5,308)	4,073	(1,641)
<u>109,890</u>	<u>3,661</u>	<u>221,159</u>
<u>\$ 104,582</u>	<u>\$ 7,734</u>	<u>\$ 219,518</u>

# **CITY OF WEST ORANGE, TEXAS**

Exhibit C-3

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

**September 30, 2014 and 2013**

	<b><u>2014</u></b>	<b><u>2013</u></b>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 2,794,477	\$ 2,337,795
Receivables:		
Taxes	177,186	171,705
Accounts	25,225	23,582
Prepaid items	1,065	1,368
<b>Total Assets</b>	<b>\$ 2,997,953</b>	<b>\$ 2,534,450</b>
<b><u>Liabilities, Deferred Inflows of Resources and Fund Balance</u></b>		
<b><u>Liabilities</u></b>		
Accounts payable and accrued liabilities	\$ 109,817	\$ 110,593
<b>Total Liabilities</b>	<b>109,817</b>	<b>110,593</b>
<b><u>Deferred Inflows of Resources</u></b>		
Unearned revenues - property taxes	93,307	90,111
<b>Total Deferred Inflows of Resources</b>	<b>93,307</b>	<b>90,111</b>
<b><u>Fund Balance</u></b>		
Nonspendable	1,065	1,368
Restricted	33,501	28,364
Unassigned	2,760,263	2,304,014
<b>Total Fund Balance</b>	<b>2,794,829</b>	<b>2,333,746</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balance</b>	<b>\$ 2,997,953</b>	<b>\$ 2,534,450</b>

# **CITY OF WEST ORANGE, TEXAS**

Exhibit C-4 Page 1 of 3

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

**Year Ended September 30, 2014**

**with Comparative Actual Balances for the Year Ended September 30, 2013**

	<b>2014</b>			<b>2013</b>
	<b>Budget</b>	<b>Actual</b>	<b>Over (Under)</b>	<b>Actual</b>
<b><u>Revenues</u></b>				
Property taxes	\$ 526,500	\$ 544,998	\$ 18,498	\$ 520,197
Other taxes	1,247,500	1,345,893	98,393	1,290,586
Payments in lieu of property taxes	633,333	633,334	1	598,246
Licenses and permits	12,175	15,564	3,389	12,918
Fines and forfeitures	144,550	118,975	(25,575)	137,449
Fees and charges for services	373,900	384,692	10,792	385,716
Investment earnings	1,750	1,231	(519)	1,766
Other	21,633	64,370	42,737	77,318
<b>Total Revenues</b>	<b>2,961,341</b>	<b>3,109,057</b>	<b>147,716</b>	<b>3,024,196</b>
<b><u>Expenditures</u></b>				
<b>City Administration:</b>				
Personnel services	172,557	141,202	31,355	138,717
Supplies and repairs	9,200	5,828	3,372	5,379
Contractual services	25,925	8,012	17,913	8,364
Other services and charges	191,999	164,278	27,721	186,811
Capital outlay	5,000		5,000	
<b>Total City Administration</b>	<b>404,681</b>	<b>319,320</b>	<b>85,361</b>	<b>339,271</b>
<b>Municipal Court:</b>				
Personnel services	91,978	82,936	9,042	83,098
Supplies	2,100	1,355	745	1,399
Repairs and maintenance	2,750	1,756	994	1,824
Other services and charges	77,337	72,279	5,058	78,987
<b>Total Municipal Court</b>	<b>174,165</b>	<b>158,326</b>	<b>15,839</b>	<b>165,308</b>
<b>Total General Government</b>	<b>578,846</b>	<b>477,646</b>	<b>101,200</b>	<b>504,579</b>

