

Comprehensive Annual Financial Report



City of West Orange, Texas

**Fiscal Year Ended
September 30, 2020**

Comprehensive Annual Financial Report

of the

City of West Orange, Texas

**Fiscal Year Ended
September 30, 2020**



Officials Issuing Report

**Roy McDonald
Mayor**

**Theresa Van Meter
City Secretary**

CITY OF WEST ORANGE, TEXAS
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2020

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INTRODUCTORY SECTION



City of West Orange, Texas

2700 Western Avenue * West Orange, Texas 77630-6136
Ph (409)883-3468 * Fax (409)882-0652

December 31, 2020

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, 2020, 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 **Keri Michutka, CPA**. 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, 2020, 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 unmodified opinion that the City's financial statements for the year ended September 30, 2020, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis ("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 auditor.

PROFILE OF THE GOVERNMENT

The City, incorporated in 1954, is located in the eastern part of the state, currently occupies a land area of 3.2 square miles and serves a population of 3,294. 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 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 City 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 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 15.79% 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 \$134.3 million for fiscal year 2020, which is an increase of approximately \$2.9 million from the previous fiscal year.

LONG-TERM FINANCIAL PLANNING

Unassigned fund balance in the General Fund amounted to \$2,945,823 as of September 30, 2020. The City plans on continuing to increase 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 an annual budget every fiscal year for the General Fund. The budget is 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 are not to 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, 2019. 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 twenty-third 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



Government Finance Officers Association

**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

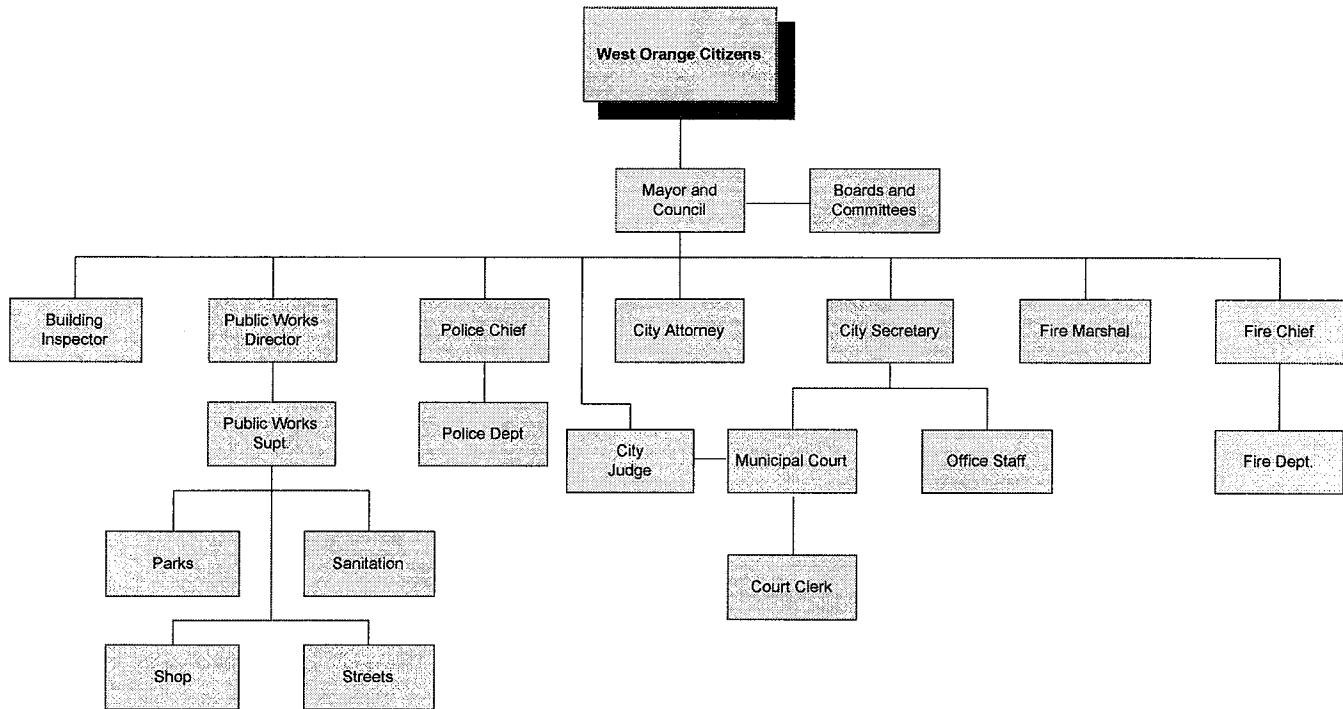
September 30, 2019

Executive Director/CEO

CITY OF WEST ORANGE, TEXAS

ORGANIZATIONAL CHART

Fiscal Year 2019-2020



CITY OF WEST ORANGE, TEXAS

PRINCIPAL OFFICIALS

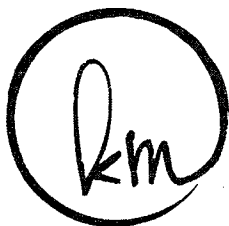
September 30, 2020

City Officials	Elective Position	Term Expires
Roy McDonald	Mayor	2021
Shirley Bonnin	Council Member (Mayor Pro Tem)	2022
Dale Dardeau	Council Member	2022
Brent Dearing	Council Member	2021
Randy Branch	Council Member	2021
Mike Shugart	Council Member	2022

Key Staff	Position
Theresa Van Meter	City Secretary *
Rex Peveto	City Attorney *
Michael Stelly	Police Chief *
David Roberts	Fire Chief *
Carl Thibodeaux	City Judge *
Alex Parker	Fire Marshal/Building Inspector *
Michael Stelly	Director of Public Works *

* - City Council Appointive Position

FINANCIAL SECTION



keri michutka
CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Mayor and City Council
City of West Orange, Texas

Report on the Financial Statements

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, 2020 and the related notes to the financial statements, which collectively comprise the City's 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, 2020, and the respective changes in financial position and, where applicable, cash flows thereof 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 (MD&A) on pages 3 to 9, the budgetary comparison information on page 30, and the TMRS required pension schedules on pages 32 to 35 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's basic financial statements. The introductory section, combining nonmajor and individual fund financial statements, and other 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 37-44 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 my opinion, the combining nonmajor and individual fund financial statements and schedules 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.



Bridge City, Texas
December 31, 2020

CITY OF WEST ORANGE, TEXAS

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, 2020.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$6,370,489 (net position).
- As of September 30, 2020, the City's governmental funds reported an ending fund balance of \$5,808,792.
- The City's cash balance as of September 30, 2020, was \$5,825,004, representing an increase of \$230,799 from September 30, 2019.
- The City had expenses net of program revenues of \$2,634,794 and general revenues of \$2,826,717, resulting in a net increase in net position of \$191,923 for the year ended September 30, 2020.
- As of September 30, 2020, unassigned fund balance for the General Fund was \$2,945,823, or 94.0 percent of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

The *statement of net position* presents information on all of the City's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference between the four 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 10 through 11 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 governmental fund financial statements can be found on pages 12 through 15 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 16 through 29 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 30 through 35 of this report.

THE CITY AS A WHOLE - 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 and deferred outflows exceeded liabilities and deferred inflows by \$6,370,489 as of September 30, 2020.

The largest portion of the City's net position (44.9 percent) represents restricted financial resources to be used for tourism, municipal court, road maintenance, public safety and public works.

Additionally, a portion of the City's net position (37.0 percent) reflects its net investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure), 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 it serves; consequently, these assets are not available for future spending.

Lastly, a portion of the City's net position (18.1 percent) represents unrestricted financial resources available for future operations.