# **CITY OF WEST ORANGE, TEXAS**

Exhibit C-4 Page 2 of 3

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

**Year Ended September 30, 2014**

**with Comparative Actual Balances for the Year Ended September 30, 2013**

	<b>2014</b>			
	<b>Budget</b>	<b>Actual</b>	<b>Variance Over (Under)</b>	<b>2013 Actual</b>
<b><u>Expenditures (continued)</u></b>				
<b>Public Safety:</b>				
<b>Animal Control:</b>				
Personnel services	67,449	65,764	1,685	61,129
Supplies	7,100	7,616	(516)	7,417
Repairs and maintenance	350	317	33	235
Other services and charges	4,350	2,753	1,597	3,130
Capital outlay				651
<b>Total Animal Control</b>	<b>79,249</b>	<b>76,450</b>	<b>2,799</b>	<b>72,562</b>
<b>Police:</b>				
Personnel services	1,092,664	937,754	154,910	959,841
Supplies	43,950	39,414	4,536	28,025
Repairs and maintenance	22,000	14,049	7,951	15,884
Other services and charges	64,900	43,508	21,392	48,765
Capital outlay	60,000	59,320	680	61,391
<b>Total Police</b>	<b>1,283,514</b>	<b>1,094,045</b>	<b>189,469</b>	<b>1,113,906</b>
<b>Fire:</b>				
Personnel services	244	190	54	178
Supplies	14,900	12,031	2,869	6,575
Repairs and maintenance	3,100	1,019	2,081	3,502
Other services and charges	23,615	20,802	2,813	20,978
<b>Total Fire</b>	<b>41,859</b>	<b>34,042</b>	<b>7,817</b>	<b>31,233</b>
<b>Fire Marshal:</b>				
Personnel services	71,676	70,847	829	67,855
Supplies	750	775	(25)	757
Repairs and maintenance	750	810	(60)	53
Other services and charges	25,250	6,376	18,874	5,210
<b>Total Fire Marshal</b>	<b>98,426</b>	<b>78,808</b>	<b>19,618</b>	<b>73,875</b>
<b>Total Public Safety</b>	<b>1,503,048</b>	<b>1,283,345</b>	<b>219,703</b>	<b>1,291,576</b>

# CITY OF WEST ORANGE, TEXAS

Exhibit C-4 Page 3 of 3

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

Year Ended September 30, 2014

with Comparative Actual Balances for the Year Ended September 30, 2013

	2014			
	Budget	Actual	Variance Over (Under)	2013 Actual
<b>Expenditures (continued)</b>				
<b>Public Works:</b>				
<b>Sanitation:</b>				
Personnel services	268,612	200,492	68,120	210,312
Supplies	25,750	23,085	2,665	22,212
Repairs and maintenance	6,000	5,929	71	2,464
Other services and charges	309,950	258,428	51,522	259,142
Capital outlay	40,000		40,000	
<b>Total Sanitation</b>	<u>650,312</u>	<u>487,934</u>	<u>162,378</u>	<u>494,130</u>
<b>Streets:</b>				
Personnel services	260,788	153,983	106,805	149,506
Supplies	17,450	13,940	3,510	14,017
Repairs and maintenance	235,000	78,654	156,346	136,779
Other services and charges	16,875	15,585	1,290	12,917
Capital outlay	35,000		35,000	
<b>Total Streets</b>	<u>565,113</u>	<u>262,162</u>	<u>302,951</u>	<u>313,219</u>
<b>Maintenance Shop:</b>				
Personnel services	77,984	66,417	11,567	63,432
Supplies	1,700	913	787	892
Other services and charges	3,875	3,761	114	3,026
<b>Total Maintenance Shop</b>	<u>83,559</u>	<u>71,091</u>	<u>12,468</u>	<u>67,350</u>
<b>Parks and Facilities:</b>				
Personnel services	56,232	49,111	7,121	43,470
Supplies	8,200	5,831	2,369	5,950
Repairs and maintenance	11,500	6,593	4,907	4,882
Other services and charges	4,900	4,261	639	4,035
<b>Total Parks and Facilities</b>	<u>80,832</u>	<u>65,796</u>	<u>15,036</u>	<u>58,337</u>
<b>Total Public Works</b>	<u>1,379,816</u>	<u>886,983</u>	<u>492,833</u>	<u>933,036</u>
<b>Total Expenditures</b>	<u>3,461,710</u>	<u>2,647,974</u>	<u>813,736</u>	<u>2,729,191</u>
<b>Net Change in Fund Balance</b>	<u>(500,369)</u>	<u>461,083</u>	<u>961,452</u>	<u>295,005</u>
<b>Fund Balance - Beginning</b>	<u>2,333,746</u>	<u>2,333,746</u>		<u>2,038,741</u>
<b>Fund Balance - Ending</b>	<u>\$ 1,833,377</u>	<u>\$ 2,794,829</u>	<u>\$ 961,452</u>	<u>\$ 2,333,746</u>

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## **UNAUDITED 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>	54-65
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>	66-73
These schedules contain information to help the reader assess the City's most significant local revenue source, the sales tax, and another significant local source, the property tax.	
<b>Debt Capacity</b>	74-77
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>	78-80
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>	82-84
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.

# **CITY OF WEST ORANGE, TEXAS**

## **NET POSITION BY COMPONENT**

**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(Unaudited)**

	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 3,538,495	\$ 3,807,713	\$ 4,412,386	\$ 4,262,919
Restricted	48,920	54,394	66,699	83,960
Unrestricted	<u>876,717</u>	<u>1,136,612</u>	<u>422,998</u>	<u>458,009</u>
<b>Total Governmental Activities Net Position</b>	<b><u>\$ 4,464,132</u></b>	<b><u>\$ 4,998,719</u></b>	<b><u>\$ 4,902,083</u></b>	<b><u>\$ 4,804,888</u></b>
 <b>Primary Government</b>				
Net investment in capital assets	\$ 3,538,495	\$ 3,807,713	\$ 4,412,386	\$ 4,262,919
Restricted	48,920	54,394	66,699	83,960
Unrestricted	<u>876,717</u>	<u>1,136,612</u>	<u>422,998</u>	<u>458,009</u>
<b>Total Primary Government Net Position</b>	<b><u>\$ 4,464,132</u></b>	<b><u>\$ 4,998,719</u></b>	<b><u>\$ 4,902,083</u></b>	<b><u>\$ 4,804,888</u></b>

**Table 1**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 4,082,383	\$ 3,948,436	\$ 4,057,823	\$ 3,803,822	\$ 3,555,213	\$ 3,306,841
164,549	208,549	233,152	229,196	249,523	253,019
1,451,574	1,829,985	1,558,522	1,872,199	2,144,441	2,595,749
<u>\$ 5,698,506</u>	<u>\$ 5,986,970</u>	<u>\$ 5,849,497</u>	<u>\$ 5,905,217</u>	<u>\$ 5,949,177</u>	<u>\$ 6,155,609</u>

\$ 4,082,383	\$ 3,948,436	\$ 4,057,823	\$ 3,803,822	\$ 3,555,213	\$ 3,306,841
164,549	208,549	233,152	229,196	249,523	253,019
1,451,574	1,829,985	1,558,522	1,872,199	2,144,441	2,595,749
<u>\$ 5,698,506</u>	<u>\$ 5,986,970</u>	<u>\$ 5,849,497</u>	<u>\$ 5,905,217</u>	<u>\$ 5,949,177</u>	<u>\$ 6,155,609</u>

# CITY OF WEST ORANGE, TEXAS

## CHANGES IN NET POSITION

Last Ten Fiscal Years  
(accrual basis of accounting)  
(Unaudited)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Expenses</b>				
<b>Governmental Activities</b>				
General government	\$ 427,659	\$ 654,920	\$ 449,332	\$ 508,617
Public safety	848,174	937,934	938,344	1,293,321
Public works	1,071,183	950,714	1,623,646	1,295,535
Interest and fiscal agent fees on long-term debt	2,867	544	547	
<b>Total Governmental Activities Expenses</b>	<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>\$ 2,349,883</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	\$ 11,580	\$ 9,788	\$ 12,065	\$ 14,149
Public safety	216,462	229,327	197,240	215,446
Public works	261,876	257,041	318,011	353,959
Operating grants and contributions	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>531,776</u>	<u>1,038,497</u>	<u>860,527</u>	<u>795,878</u>
<b>Total Primary Government Program Revenues</b>	<u>\$ 531,776</u>	<u>\$ 1,038,497</u>	<u>\$ 860,527</u>	<u>\$ 795,878</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (1,818,107)	\$ (1,505,615)	\$ (2,151,342)	\$ (2,301,595)
<b>Total Primary Government Net Expense</b>	<u>\$ (1,818,107)</u>	<u>\$ (1,505,615)</u>	<u>\$ (2,151,342)</u>	<u>\$ (2,301,595)</u>

**Table 2 (Page 1 of 2)**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 499,640	\$ 536,671	\$ 599,431	\$ 517,725	\$ 529,454	\$ 502,674
1,097,427	1,158,390	1,223,177	1,299,211	1,327,678	1,323,532
1,282,500	1,255,019	2,428,384	1,113,412	1,142,952	1,089,369
<u>2,879,567</u>	<u>2,950,080</u>	<u>4,250,992</u>	<u>2,930,348</u>	<u>3,000,084</u>	<u>2,915,575</u>
<u>\$ 2,879,567</u>	<u>\$ 2,950,080</u>	<u>\$ 4,250,992</u>	<u>\$ 2,930,348</u>	<u>\$ 3,000,084</u>	<u>\$ 2,915,575</u>
\$ 28,597	\$ 29,170	\$ 27,331	\$ 28,608	\$ 20,316	\$ 22,852
190,867	200,650	170,007	188,592	143,744	124,884
327,212	365,988	368,838	379,272	373,575	376,822
711,273	214,272	1,168,315	35,236	9,033	10,272
			18,127		
<u>1,257,949</u>	<u>810,080</u>	<u>1,734,491</u>	<u>649,835</u>	<u>546,668</u>	<u>534,830</u>
<u>\$ 1,257,949</u>	<u>\$ 810,080</u>	<u>\$ 1,734,491</u>	<u>\$ 649,835</u>	<u>\$ 546,668</u>	<u>\$ 534,830</u>
\$ (1,621,618)	\$ (2,140,000)	\$ (2,516,501)	\$ (2,280,513)	\$ (2,453,416)	\$ (2,380,745)
<u>\$ (1,621,618)</u>	<u>\$ (2,140,000)</u>	<u>\$ (2,516,501)</u>	<u>\$ (2,280,513)</u>	<u>\$ (2,453,416)</u>	<u>\$ (2,380,745)</u>