SUMMARY OF STATEMENT OF NET POSITION
As of September 30, 2020 and 2019

	Governmental Activities	
	2020	2019
Current and Other Assets	\$ 6,250,626	\$ 5,863,085
Capital Assets, Net	2,357,179	2,572,959
Total Assets	8,607,805	8,436,044
Deferred Outflow - Pension Plan	232,315	645,260
Total Deferred Outflows	232,315	645,260
Long-Term Liabilities	1,577,072	2,563,731
Other Liabilities	312,642	166,581
Total Liabilities	1,889,714	2,730,312
Deferred Inflow - Pension Plan	579,917	172,426
Total Deferred Inflows	579,917	172,426
Net Position:		
Investment in Capital Assets	2,357,179	2,572,959
Restricted	2,859,843	2,592,142
Unrestricted	1,153,467	1,013,465
Total Net Position	\$ 6,370,489	\$ 6,178,566

As of September 30, 2020, deferred outflows of resources decreased by \$412,945 from the prior year. This decrease can be attributed to differences between projected and actual investment earnings, relating to pension activities.

As of September 30, 2020, long-term liabilities decreased by \$986,659 from the prior year. This decrease can be attributed to a decrease in the City's net pension liability.

As of September 30, 2020, deferred inflows of resources increased by \$407,491 from the prior year. This increase can be attributed to differences between expected and actual economic experiences, relating to pension activities.

As of September 30, 2020, restricted net position increased by \$267,701 from the prior year. This increase can mainly be attributed to an increase in the restricted road maintenance bank account, due to less road maintenance than was anticipated in fiscal year 2020.

Net position of the City, all of which relates to governmental activities, increased by \$191,923. Key elements of the increase are as follows:

CHANGES IN NET POSITION
For the Fiscal Years Ended September 30, 2020 and 2019

	Governmental Activities	
	2020	2019
Revenues		
Program revenues:		
Charges for services	\$ 529,652	\$ 498,784
Operating grants and contributions	631,558	154,084
General revenues:		
Property taxes, penalties and interest	621,493	631,232
Other taxes	1,443,841	1,451,426
Payments in lieu of property taxes	609,355	600,515
Investment earnings	34,018	121,123
Other	121,746	110,490
Total Revenues	<u>3,991,663</u>	<u>3,567,654</u>
Expenses		
General government	555,997	544,958
Public safety	1,641,290	1,536,246
Public works	1,246,769	1,048,229
Health and safety	355,684	56,800
Total Expenses	<u>3,799,740</u>	<u>3,186,233</u>
Change in Net Position	191,923	381,421
Net Position, Beginning	<u>6,178,566</u>	<u>5,797,145</u>
Net Position, Ending	<u>\$ 6,370,489</u>	<u>\$ 6,178,566</u>

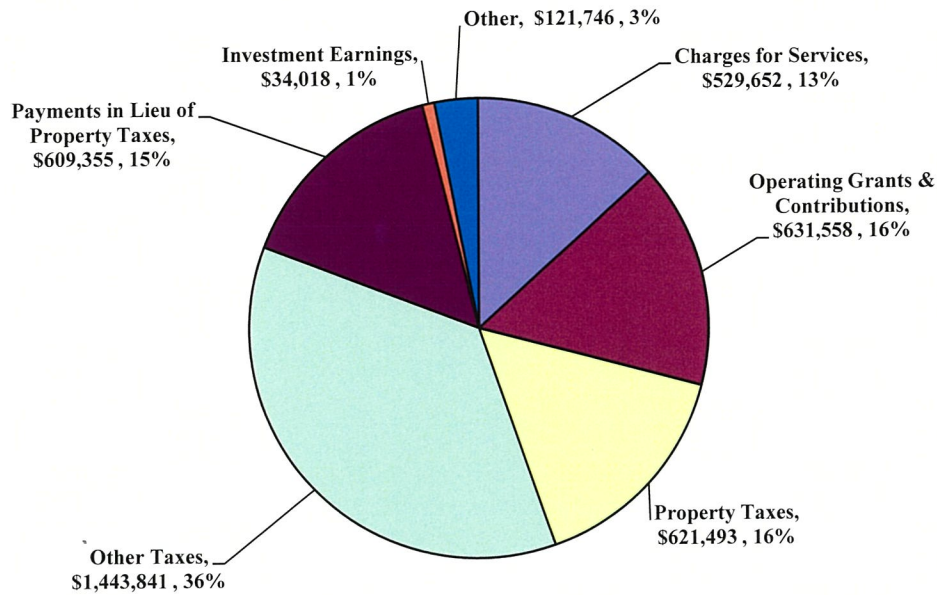
During the 2020 fiscal year, operating grants and contributions increased by \$477,474 primarily due to grant funds that were received in the current fiscal year for a water improvement project.

During the 2020 fiscal year, public safety expenses increased by \$105,044 due to additional expenses related to Tropical Storm Laura that were incurred in the current fiscal year.

During the 2020 fiscal year, health and safety expenses increased by \$298,884 primarily due to grant funds that were expended on a water improvement project in the current fiscal year.

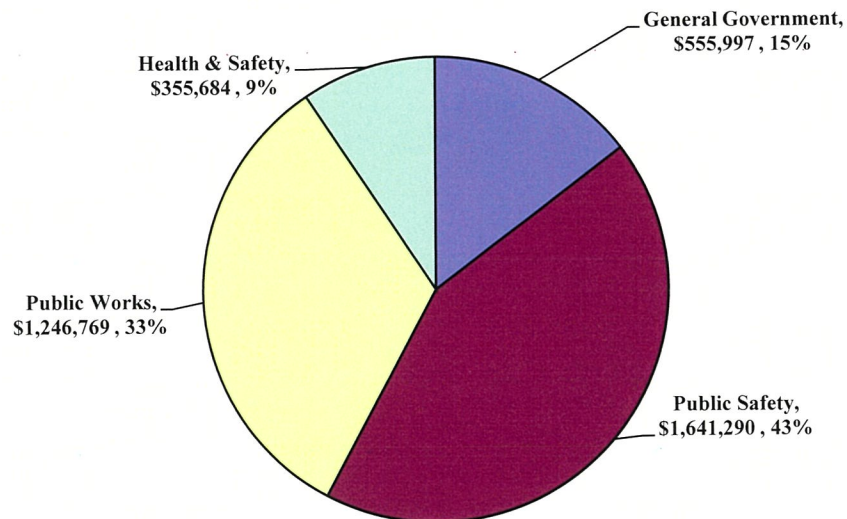
Graphic presentations of selected current year data from the changes in net position table follow in order to assist in the analysis of the City's activities.

GOVERNMENTAL REVENUES



For the fiscal year ended September 30, 2020, revenues from governmental activities totaled \$3,991,663.

GOVERNMENTAL FUNCTIONAL EXPENSES



For the fiscal year ended September 30, 2020, expenses from governmental activities totaled \$3,799,740, the largest portions of which relate to public safety (43%) and public works (33%).

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, 2020, the City's governmental funds, which consist of a general fund and special revenues funds, reported an ending fund balance of \$5,808,792, which is an increase of \$226,788 from last year's total of \$5,582,004. The General Fund, the City's main operating fund, had an ending fund balance of \$5,578,160, a \$209,289 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 \$155,000, as well as actual expenditures in various departments being significantly less than budgeted amounts in the 2020 fiscal year. Revenues in excess of amounts budgeted for sales taxes, other taxes, licenses and permits, and intergovernmental revenue and grants account for approximately \$212,000 of this excess and can be attributed to increased economic growth and grant income during the 2020 fiscal year. Significant differences between final budgeted amounts and actual expenditures in various departments are discussed in the following paragraph.