# **CITY OF WEST ORANGE, TEXAS**

## **CHANGES IN NET POSITION**

**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(Unaudited)**

	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental Activities</b>				
Taxes				
Property taxes	\$ 411,706	\$ 443,488	\$ 447,726	\$ 480,972
Other taxes	1,061,171	1,207,680	1,201,385	1,185,703
Payments in lieu of property taxes	290,241	331,480	343,689	489,623
Investment earnings	21,328	57,554	44,104	19,837
Other			17,802	28,265
<b>Total Governmental Activities</b>	<b><u>1,784,446</u></b>	<b><u>2,040,202</u></b>	<b><u>2,054,706</u></b>	<b><u>2,204,400</u></b>
<b>Total Primary Government</b>	<b><u>\$ 1,784,446</u></b>	<b><u>\$ 2,040,202</u></b>	<b><u>\$ 2,054,706</u></b>	<b><u>\$ 2,204,400</u></b>
 <b>Change in Net Position</b>				
Governmental activities	\$ (33,661)	\$ 534,587	\$ (96,636)	\$ (97,195)
<b>Total Primary Government</b>	<b><u>\$ (33,661)</u></b>	<b><u>\$ 534,587</u></b>	<b><u>\$ (96,636)</u></b>	<b><u>\$ (97,195)</u></b>

**Table 2 (Page 2 of 2)**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 495,404	\$ 473,271	\$ 502,498	\$ 518,419	\$ 532,357	\$ 548,194
1,340,378	1,225,425	1,299,651	1,296,358	1,290,586	1,345,893
566,809	514,354	518,600	486,420	598,246	633,334
3,840	2,558	2,385	1,592	1,945	1,329
108,805	212,856	55,894	33,444	74,242	58,427
<u>2,515,236</u>	<u>2,428,464</u>	<u>2,379,028</u>	<u>2,336,233</u>	<u>2,497,376</u>	<u>2,587,177</u>
<u>\$ 2,515,236</u>	<u>\$ 2,428,464</u>	<u>\$ 2,379,028</u>	<u>\$ 2,336,233</u>	<u>\$ 2,497,376</u>	<u>\$ 2,587,177</u>
\$ 893,618	\$ 288,464	\$ (137,473)	\$ 55,720	\$ 43,960	\$ 206,432
<u>\$ 893,618</u>	<u>\$ 288,464</u>	<u>\$ (137,473)</u>	<u>\$ 55,720</u>	<u>\$ 43,960</u>	<u>\$ 206,432</u>

# **CITY OF WEST ORANGE, TEXAS**

## **GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE**

**Last Ten Fiscal Years**  
**(accrual basis of accounting)**  
**(Unaudited)**

<b>Function</b>	<b>2005*</b>	<b>2006*</b>	<b>2007</b>	<b>2008</b>
Property taxes	\$ 411,706	\$ 443,488	\$ 447,726	\$ 480,972
Sales taxes	1,061,171	1,207,680	812,296	811,862
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>\$ 1,472,877</b>	<b>\$ 1,651,168</b>	<b>\$ 1,649,111</b>	<b>\$ 1,666,675</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.



**Table 3**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 495,404	\$ 473,271	\$ 502,498	\$ 518,419	\$ 532,357	\$ 548,194
931,126	753,422	804,830	821,544	804,340	855,967
5,072	5,397	6,827	5,068	5,023	6,269
232,205	245,475	201,302	204,525	201,085	213,449
7,600	4,046	4,861	4,499	4,258	5,123
177,047	217,085	281,831	260,722	275,880	265,085
<u>\$ 1,848,454</u>	<u>\$ 1,698,696</u>	<u>\$ 1,802,149</u>	<u>\$ 1,814,777</u>	<u>\$ 1,822,943</u>	<u>\$ 1,894,087</u>

# **CITY OF WEST ORANGE, TEXAS**

## **FUND BALANCES OF GOVERNMENTAL FUNDS**

**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(Unaudited)**

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>General Fund</b>				
Nonspendable	\$	\$	\$	\$
Restricted				
Unassigned	<u>996,472</u>	<u>1,264,452</u>	<u>563,036</u>	<u>588,986</u>
<b>Total General Fund</b>	<u><u>\$ 996,472</u></u>	<u><u>\$ 1,264,452</u></u>	<u><u>\$ 563,036</u></u>	<u><u>\$ 588,986</u></u>
 <b>All Other Governmental Funds</b>				
Restricted	<u>\$ 48,920</u>	<u>\$ 54,394</u>	<u>\$ 66,699</u>	<u>\$ 83,960</u>
<b>Total All Other Governmental Funds</b>	<u><u>\$ 48,920</u></u>	<u><u>\$ 54,394</u></u>	<u><u>\$ 66,699</u></u>	<u><u>\$ 83,960</u></u>

Table 4

<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
\$	\$ 1,370	\$ 1,142	\$ 591	\$ 1,368	\$ 1,065
				28,364	33,501
<u>1,589,178</u>	<u>1,960,569</u>	<u>1,701,093</u>	<u>2,038,150</u>	<u>2,304,014</u>	<u>2,760,263</u>
<u>\$ 1,589,178</u>	<u>\$ 1,961,939</u>	<u>\$ 1,702,235</u>	<u>\$ 2,038,741</u>	<u>\$ 2,333,746</u>	<u>\$ 2,794,829</u>
\$ 164,549	\$ 208,549	\$ 233,152	\$ 229,196	\$ 221,159	\$ 219,518
<u>\$ 164,549</u>	<u>\$ 208,549</u>	<u>\$ 233,152</u>	<u>\$ 229,196</u>	<u>\$ 221,159</u>	<u>\$ 219,518</u>

# CITY OF WEST ORANGE, TEXAS

## CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

### Last Ten Fiscal Years (modified accrual basis of accounting) (Unaudited)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
<b>Revenues</b>				
Taxes	\$ 1,470,840	\$ 1,648,541	\$ 1,649,692	\$ 1,657,610
Payments in lieu of property taxes	290,241	331,480	343,689	489,623
Licenses and permits	11,580	9,788	12,065	14,149
Fines and forfeitures	203,928	218,811	186,825	205,775
Fees and charges for services	274,410	267,557	328,426	363,630
Intergovernmental	33,625	280,885	217,692	28,265
Investment earnings	21,328	57,554	44,104	19,837
Other revenues	8,233	261,456	133,321	212,324
<b>Total Revenues</b>	<u>2,314,185</u>	<u>3,076,072</u>	<u>2,915,814</u>	<u>2,991,213</u>
<b>Expenditures</b>				
General government	409,248	534,690	425,863	467,756
Public safety	857,429	915,181	1,649,768	1,271,756
Public works	915,850	809,856	1,498,318	1,187,258
Non-departmental	93,062	527,775	3,140	21,232
Debt service				
Principal	14,572	14,572	27,289	
Interest and fiscal charges	515	544	547	
<b>Total Expenditures</b>	<u>2,290,676</u>	<u>2,802,618</u>	<u>3,604,925</u>	<u>2,948,002</u>
<b>Net Change in Fund Balances</b>	<u>\$ 23,509</u>	<u>\$ 273,454</u>	<u>\$ (689,111)</u>	<u>\$ 43,211</u>
Debt service as a percentage of noncapital expenditures	0.7%	0.7%	0.8%	0.0%

Table 5

2009	2010	2011	2012	2013	2014
\$ 1,853,477	\$ 1,689,430	\$ 1,789,896	\$ 1,812,982	\$ 1,810,783	\$ 1,890,891
566,809	514,354	518,600	486,420	598,246	633,334
28,597	21,099	17,463	18,018	12,918	15,564
183,461	191,011	161,822	180,482	137,449	118,975
336,218	377,048	378,665	391,517	385,716	384,692
439,921	269,012	1,177,283	2,340	7,509	5,486
3,840	2,558	2,385	1,592	1,945	1,329
369,886	164,765	55,152	72,795	77,318	68,540
3,782,209	3,229,277	4,101,266	2,966,146	3,031,884	3,118,811
458,783	470,343	569,375	512,643	504,579	477,646
1,095,305	1,169,263	1,215,031	1,211,165	1,307,301	1,294,740
995,819	1,169,438	2,551,961	909,788	933,036	886,983
151,521	3,472				
2,701,428	2,812,516	4,336,367	2,633,596	2,744,916	2,659,369
\$ 1,080,781	\$ 416,761	\$ (235,101)	\$ 332,550	\$ 286,968	\$ 459,442
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

# **CITY OF WEST ORANGE, TEXAS**

## **GENERAL GOVERNMENTAL TAX REVENUES BY SOURCE**

**Last Ten Fiscal Years**  
**(modified accrual basis of accounting)**  
**(Unaudited)**

<b>Function</b>	<b>2005*</b>	<b>2006*</b>	<b>2007</b>	<b>2008</b>
Sales taxes	\$ 1,061,171	\$ 1,207,680	\$ 812,296	\$ 811,862
Property taxes	409,669	440,861	448,307	471,907
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>\$ 1,470,840</b>	<b>\$ 1,648,541</b>	<b>\$ 1,649,692</b>	<b>\$ 1,657,610</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.