In fiscal year 2020, the City planned for a decrease in fund balance in the General Fund of \$721,059, however, the actual change in fund balance was an increase of \$209,289. For the 2020 fiscal year, City Sanitation expenditures were less than final budgeted amounts by \$115,407, which can be attributed to less overtime paid than was anticipated, open positions that were budgeted but unfilled (including benefits), and \$17,500 was a revenue offset. For the 2020 fiscal year, Police actual expenditures were less than final budgeted amounts by \$215,197, which is due to \$185,000 in a Coronavirus line item to pay for Coronavirus related expenses until reimbursement could be obtained. This was not needed as we applied for the full amount through reimbursement in other line items. Other expenses were not utilized this budget year and carried over to the 2020-21 budget year. Streets actual expenditures in fiscal year 2020 were less than budgeted amounts by \$294,756, which can be attributed to Street maintenance expenditures being approximately \$190,000 less than budgeted, due to projected hurricane recovery funds paying for these expenses through grants. Further, surplus property was unable to be purchased due to Coronavirus restrictions on viewing property.

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 94 percent of total General Fund expenditures. The nonmajor Special Revenue Funds reported an ending fund balance of \$230,632.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets - The City's net investment in capital assets as of September 30, 2020, amounts to \$2,357,178 (net of accumulated depreciation). This net investment in capital assets includes land, buildings, machinery and equipment and infrastructure.

CAPITAL ASSETS SCHEDULE

	Governmental Activities	
	2020	2019
Land	\$ 671,798	\$ 671,798
Buildings	1,596,654	1,596,654
Machinery and equipment	1,642,225	1,692,924
Infrastructure	4,798,303	4,798,303
Less: accumulated depreciation	(6,351,801)	(6,186,720)
Total Capital Assets, Net	<u>\$ 2,357,179</u>	<u>\$ 2,572,959</u>

Additional information on the City's capital assets can found in Note E in the Notes to Financial Statements.

LONG-TERM LIABILITIES

As of September 30, 2020, the City's long-term liabilities consisted of compensated absences which amounted to \$287,628, and the City's net pension liability which amounted to \$1,289,444. The City has established a separate bank account in which money is being accumulated for the payment of compensated absences. As of September 30, 2020, this bank account had a balance of \$164,822.

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

GENERAL FUND ENDING FUND BALANCE

- Unassigned fund balance in the General Fund decreased to \$2,945,823 during the 2020 fiscal year. The City plans on continuing to increase fund balance in order to finance future capital projects as they arise.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City of West Orange, Texas's 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.

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE STATEMENTS

CITY OF WEST ORANGE, TEXAS
STATEMENT OF NET POSITION
SEPTEMBER 30, 2020

EXHIBIT A-1

	Primary Government
	Governmental Activities
ASSETS	
Cash and Cash Equivalents	\$ 3,195,793
Cash and Cash Equivalents - Restricted	2,629,211
Taxes Receivable, Net	240,251
Receivables	8,339
Due from Other Governments	173,906
Prepaid Items	3,126
Capital Assets:	
Land	671,798
Infrastructure, Net	702,791
Buildings, Net	618,280
Machinery and Equipment, Net	364,310
Total Assets	<u>8,607,805</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Outflow Related to Pension Plan	<u>232,315</u>
Total Deferred Outflows of Resources	<u>232,315</u>
LIABILITIES	
Accounts Payable	272,816
Wages and Salaries Payable	38,442
Other Current Liabilities	1,384
Noncurrent Liabilities:	
Due Within One Year	28,763
Due in More Than One Year	258,865
Net Pension Liability	1,289,444
Total Liabilities	<u>1,889,714</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred Inflow Related to Pension Plan	<u>579,917</u>
Total Deferred Inflows of Resources	<u>579,917</u>
NET POSITION	
Net Investment in Capital Assets	2,357,179
Restricted for:	
Road Maintenance	2,460,818
Public Safety	187,889
Municipal Court	117,465
Tourism	50,928
Public Works	5,900
COVID-19	36,843
Unrestricted Net Position	1,153,467
Total Net Position	<u><u>\$ 6,370,489</u></u>

The notes to the financial statements are an integral part of this statement.

CITY OF WEST ORANGE, TEXAS
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

EXHIBIT B-1

Net (Expense)
Revenue and
Changes in Net
Position

		Program Revenues		Position
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities
Primary Government:				
GOVERNMENTAL ACTIVITIES:				
General Administration	\$ 434,712	\$ 71,871	\$ -	\$ (362,841)
Fire Marshal	75,811	-	-	(75,811)
Fire Department	139,386	-	-	(139,386)
Sanitation	503,741	385,708	-	(118,033)
Humane	21,735	-	-	(21,735)
Police	1,404,358	-	30,365	(1,373,993)
Municipal Court	121,285	70,453	-	(50,832)
Streets	608,207	1,620	208,666	(397,921)
Parks and Facilities	67,790	-	-	(67,790)
Maintenance	67,031	-	-	(67,031)
Health and Safety	355,684	-	392,527	36,843
TOTAL PRIMARY GOVERNMENT	\$ 3,799,740	\$ 529,652	\$ 631,558	(2,638,530)

General Revenues:

Taxes:	
Property Taxes, Levied for General Purposes	621,493
General Sales and Use Taxes	949,185
Road Maintenance Tax	237,296
Mixed Beverage Tax	5,746
Hotel/Motel Occupancy Tax	7,801
Payments in Lieu of Property Taxes	609,355
Franchise Tax	243,813
Penalty and Interest on Taxes	16,820
Grants and Contributions	78,839
Other Revenue	38,715
Investment Earnings	34,018
Loss on Disposal of Assets	(12,628)
Total General Revenues and Transfers	2,830,453
Change in Net Position	191,923
Net Position-- Beginning	6,178,566
Net Position - Ending	\$ 6,370,489

The notes to the financial statements are an integral part of this statement.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

CITY OF WEST ORANGE, TEXAS
BALANCE SHEET
GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	General Fund	TDA/ CDBG Grant	Other Funds	Total Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,965,161	\$ -	\$ 230,632	\$ 3,195,793
Cash and Cash Equivalents - Restricted	2,629,211	-	-	2,629,211
Taxes Receivable	240,251	-	-	240,251
Accounts Receivable	8,339	-	-	8,339
Due from Other Governments	-	173,906	-	173,906
Due from Other Funds	-	34,213	-	34,213
Prepaid Items	3,126	-	-	3,126
Total Assets	<u>\$ 5,846,088</u>	<u>\$ 208,119</u>	<u>\$ 230,632</u>	<u>\$ 6,284,839</u>
LIABILITIES				
Accounts Payable	\$ 64,697	\$ 208,119	\$ -	\$ 272,816
Wages and Salaries Payable	38,442	-	-	38,442
Due to Other Funds	34,213	-	-	34,213
Other Current Liabilities	1,384	-	-	1,384
Total Liabilities	<u>138,736</u>	<u>208,119</u>	<u>-</u>	<u>346,855</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	129,192	-	-	129,192
Total Deferred Inflows of Resources	<u>129,192</u>	<u>-</u>	<u>-</u>	<u>129,192</u>
FUND BALANCES				
Nonspendable Fund Balance	3,126	-	-	3,126
Restricted Fund Balance	2,629,211	-	230,632	2,859,843
Unassigned Fund Balance	2,945,823	-	-	2,945,823
Total Fund Balances	<u>5,578,160</u>	<u>-</u>	<u>230,632</u>	<u>5,808,792</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 5,846,088</u>	<u>\$ 208,119</u>	<u>\$ 230,632</u>	<u>\$ 6,284,839</u>

The notes to the financial statements are an integral part of this statement.