**Table 6**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 931,126	\$ 753,422	\$ 804,830	\$ 821,544	\$ 804,340	\$ 855,967
490,380	464,005	490,245	516,624	520,197	544,998
5,072	5,397	6,827	5,068	5,023	6,269
232,205	245,475	201,302	204,525	201,085	213,449
7,600	4,046	4,861	4,499	4,258	5,123
177,047	217,085	281,831	260,722	275,880	265,085
<u>\$ 1,843,430</u>	<u>\$ 1,689,430</u>	<u>\$ 1,789,896</u>	<u>\$ 1,812,982</u>	<u>\$ 1,810,783</u>	<u>\$ 1,890,891</u>

# **CITY OF WEST ORANGE, TEXAS**

## **TAXABLE SALES BY CATEGORY**

### **Last Ten Fiscal Years** **(Unaudited)**

	<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>
Manufacturing	\$ 2,037,933	\$ 2,775,076	\$ 476,586	\$ 1,089,115	\$ 2,360,088
Construction	388,667	565,939	2,222,413	2,620,885	1,024,439
Wholesale trade	351,777				
Retail trade	113,542,086	114,803,032	136,575,905	128,286,420	139,379,899
Finance/Insurance					58,366
Real Estate/Rental/Leasing					
Professional/Technical	85,447		928,597	1,400,178	610,401
Admin/Waste mngmt.	25,298	46,316		36,666	
Entertainment/Recreation		112,915	68,984	257,763	94,214
Accommodation/Food serv.	5,248,775	4,374,253	4,419,669	4,635,875	6,365,083
Other services	2,145,446	1,185,065	2,875,973	2,707,876	2,860,780
Other	7,034				
City direct sales tax rate	0.0125000 %	0.0125000 %	0.0125000 %	0.0125000 %	0.0125000 %

**Source** - Texas Comptroller of Public Accounts.

\* Represents the first three quarters of the 2014 fiscal year. The fourth quarter is not currently available.



Table 7

2009	2010	2011	2012	2013	2014*
\$ 1,247,677	\$ 688,074	\$ 1,467,960	\$ 1,922,426	\$ 2,683,365	\$ 3,843,214
1,593,535	597,788			797,778	250,371
		114,627	137,283	137,568	
160,095,485	144,246,606	150,736,064	165,893,897	168,941,862	135,329,993
		35,440	149,544		64,503
			-		177,775
366,945	905,597	313,497	915,290	424,530	647,957
15,229					
11,120					105,848
6,474,788	7,133,549	6,963,120	7,282,013	7,312,086	6,388,868
3,594,254	3,048,709	4,771,400	5,873,484	4,653,668	4,519,626
0.0125000 %	0.0125000 %	0.0125000 %	0.0125000 %	0.0125000 %	0.0125000 %

# CITY OF WEST ORANGE, TEXAS

Table 8

## ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY

### Last Ten Fiscal Years (Unaudited)

<u>Fiscal Year Ended Sept. 30,</u>	<u>Residential Property</u>	<u>Commercial Property</u>	<u>Personal Property</u>	<u>Less: Tax-Exempt Real Property</u>	<u>Total Taxable Assessed Value (1)</u>	<u>Total Direct Tax Rate</u>
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
2009	70,224,400	32,121,493	31,431,568	21,115,837	112,661,624	0.42939
2010	69,132,700	31,851,112	32,970,969	23,842,477	110,112,304	0.42939
2011	82,404,231	34,572,997	30,599,836	30,473,251	117,103,813	0.41934
2012	82,372,794	34,555,133	32,510,208	29,668,514	119,769,621	0.42500
2013	77,618,699	34,970,586	34,472,526	23,669,115	123,392,696	0.42500
2014	78,785,679	35,462,411	36,336,024	24,514,027	126,070,087	0.42500

**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 9

## **PROPERTY TAX RATES -** **DIRECT AND OVERLAPPING GOVERNMENTS**

### **Last Ten Fiscal Years** **(Unaudited)**

<b>Fiscal Year</b>	<b>Tax Year</b>	<b>Direct Rate</b>	<b>Overlapping Rates (1)</b>		<b>Total</b>
		<b>City of West Orange</b>	<b>West Orange Cove CISD</b>	<b>Orange County (2)</b>	
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
2009	2008	0.42939	1.43204	0.56469	2.42612
2010	2009	0.42939	1.43204	0.57075	2.43218
2011	2010	0.41934	1.35270	0.64260	2.41464
2012	2011	0.42500	1.28600	0.64006	2.35106
2013	2012	0.42500	1.42774	0.54400	2.39674
2014	2013	0.42500	1.42774	0.54400	2.39674