CITY OF WEST ORANGE, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2020

Total Fund Balances - Governmental Funds	\$ 5,808,792
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. In addition, long-term liabilities, including compensated absences payable, are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term liabilities in the governmental activities is to increase net position.	2,256,957
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of including the 2020 capital outlays is to increase net position.	37,255
Included in the items related to debt is the recognition of the City's TMRS net pension liability required by GASB 68. The net position related to TMRS includes a deferred resource outflow in the amount of \$232,315, a deferred resource inflow in the amount of \$579,917, and a net pension liability in the amount of \$1,289,444. This resulted in a decrease in net position.	(1,637,046)
The 2020 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.	(253,035)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, eliminating interfund transactions, and recognizing the liabilities associated with compensated absences. The net effect of these reclassifications and recognitions is to increase net position.	157,566
Net Position of Governmental Activities	\$ 6,370,489

The notes to the financial statements are an integral part of this statement.

CITY OF WEST ORANGE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	General Fund	TDA/ CDBG Grant	Other Funds	Total Governmental Funds
REVENUES:				
Taxes:				
Property Taxes	\$ 606,801	\$ -	\$ -	\$ 606,801
General Sales and Use Taxes	949,185	-	-	949,185
Franchise Tax	243,813	-	-	243,813
Other Taxes	250,843	-	-	250,843
Penalty and Interest on Taxes	16,820	-	-	16,820
Payments in Lieu of Property Taxes	609,355	-	-	609,355
Licenses and Permits	71,871	-	-	71,871
Intergovernmental Revenue and Grants	78,839	208,666	422,892	710,397
Charges for Services	387,328	-	-	387,328
Fines and Forfeitures	70,453	-	-	70,453
Investment Earnings	32,812	-	1,206	34,018
Other Revenue	38,715	-	-	38,715
Total Revenues	3,356,835	208,666	424,098	3,989,599
EXPENDITURES:				
General Administration	442,905	-	8,154	451,059
Fire Marshal	96,776	-	-	96,776
Fire Department	141,746	-	-	141,746
Sanitation	513,585	-	-	513,585
Humane	22,792	-	-	22,792
Police	1,447,427	-	42,761	1,490,188
Municipal Court	132,184	-	-	132,184
Street	200,633	258,279	-	458,912
Parks and Facilities	68,451	-	-	68,451
Maintenance	70,949	-	-	70,949
Health and safety	-	-	355,684	355,684
Total Expenditures	3,137,448	258,279	406,599	3,802,326
Excess (Deficiency) of Revenues Over (Under) Expenditures	219,387	(49,613)	17,499	187,273
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	39,515	-	-	39,515
Transfers In	-	49,613	-	49,613
Transfers Out (Use)	(49,613)	-	-	(49,613)
Total Other Financing Sources (Uses)	(10,098)	49,613	-	39,515
Net Change in Fund Balances	209,289	-	17,499	226,788
Fund Balance - October 1 (Beginning)	5,368,871	-	213,133	5,582,004
Fund Balance - September 30 (Ending)	\$ 5,578,160	\$ -	\$ 230,632	\$ 5,808,792

The notes to the financial statements are an integral part of this statement.

CITY OF WEST ORANGE, TEXAS
 RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

Total Net Change in Fund Balances - Governmental Funds	\$ 226,788
Current year capital outlays are expenditures in the fund financial statements, but they should be shown as increases in capital assets in the government-wide financial statements. The net effect of removing the 2020 capital outlays is to increase the change in net position.	37,255
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These contributions made after the measurement date of the plan caused the change in ending net position to increase by \$232,315. Contributions made before the measurement date and during the previous fiscal year were also expended and recorded as a reduction in net pension liability. This caused an increase in net position totaling \$66,194. Finally, the proportionate share of the TMRS pension expense on the plan as a whole has to be recorded. The net pension expense decreased the change in net position by \$160,660. The net result is an increase in the change in net position.	137,849
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease the change in net position.	(253,035)
Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing deferred revenue as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy, eliminating interfund transactions, and recognizing the liabilities associated with compensated absences. The net effect of these reclassifications and recognitions is to increase the change in net position.	43,066
Change in Net Position of Governmental Activities	\$ 191,923

The notes to the financial statements are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

CITY OF WEST ORANGE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

I. 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. Additional prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

B. FINANCIAL STATEMENT PRESENTATION

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

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

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

CITY OF WEST ORANGE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

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 – 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. 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, deferred inflows of resources, 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, licenses, 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.

CITY OF WEST ORANGE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

The City reports the following major governmental funds:

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

E. ENCUMBRANCES

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

F. CASH AND CASH EQUIVALENTS

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

G. RECEIVABLES

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

H. INVENTORIES AND PREPAID ITEMS

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. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

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, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at acquisition value.

CITY OF WEST ORANGE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

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:

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings	31.5 years
Building Improvement	31.5 years
Public Domain Infrastructure	40 years
System Infrastructure	40 years
Vehicles	7 years
Police Vehicles	5 years
Machinery and Equipment	7 years
Computer Equipment	5 years

K. DEFERRED INFLOWS/OUTFLOWS OF RESOURCES

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category.

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows of resources for pension activities - Reported in the government-wide financial statement of net position, this deferred inflow results from differences between expected and actual actuarial experiences.

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has one item that qualifies for reporting in this category.

- Deferred outflows of resources for pension activities - Reported in the government-wide financial statement of net position, these deferred outflows result from pension plan contributions made after the measurement date of the net pension liability and differences between projected and actual investment earnings.

L. PENSIONS

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System ("TMRS") and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company, in compliance with Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions.

CITY OF WEST ORANGE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

M. COMPENSATED EMPLOYEE ABSENCES

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

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

N. ESTIMATES

The preparation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

II. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS

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

Cash and Cash Equivalents

The City's cash and cash equivalents consist of cash on hand and demand deposits. The City's cash and cash equivalents as of September 30, 2020, are shown as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Cash	\$ 3,195,793	\$ 3,195,793
Cash - Restricted	<u>2,629,211</u>	<u>2,629,211</u>
Total Cash and Cash Equivalents	<u>\$ 5,825,004</u>	<u>\$ 5,825,004</u>

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 of Texas 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.

CITY OF WEST ORANGE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

The City's cash deposits, as of September 30, 2020, were entirely guaranteed by FDIC insurance or by pledged collateral held by the City's agent bank.

B. PROPERTY TAXES

The City's property taxes are levied annually in October on the basis of the Orange County 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 \$0.47000 per \$100 of assessed valuation. The resulting adjusted tax levy was \$631,571 for operations on the total adjusted taxable valuation of \$134,376,882 for the 2019 tax year.

Property taxes receivable, as of September 30, 2020, consists of the following:

Tax Year	General Fund
2019	\$ 39,177
2018	21,537
2017	15,270
2016	13,065
2015	10,956
2014 and prior	43,543
	<u>\$ 143,547</u>

C. INTERFUND BALANCES AND TRANSFERS

Interfund balances at September 30, 2020 consisted of the following amounts:

	Due from General Fund
Due to TDA/CDBG Grant Fund	<u>\$ 34,213</u>
Total	<u>\$ 34,213</u>

The balance of \$34,213 due to the TDA/CDBG Grant Fund from the General Fund for the City's match for the Austin Street repaving project.

Interfund transfers for the year ended September 30, 2020, consisted of the following individual amounts:

Fund	General Fund	TDA/CDBG Grant Fund	Totals
Transfer In - General Fund		49,613	49,613
Transfer Out - TDA/CDBG Grant Fund	(49,613)		(49,613)
Totals Transfers In/(Out)	<u>\$ (49,613)</u>	<u>\$ 49,613</u>	<u>\$ -</u>

These transfers were for the City's match for the Austin Street repaving project per grant requirements.