**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 10

## PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago  
(Unaudited)

Taxpayer	2014			2005		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Wal-Mart Store #00777	\$ 10,684,340	1	8.47 %	\$		%
G E Betz-Betz Dearborn	8,049,267	2	6.38	9,747,140	2	9.49
Wal-Mart Stores Inc.	7,726,470	3	6.13	13,936,770	1	13.57
Albanese Real Estate	3,976,908	4	3.15			
Granger Chevrolet	2,868,731	5	2.28			
Entergy Texas, Inc.	2,054,080	6	1.63			
Union Pacific Railroad Company	1,734,791	7	1.38	899,230	7	0.88
EAN Holdings, LLC	1,506,110	8	1.19			
Metal Depot, Inc.	1,364,668	9	1.08			
TWE-Advance Newhouse	1,015,510	10	0.81			
Dupont E.I. De Nemours				2,082,720	3	2.03
Gulf States Utilities				1,925,170	4	1.87
Harmon Chevrolet, Inc.				1,179,890	5	1.15
Enterprise Leasing Co.				1,031,150	6	1.00
Aaron Rents Inc.				751,850	8	0.73
Mid Cities Restaurant				684,010	9	0.67
William Cooper Jr.				669,990	10	0.65
Subtotal	40,980,875		32.51	32,907,920		32.05
Other taxpayers	85,089,212		67.49	69,775,687		67.95
Total	<u>\$ 126,070,087</u>		<u>100.00</u>	<u>\$ 102,683,607</u>		<u>100.00</u>

**Source** - Tax assessor/collector's records.

# CITY OF WEST ORANGE, TEXAS

Table 11

## PROPERTY TAX LEVIES AND COLLECTIONS

### Last Ten Fiscal Years (Unaudited)

Fiscal Year	Tax Rate	Total Tax Levy and Adjust.	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
			Amount	% of Levy		Amount	% of Levy
2005	0.42939	\$ 399,439	\$ 381,878	95.60	\$ 15,724	\$ 397,511	99.52%
2006	0.42939	435,919	418,785	96.07	14,741	433,526	99.45%
2007	0.42939	437,003	423,872	97.00	10,022	433,894	99.29%
2008	0.42939	464,095	445,096	95.91	15,535	460,631	99.25%
2009	0.42939	483,758	465,330	96.19	14,251	479,581	99.14%
2010	0.42939	472,811	438,942	92.84	26,990	465,932	98.55%
2011	0.41934	491,063	466,700	95.04	13,685	480,385	97.83%
2012	0.42500	509,021	481,477	94.59	12,124	493,601	96.97%
2013	0.42500	524,419	496,513	94.68	8,969	505,482	96.39%
2014	0.42500	535,798	509,163	95.03		509,163	95.03%

**Source** - Tax assessor/collector's records.

# **CITY OF WEST ORANGE, TEXAS**

Table 12

## **RATIOS OF OUTSTANDING DEBT BY TYPE**

### **Last Ten Fiscal Years** **(Unaudited)**

<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>
2005	\$ 40,059	\$ 40,059	0.01%	\$ 10
2006	27,289	27,289	0.07%	7
2007	**	**	**	**
2008	**	**	**	**
2009	**	**	**	**
2010	**	**	**	**
2011	**	**	**	**
2012	**	**	**	**
2013	**	**	**	**
2014	**	**	**	**

\* 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 13

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

September 30, 2014

(Unaudited)

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable (1)</u>	<u>City of West Orange Share of Debt</u>
West Orange Cove CISD	\$ 54,077,392	6.13 %	\$ 3,314,944
Subtotal, overlapping debt			3,314,944
<b>City Direct Debt</b>			
<b>Total Direct and Overlapping Debt</b>			<u>\$ 3,314,944</u>

**Source** - West Orange Cove CISD, Orange County

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

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

# CITY OF WEST ORANGE, TEXAS

## LEGAL DEBT MARGIN INFORMATION

### Last Ten Fiscal Years (Unaudited)

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Debt limit	\$ 10,268,361	\$ 10,152,061	\$ 10,177,289	\$ 10,207,162
Total net debt applicable to limit				
Legal debt margin	<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%

### **Legal Debt Margin Calculation**

#### **by Fiscal Year**

Assessed value	\$ 102,683,607	\$ 101,520,608	\$ 101,772,890	\$ 102,071,624
Debt limit (10% of assessed value)	<u>10,268,361</u>	<u>10,152,061</u>	<u>10,177,289</u>	<u>10,207,162</u>
Legal debt margin	<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 nine fiscal years.



**Table 14**

<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
\$ 11,266,162	\$ 11,011,230	\$ 11,710,381	\$ 11,976,962	\$ 12,339,270	\$ 12,607,009
<u>\$ 11,266,162</u>	<u>\$ 11,011,230</u>	<u>\$ 11,710,381</u>	<u>\$ 11,976,962</u>	<u>\$ 12,339,270</u>	<u>\$ 12,607,009</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 112,661,624	\$ 110,112,304	\$ 117,103,813	\$ 119,769,621	\$ 123,392,696	\$ 126,070,087
11,266,162	11,011,230	11,710,381	11,976,962	12,339,270	12,607,009
<u>\$ 11,266,162</u>	<u>\$ 11,011,230</u>	<u>\$ 11,710,381</u>	<u>\$ 11,976,962</u>	<u>\$ 12,339,270</u>	<u>\$ 12,607,009</u>