CITY OF WEST ORANGE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

D. RECEIVABLES

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

	Genral Fund	TDA/ CDBG Grant	Totals
Receivables:			
Taxes	\$ 254,606	\$	\$ 254,606
Accounts	8,339		8,339
Intergovernmental		173,906	173,906
Gross Receivables	262,945	173,906	436,851
Less: Allowance for Uncollectibles	(14,355)		(14,355)
Net Total Receivables	<u>\$ 248,590</u>	<u>\$ 173,906</u>	<u>\$ 422,496</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 \$ 129,192

E. CAPITAL ASSETS

Capital asset activity for the City for the year ended September 30, 2020, was as follows:

	Primary Government			
	Beginning Balance	Additions	Retirements	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 671,798	\$	\$	\$ 671,798
Total capital assets not being depreciated	<u>671,798</u>			<u>671,798</u>
Capital assets being depreciated:				
Buildings	1,596,654			1,596,654
Machinery and equipment	1,692,924	89,398	(140,097)	1,642,225
Infrastructure	4,798,303			4,798,303
Total capital assets being depreciated	<u>8,087,881</u>	<u>89,398</u>	<u>(140,097)</u>	<u>8,037,182</u>
Less accumulated depreciation for:				
Buildings	(936,660)	(41,714)		(978,374)
Machinery and equipment	(1,274,463)	(91,406)	87,954	(1,277,915)
Infrastructure	(3,975,597)	(119,915)		(4,095,512)
Total accumulated depreciation	<u>(6,186,720)</u>	<u>(253,035)</u>	<u>87,954</u>	<u>(6,351,801)</u>
Total capital assets being depreciated, net	<u>1,901,161</u>	<u>(163,637)</u>	<u>(52,143)</u>	<u>1,685,381</u>
Governmental Activities capital assets, net	<u>\$ 2,572,959</u>	<u>\$ (163,637)</u>	<u>\$ (52,143)</u>	<u>\$ 2,357,179</u>

CITY OF WEST ORANGE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 24,250
Fire Department	8,814
Police Department	63,435
Public Works	<u>156,536</u>
Total Depreciation Expense	<u>\$ 253,035</u>

F. CHANGES IN LONG-TERM LIABILITIES

Long-term liability activity for the year ended September 30, 2020 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental Activities					
Net Pension Liability	\$ 2,247,729	\$ 939,573	\$ (1,897,858)	\$ 1,289,444	\$ -
Compensated Absences	<u>316,002</u>	<u>127,219</u>	<u>(155,593)</u>	<u>287,628</u>	<u>28,763</u>
Total Governmental Activities	<u>\$ 2,563,731</u>	<u>\$ 1,066,792</u>	<u>\$ (2,053,451)</u>	<u>\$ 1,577,072</u>	<u>\$ 28,763</u>
Long-term Liabilities					

G. FUND EQUITY

In the fund financial statements, the City restricts portions of fund equity in the governmental fund financial statements. The unassigned fund balance for governmental funds represents the amount available for budgeting future operations. The restricted fund balances for governmental funds represent the amount that has been legally identified for specific purposes.

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 not meet the criteria to be classified as restricted or committed. Currently, only City Council has the authority to assign fund balances.

CITY OF WEST ORANGE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

Unassigned:

To indicate the residual classification of fund balance in the General Fund and includes all spendable amounts not contained in the other classifications. The General Fund is the only governmental fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount unless expenditures incurred for specific purposes exceed the amounts that are restricted, committed or assigned to those purposes in which case it may be necessary to report a negative unassigned fund balance in those funds.

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 the major and nonmajor governmental funds as of September 30, 2020, were distributed as follows:

	General Fund	Other Governmental Funds	Total
Nonspendable:			
Prepays	\$ 3,126	\$ -	\$ 3,126
Total Nonspendable	3,126	-	3,126
Restricted for:			
Tourism	50,928		50,928
Municipal Court	117,465		117,465
Road Maintenance	2,460,818		2,460,818
Public Safety		187,889	187,889
Public Works		5,900	5,900
COVID-19		36,843	36,843
Total Restricted	2,629,211	230,632	2,859,843
Unassigned	<u>2,945,823</u>		<u>2,945,823</u>
Total Fund Balance	<u>\$ 5,578,160</u>	<u>\$ 230,632</u>	<u>\$ 5,808,792</u>

These fund balance restrictions are due to legislative and grant funding requirements.

GASB 54 requires disclosure of any formally adopted minimum fund balance policies. The City does not currently have a formally adopted fund balance policy at this time, however, the City strives to maintain at least a 90-day operating reserve.

H. DEFINED BENEFIT PENSION PLAN

Plan Description

The City of West Orange participates as one of 888 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not

CITY OF WEST ORANGE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report (CAFR) that can be obtained at www.tmr.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Employees covered by benefit terms.

At the December 31, 2019 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	17
Inactive employees entitled to but not yet receiving benefits	12
Active employees	<u>23</u>
	52

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of West Orange were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 20.03% and 20.02% in calendar years 2019 and 2020, respectively. The city's contributions to TMRS for the year ended September 30, 2020, were \$298,511, and were equal to the required contributions.

Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2019, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	2.75% per year, adjusted down for population declines, if any
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

CITY OF WEST ORANGE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

Salary increases were based on a service-related table. Mortality rates for active members are based on the PUB(10) mortality tables with the Public Safety tables used for males and the General Employee table used for females. Mortality rates for health retirees and beneficiaries were based on the Gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates for actives, healthy retirees and beneficiaries are projected on a fully generational basis by Scale UMP to account for future mortality improvements. For disabled annuitants, the same mortality tables for health retirees is used with a 4-year set-forward for males and a 3-year set-forward for females. In addition, a 3.5% and 3.0% minimum mortality rate is applied, for males and females respectively, to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

The actuarial assumptions were developed primarily from the actuarial investigation of experience of TMRS over the four period from December 31, 2014 to December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rates (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternative asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive).

The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	5.30%
Core Fixed Income	10.0%	1.25%
Non-Core Fixed Income	20.0%	4.14%
Real Return	10.0%	3.85%
Real Estate	10.0%	4.00%
Absolute Return	10.0%	3.48%
Private Equity	10.0%	7.75%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

CITY OF WEST ORANGE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

Changes in Net Pension Liability

	Total Pension Liability (a)	Increase (Decrease) Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2018	\$ 10,572,691	\$ 8,324,962	\$ 2,247,729
Changes for the Year:			
Service Cost	223,439	-	223,439
Interest	708,643	-	708,643
Change of benefit terms	-	-	-
Difference between expected and actual experience	(254,691)	-	(254,691)
Changes of assumptions	(632)	-	(632)
Contributions - employer	-	263,263	(263,263)
Contributions - employee	-	92,004	(92,004)
Net investment income	-	1,287,268	(1,287,268)
Benefit payments, including refunds of employee contribution	(372,002)	(372,002)	-
Administrative expense	-	(7,272)	7,272
Other changes	-	(218)	218
Net changes	<u>304,757</u>	<u>1,263,042</u>	<u>(958,285)</u>
Balance at 12/31/2019	<u>\$ 10,877,448</u>	<u>\$ 9,588,004</u>	<u>\$ 1,289,444</u>

Sensitivity of the net pension liability to changes in the discount rate:

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	\$ 2,737,605	\$ 1,289,444	\$ 86,337

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmr.com.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2020 the city recognized pension expense of \$160,660.

CITY OF WEST ORANGE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

At September 30, 2020, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 289,046
Changes in actuarial assumptions	-	468.00
Difference between projected and actual investment earnings	-	290,403
Contributions subsequent of the measurement date	<u>232,315</u>	<u>-</u>
Total	<u>\$ 232,315</u>	<u>\$ 579,917</u>

\$232,315 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability for the year ending September 30, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended Dec 31:

2020	\$ (218,126)
2021	(184,081)
2022	(32,645)
2023	(145,065)
2024	-
Thereafter	<u>-</u>
	<u>\$ (579,917)</u>

I. 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.

J. 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.

CITY OF WEST ORANGE, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2020

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

K. COVID-19

The coronavirus pandemic (COVID-19) has impacted numerous sectors of the economy, and many businesses are suffering downturns and the long-term economic consequences remain unknown. The spread of COVID-19 has severely impacted many local economies and some businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of nonessential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Stock markets have also experienced great volatility and a significant weakening. Government and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

The statement of net position and statement of activities as of and for the year ended September 30, 2020 have not been adjusted to reflect the impact of the pandemic. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the City for future periods.