# CITY OF WEST ORANGE, TEXAS

Table 15

## DEMOGRAPHIC AND ECONOMIC STATISTICS

### Last Ten Fiscal Years (Unaudited)

<b>Fiscal Year Ended Sept. 30,</b>	<b>Population (1) (3)</b>	<b>Personal Income (3)</b>	<b>Per Capita Personal Income (3)</b>	<b>Median Age (1)</b>	<b>School Enrollment (2)</b>	<b>Unemployment Rate</b>
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
2009	3,983	69,237,938	17,383	37	2,550	n/a
2010	3,549	68,651,856	19,377	36	2,518	n/a
2011	3,443	66,501,545	19,315	41	3,484	n/a
2012	3,443	58,259,003	16,921	41	2,472	n/a
2013	3,443	58,114,397	16,879	33	2,100	n/a
2014	3,412	61,364,820	17,985	38	3,434	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 16

## PRINCIPAL EMPLOYERS

Current Year and Seven Years Ago  
(Unaudited)

<u>Employer</u>	<u>2014</u>			<u>2007*</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment</u>
Wal-Mart	370	1	17.54%	368	1	22.33%
WOCCISD	92	2	4.36%	205	2	12.44%
Granger Chevrolet	75	3	3.56%	35	6	2.12%
GE Water & Process Technology	44	4	2.09%	45	4	2.73%
STS Bus Service	40	5	1.90%			
Akrotex, Inc.	34	6	1.61%	46	3	2.79%
City of West Orange	25	7	1.19%	25	7	1.52%
Sonic Drive-In	17	8	0.81%	24	8	1.46%
Little Giant/TMRX	10	9	0.47%	16	10	0.97%
Burke's Outlet	10	10	0.47%			
Laidlaw Transit				44	5	2.67%
Goody's				21	9	1.27%
<b>Total</b>	<u>717</u>		<u>34.00%</u>	<u>829</u>		<u>50.30%</u>

**Source** - City records.

\* The requirement for statistical data is for nine years prior; only seven years prior is available at this time.

# CITY OF WEST ORANGE, TEXAS

Table 17

## FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION

### Last Ten Fiscal Years (Unaudited)

Function	Full-time Equivalent Employees as of September 30									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General government	6	6	6	6	5	5	5	5	5	5
Public safety										
Police										
Officers	9	9	9	8	8	9	9	9	9	9
Civilians	1	1	1	1	2	2	2	2	2	2
Fire										
Firefighters	0	0	0	0	0	0	0	0	0	0
Civilians	0	0	0	0	0	0	0	0	0	0
Public works										
Streets and sanitation	4	5	5	8	10	8	8	7	7	7
Maintenance and operations	2	3	3	2	1	1	1	1	1	1
<b>Total</b>	<u>22</u>	<u>24</u>	<u>24</u>	<u>25</u>	<u>26</u>	<u>25</u>	<u>25</u>	<u>24</u>	<u>24</u>	<u>24</u>

**Source** - City personnel records.

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# **CITY OF WEST ORANGE, TEXAS**

## **OPERATING INDICATORS BY FUNCTION**

### **Last Ten Fiscal Years** **(Unaudited)**

	<b><u>2005</u></b>	<b><u>2006</u></b>	<b><u>2007</u></b>	<b><u>2008</u></b>	<b><u>2009</u></b>
<b>Function</b>					
<b>Police</b>					
Arrests	769	555	555	543	591
Accident reports	70	76	76	68	89
Citations	2,201	2,136	2,136	1,788	1,099
Offense reports	1,383	1,221	1,221	776	796
Calls for service	3,515	3,977	3,977	3,794	3,391
<b>Fire</b>					
Emergency responses	9	8	8	24	24
Fire incidents	37	19	19	16	23
Service calls and other calls	54	26	26	7	3
Automatic aid, mutual aid given	6	2	2	1	10

**Source** - Various City departments.

**Table 18**

<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
721	621	669	595	593
53	58	51	48	62
1,931	1,562	1,284	1,218	994
827	703	1,269	708	611
3,721	2,895	3,255	2,472	3,274
11	34	16	25	14
21	10	15	11	15
20	11	10	26	27
15	18	9	8	11

# **CITY OF WEST ORANGE, TEXAS**

Table 19

## **CAPITAL ASSETS STATISTICS BY FUNCTION**

### **Last Ten Fiscal Years** **(Unaudited)**

<b>Function</b>	<b>Fiscal Year</b>									
	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Public safety										
Police										
Stations	1	0*	1	1	1	1	1	1	1	1
Patrol units	9	9	9	8	6	6	7	7	7	7
Fire										
Stations	1	0*	1	1	1	1	1	1	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.