L. SUBSEQUENT EVENTS

In preparing the financial statements, the City has evaluated events and transactions for potential recognition or disclosure through December 31, 2020, the date that the financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF WEST ORANGE, TEXAS
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
Taxes:				
Property Taxes	\$ 629,000	\$ 629,000	\$ 606,801	\$ (22,199)
General Sales and Use Taxes	900,000	900,000	949,185	49,185
Franchise Tax	230,000	230,000	243,813	13,813
Other Taxes	212,500	212,500	250,843	38,343
Penalty and Interest on Taxes	14,000	14,000	16,820	2,820
Payments in Lieu of Property Taxes	609,355	609,355	609,355	-
Licenses and Permits	25,525	25,525	71,871	46,346
Intergovernmental Revenue and Grants	800	800	78,839	78,039
Charges for Services	386,350	386,350	387,328	978
Fines and Forfeitures	100,100	100,100	70,453	(29,647)
Investment Earnings	75,000	75,000	32,812	(42,188)
Other Revenue	18,400	18,400	38,715	20,315
Total Revenues	3,201,030	3,201,030	3,356,835	155,805
EXPENDITURES:				
General Administration	438,971	438,971	442,905	(3,934)
Fire Marshal	104,944	104,944	96,776	8,168
Fire Department	126,151	189,336	141,746	47,590
Sanitation	628,992	628,992	513,585	115,407
Humane	62,247	62,247	22,792	39,455
Police	1,477,624	1,662,624	1,447,427	215,197
Municipal Court	156,192	156,192	132,184	24,008
Street	495,389	495,389	200,633	294,756
Parks and Facilities	107,727	107,727	68,451	39,276
Maintenance	75,667	75,667	70,949	4,718
Total Expenditures	3,673,904	3,922,089	3,137,448	784,641
Excess (Deficiency) of Revenues Over (Under) Expenditures	(472,874)	(721,059)	219,387	940,446
OTHER FINANCING SOURCES (USES):				
Sale of Real and Personal Property	-	-	39,515	39,515
Transfers Out (Use)	-	-	(49,613)	(49,613)
Total Other Financing Sources (Uses)	-	-	(10,098)	(10,098)
Net Change	(472,874)	(721,059)	209,289	930,348
Fund Balance - October 1 (Beginning)	5,368,871	5,368,871	5,368,871	-
Fund Balance - September 30 (Ending)	\$ 4,895,997	\$ 4,647,812	\$ 5,578,160	\$ 930,348

CITY OF WEST ORANGE, TEXAS
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.

Expenditures are not to 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, City Council may make emergency appropriations to meet a pressing need for public expenditure in order to protect the public health, safety, or welfare. City 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 City 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, when applicable.

CITY OF WEST ORANGE, TEXAS
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
A. Total Pension Liability			
Service Cost	\$ 223,439	\$ 211,537	\$ 237,452
Interest (on the Total Pension Liability)	708,643	689,498	656,717
Changes of Benefit Terms	-	-	-
Difference between Expected and Actual Experience	(254,691)	(233,068)	(3,251)
Changes of Assumptions	(632)	-	-
Benefit Payments, Including Refunds of Employee Contributions	(372,002)	(408,587)	(376,053)
Net Change in Total Pension Liability	\$ 304,757	\$ 259,380	\$ 514,865
Total Pension Liability - Beginning	10,572,691	10,313,311	9,798,446
Total Pension Liability - Ending	\$ 10,877,448	\$ 10,572,691	\$ 10,313,311
B. Total Fiduciary Net Position			
Contributions - Employer	\$ 263,263	\$ 250,955	\$ 283,133
Contributions - Employee	92,004	87,879	97,488
Net Investment Income	1,287,268	(259,444)	1,054,373
Benefit Payments, Including Refunds of Employee Contributions	(372,002)	(408,587)	(376,053)
Administrative Expense	(7,272)	(5,013)	(5,463)
Other	(219)	(261)	(278)
Net Change in Plan Fiduciary Net Position	\$ 1,263,042	\$ (334,471)	\$ 1,053,200
Plan Fiduciary Net Position - Beginning	8,324,962	8,659,433	7,606,233
Plan Fiduciary Net Position - Ending	\$ 9,588,004	\$ 8,324,962	\$ 8,659,433
C. Net Pension Liability	\$ 1,289,444	\$ 2,247,729	\$ 1,653,878
D. Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.15%	78.74%	83.96%
E. Covered Payroll	\$ 1,314,347	\$ 1,255,411	\$ 1,392,680
F. Net Pension Liability as a Percentage of Covered Payroll	98.11%	179.04%	118.76%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented for the time period covered by the measurement date rather than the governmental entity's current fiscal year.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

FY 2017 Plan Year 2016		FY 2016 Plan Year 2015		FY 2015 Plan Year 2014	
\$	233,927	\$	217,004	\$	189,272
	625,802		616,052		578,003
	-		-		-
	(22,744)		(78,873)		84,378
	-		73,605		-
	(385,419)		(346,287)		(297,650)
\$	451,566	\$	481,501	\$	554,003
	9,346,880		8,865,379		8,311,376
\$	9,798,446	\$	9,346,880	\$	8,865,379
\$	275,002	\$	255,152	\$	242,989
	95,203		91,453		86,870
	482,885		10,536		384,861
	(385,419)		(346,287)		(297,650)
	(5,453)		(6,417)		(4,018)
	(294)		(317)		(330)
\$	461,924	\$	4,120	\$	412,722
	7,144,309		7,140,189		6,727,467
\$	7,606,233	\$	7,144,309	\$	7,140,189
\$	2,192,213	\$	2,202,571	\$	1,725,190
	77.63%		76.44%		80.54%
\$	1,360,043	\$	1,306,467	\$	1,241,005
	161.19%		168.59%		139.02%

CITY OF WEST ORANGE, TEXAS
SCHEDULE OF CONTRIBUTIONS
TEXAS MUNICIPAL RETIREMENT SYSTEM
FOR THE FISCAL YEAR 2020

	2020	2019	2018
Actuarially Determined Contribution	\$ 298,511	\$ 263,903	\$ 246,248
Contributions in Relation to the Actuarially Determined Contributions	298,511	263,903	246,248
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered Payroll	\$ 1,490,896	\$ 1,318,205	\$ 1,226,668
Contributions as a Percentage of Covered Payroll	20.02%	20.02%	20.07%

Note: GASB Codification, Vol. 2, P20.146 requires that the data in this schedule be presented as of the governmental entity's respective fiscal years as opposed to the time periods covered by the measurement dates ending December 31 for the respective fiscal years.

As required by GASB 68, this schedule will be built prospectively as the information becomes available until 10 years of information is presented.

2017	2016	2015	2014	2013	2012	2011
\$ 287,979	\$ 279,974	\$ 252,975	\$ 240,164	\$ 239,240	\$ 240,112	\$ 258,110
287,979	279,974	252,975	240,164	239,240	240,112	258,110
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 1,418,315	\$ 1,397,212	\$ 1,294,403	\$ 1,228,333	\$ 1,239,313	\$ 1,214,844	\$ 1,153,932
20.30%	20.04%	19.54%	19.55%	19.30%	19.76%	22.37%

COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES

CITY OF WEST ORANGE, TEXAS
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 donations and fines when State 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.

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.

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.

Disaster Recovery Grant Fund - This fund is used to account for monies received for repairs to City streets damaged by Hurricane Ike flood waters and to demolish homes abandoned after Hurricane Ike which were damaged beyond repair. These monies are restricted for the use of street repairs and the demolition of homes.

Sewer Improvements Grant Fund - This fund is used to account for monies received for improvements to the sanitary sewer system within the City. These monies are restricted for the use of improvements to the sanitary sewer system within the City.

TDEM/HMGP Grant Fund - This fund is used to account for monies received from Texas Department of Emergency Management for hazard mitigation projects.

GLO Acquisitions Grant Fund - This fund is used to account for monies received from the General Land Office for grants awarded for acquisition of damaged properties.

GLO Infrastructure Grant Fund - This fund is used to account for monies received from the General Land Office for grants awarded for infrastructure damages or improvements.

TDEM/COVID-19 Relief Grant Fund - This fund is used to account for monies received from Texas Department of Emergency Management for grants awarded for Covid-19 related expenditures.

CITY OF WEST ORANGE, TEXAS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
SEPTEMBER 30, 2020

	Police - Public Safety	Police - Seizure & Forfeiture	Police - State Education
ASSETS			
Cash and Cash Equivalents	\$ 63,466	\$ 10,559	\$ 8,764
Total Assets	<u>\$ 63,466</u>	<u>\$ 10,559</u>	<u>\$ 8,764</u>
FUND BALANCES			
Restricted Fund Balance	63,466	10,559	8,764
Total Fund Balances	<u>63,466</u>	<u>10,559</u>	<u>8,764</u>
Total Liabilities and Fund Balances	<u>\$ 63,466</u>	<u>\$ 10,559</u>	<u>\$ 8,764</u>

Police - Federal Asset Forfeiture	Demolition Grant	Police - Federal Treas Asset Forfeit	Disaster Recovery Grant	Sewer Improvements Grant	TDEM/ HMGP Grant	GLO Acquisitions Grant	GLO Infrastructur Grant
\$ 17,368	\$ -	\$ 87,732	\$ 5,900	\$ -	\$ -	\$ -	\$ -
\$ 17,368	\$ -	\$ 87,732	\$ 5,900	\$ -	\$ -	\$ -	\$ -
17,368	-	87,732	5,900	-	-	-	-
17,368	-	87,732	5,900	-	-	-	-
\$ 17,368	\$ -	\$ 87,732	\$ 5,900	\$ -	\$ -	\$ -	\$ -

CITY OF WEST ORANGE, TEXAS
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2020

	TDEM/ COVID-19 Relief Grant	Total Nonmajor Governmental Funds
ASSETS		
Cash and Cash Equivalents	\$ 36,843	\$ 230,632
Total Assets	<u>\$ 36,843</u>	<u>\$ 230,632</u>
FUND BALANCES		
Restricted Fund Balance	36,843	230,632
Total Fund Balances	<u>\$ 36,843</u>	<u>\$ 230,632</u>
Total Liabilities and Fund Balances	<u>\$ 36,843</u>	<u>\$ 230,632</u>

CITY OF WEST ORANGE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Police - Public Safety	Police - Seizure & Forfeiture	Police - State Education
REVENUES:			
Intergovernmental Revenue and Grants	\$ 29,235	\$ -	\$ 1,130
Investment Earnings	440	61	51
Total Revenues	<u>29,675</u>	<u>61</u>	<u>1,181</u>
EXPENDITURES:			
General Administration	-	-	-
Police	41,906	-	855
Health and Safety	-	-	-
Total Expenditures	<u>41,906</u>	<u>-</u>	<u>855</u>
Net Change in Fund Balance	(12,231)	61	326
Fund Balance - October 1 (Beginning)	<u>75,697</u>	<u>10,498</u>	<u>8,438</u>
Fund Balance - September 30 (Ending)	<u><u>\$ 63,466</u></u>	<u><u>\$ 10,559</u></u>	<u><u>\$ 8,764</u></u>

Police - Federal Asset Forfeiture	Demolition Grant	Police - Federal Treas Asset Forfeit	Disaster Recovery Grant	Sewer Improvements Grant	TDEM/ HMGP Grant	GLO Acquisitions Grant	GLO Infrastructur Grant
\$ -	\$ -	\$ -	\$ -	\$ 134,320	\$ 13,678	\$ 54,600	\$ 152,771
100	45	509	-	-	-	-	-
100	45	509	-	134,320	13,678	54,600	152,771
-	8,154	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	134,320	13,678	54,600	152,771
-	8,154	-	-	134,320	13,678	54,600	152,771
100	(8,109)	509	-	-	-	-	-
17,268	8,109	87,223	5,900	-	-	-	-
\$ 17,368	\$ -	\$ 87,732	\$ 5,900	\$ -	\$ -	\$ -	\$ -

CITY OF WEST ORANGE, TEXAS
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2020

	TDEM/ COVID-19 Relief Grant	Total Nonmajor Governmental Funds
REVENUES:		
Intergovernmental Revenue and Grants	\$ 37,158	\$ 422,892
Investment Earnings	-	1,206
Total Revenues	<u>37,158</u>	<u>424,098</u>
EXPENDITURES:		
General Administration	-	8,154
Police	-	42,761
Health and Safety	<u>315</u>	<u>355,684</u>
Total Expenditures	<u>315</u>	<u>406,599</u>
Net Change in Fund Balance	36,843	17,499
Fund Balance - October 1 (Beginning)	<u>-</u>	<u>213,133</u>
Fund Balance - September 30 (Ending)	<u><u>\$ 36,843</u></u>	<u><u>\$ 230,632</u></u>

CITY OF WEST ORANGE, TEXAS
COMPARATIVE BALANCE SHEET
PRIOR YEAR AND CURRENT YEAR - GENERAL FUND
SEPTEMBER 30, 2020

	Current Year	Prior Year	Variance
ASSETS			
Cash and Cash Equivalents	\$ 2,965,161	\$ 3,002,063	\$ (36,902)
Cash and Cash Equivalents - Restricted	2,629,211	2,379,009	250,202
Taxes Receivable	240,251	244,302	(4,051)
Accounts Receivable	8,339	6,641	1,698
Prepaid Items	3,126	1,532	1,594
Total Assets	<u>\$ 5,846,088</u>	<u>\$ 5,633,547</u>	<u>\$ 212,541</u>
LIABILITIES			
Accounts Payable	\$ 64,697	\$ 150,176	\$ (85,479)
Wages and Salaries Payable	38,442	-	38,442
Due to Other Funds	34,213	-	34,213
Other Current Liabilities	1,384	-	1,384
Total Liabilities	<u>138,736</u>	<u>150,176</u>	<u>(11,440)</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	<u>129,192</u>	<u>114,500</u>	<u>14,692</u>
Total Deferred Inflows of Resources	<u>129,192</u>	<u>114,500</u>	<u>14,692</u>
FUND BALANCES			
Nonspendable Fund Balance	3,126	1,532	1,594
Restricted Fund Balance	2,629,211	2,379,009	250,202
Unassigned Fund Balance	<u>2,945,823</u>	<u>2,988,330</u>	<u>(42,507)</u>
Total Fund Balances	<u>5,578,160</u>	<u>5,368,871</u>	<u>209,289</u>
Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 5,846,088</u>	<u>\$ 5,633,547</u>	<u>\$ 212,541</u>

CITY OF WEST ORANGE, TEXAS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	Budgeted Amounts		Actual	Variance With	2019
	Original	Final	GAAP BASIS (See Note)	Final Budget Positive or (Negative)	Prior Year Actual GAAP Basis
REVENUES:					
Taxes:					
Property Taxes	\$ 629,000	\$ 629,000	\$ 606,801	\$ (22,199)	\$ 611,979
General Sales and Use Taxes	900,000	900,000	949,185	49,185	935,988
Franchise Tax	230,000	230,000	243,813	13,813	265,581
Other Taxes	212,500	212,500	250,843	38,343	249,857
Penalty and Interest on Taxes	14,000	14,000	16,820	2,820	18,982
Payments in Lieu of Property Taxes	609,355	609,355	609,355	-	600,515
Licenses and Permits	25,525	25,525	71,871	46,346	22,069
Intergovernmental Revenue and Grants	800	800	78,839	78,039	17,122
Charges for Services	386,350	386,350	387,328	978	376,841
Fines and Forfeitures	100,100	100,100	70,453	(29,647)	92,113
Investment Earnings	75,000	75,000	32,812	(42,188)	116,707
Other Revenue	18,400	18,400	38,715	20,315	111,051
Total Revenues	3,201,030	3,201,030	3,356,835	155,805	3,418,805
EXPENDITURES:					
General Administration	438,971	438,971	442,905	(3,934)	378,221
Fire Marshal	104,944	104,944	96,776	8,168	85,730
Fire Department	126,151	189,336	141,746	47,590	55,870
Sanitation	628,992	628,992	513,585	115,407	539,425
Humane	62,247	62,247	22,792	39,455	18,082
Police	1,477,624	1,662,624	1,447,427	215,197	1,220,885
Municipal Court	156,192	156,192	132,184	24,008	136,152
Street	495,389	495,389	200,633	294,756	363,437
Parks and Facilities	107,727	107,727	68,451	39,276	66,250
Maintenance	75,667	75,667	70,949	4,718	68,541
Total Expenditures	3,673,904	3,922,089	3,137,448	784,641	2,932,593
Excess (Deficiency) of Revenues Over Expenditures	(472,874)	(721,059)	219,387	940,446	486,212
OTHER FINANCING SOURCES (USES):					
Sale of Real and Personal Property	-	-	39,515	39,515	-
Transfers Out (Use)	-	-	(49,613)	(49,613)	-
Total Other Financing Sources (Uses)	-	-	(10,098)	(10,098)	-
Change in Fund Balance	(472,874)	(721,059)	209,289	930,348	486,212
Fund Balance - October 1	5,368,871	5,368,871	5,368,871	-	4,882,659
Fund Balance - September 30	\$ 4,895,997	\$ 4,647,812	\$ 5,578,160	\$ 930,348	\$ 5,368,871

STATISTICAL SECTION

CITY OF WEST ORANGE, TEXAS
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.

Contents	Pages
Financial Trends	46-55
These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	
Revenue Capacity	56-63
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.	
Debt Capacity	64-67
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.	
Demographic and Economic Information	68-70
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
Operating Information	71-72
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)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental Activities				
Net investment in capital assets	\$ 4,057,823	\$ 3,803,822	\$ 3,555,213	\$ 3,306,841
Restricted	233,152	229,196	249,523	253,019
Unrestricted	<u>1,558,522</u>	<u>1,872,199</u>	<u>2,144,441</u>	<u>2,595,749</u>
Total Governmental Activities Net Position	<u>\$ 5,849,497</u>	<u>\$ 5,905,217</u>	<u>\$ 5,949,177</u>	<u>\$ 6,155,609</u>
 Primary Government				
Net investment in capital assets	\$ 4,057,823	\$ 3,803,822	\$ 3,555,213	\$ 3,306,841
Restricted	233,152	229,196	249,523	253,019
Unrestricted	<u>1,558,522</u>	<u>1,872,199</u>	<u>2,144,441</u>	<u>2,595,749</u>
Total Governmental Activities Net Position	<u>\$ 5,849,497</u>	<u>\$ 5,905,217</u>	<u>\$ 5,949,177</u>	<u>\$ 6,155,609</u>

2016* - The decrease in unrestricted net position is due to the implementation of GASB Statement No. 68.

EXHIBIT S-1

<u>2015</u>	<u>2016*</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 3,076,327	\$ 2,842,982	\$ 2,707,708	\$ 2,589,006	\$ 2,572,959	\$ 2,357,179
250,735	1,775,123	2,005,743	2,283,893	2,592,142	2,859,843
<u>1,810,388</u>	<u>556,813</u>	<u>479,299</u>	<u>924,246</u>	<u>1,013,465</u>	<u>1,153,467</u>
<u>\$ 5,137,450</u>	<u>\$ 5,174,918</u>	<u>\$ 5,192,750</u>	<u>\$ 5,797,145</u>	<u>\$ 6,178,566</u>	<u>\$ 6,370,489</u>
\$ 3,076,327	\$ 2,842,982	\$ 2,707,708	\$ 2,589,006	\$ 2,572,959	\$ 2,357,179
250,735	1,775,123	2,005,743	2,283,893	2,592,142	2,859,843
<u>1,810,388</u>	<u>556,813</u>	<u>479,299</u>	<u>924,246</u>	<u>1,013,465</u>	<u>1,153,467</u>
<u>\$ 5,137,450</u>	<u>\$ 5,174,918</u>	<u>\$ 5,192,750</u>	<u>\$ 5,797,145</u>	<u>\$ 6,178,566</u>	<u>\$ 6,370,489</u>

CITY OF WEST ORANGE, TEXAS
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Expenses				
Governmental Activities				
General Government	\$ 599,431	\$ 517,725	\$ 529,454	\$ 502,674
Public Safety	1,223,177	1,299,211	1,327,678	1,323,532
Public Works	2,428,384	1,113,412	1,142,952	1,089,369
Health and Safety	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities Expenses	<u>4,250,992</u>	<u>2,930,348</u>	<u>3,000,084</u>	<u>2,915,575</u>
Total Primary Government Expenses	<u>\$ 4,250,992</u>	<u>\$ 2,930,348</u>	<u>\$ 3,000,084</u>	<u>\$ 2,915,575</u>
Program Revenues				
Governmental Activities				
Charges for Services:				
General Government	\$ 27,331	\$ 28,608	\$ 20,316	\$ 22,852
Public Safety	170,007	188,592	143,744	124,884
Public Works	368,838	379,272	373,575	376,822
Operating Grants and Contributions	1,168,315	35,236	9,033	10,272
Capital Grants and Contributions	<u>-</u>	<u>18,127</u>	<u>-</u>	<u>-</u>
Total Governmental Activities Program Revenues	<u>1,734,491</u>	<u>649,835</u>	<u>546,668</u>	<u>534,830</u>
Total Primary Government Program Revenues	<u>\$ 1,734,491</u>	<u>\$ 649,835</u>	<u>\$ 546,668</u>	<u>\$ 534,830</u>
Net (Expense)/Revenue				
Governmental Activities	<u>\$ (2,516,501)</u>	<u>\$ (2,280,513)</u>	<u>\$ (2,453,416)</u>	<u>\$ (2,380,745)</u>
Total Primary Government Net Expense	<u>\$ (2,516,501)</u>	<u>\$ (2,280,513)</u>	<u>\$ (2,453,416)</u>	<u>\$ (2,380,745)</u>
General Revenues and Other Changes in Net Position				
Governmental Activities				
Taxes				
Property Taxes	\$ 502,498	\$ 518,419	\$ 532,357	\$ 548,194
Other Taxes	1,299,651	1,296,358	1,290,586	1,345,893
Payments in Lieu of Property Taxes	518,600	486,420	598,246	633,334
Investment Earnings	2,385	1,592	1,945	1,329
Other	<u>55,894</u>	<u>33,444</u>	<u>74,242</u>	<u>58,427</u>
Total Governmental Activities	<u>2,379,028</u>	<u>2,336,233</u>	<u>2,497,376</u>	<u>2,587,177</u>
Total Primary Government	<u>\$ 2,379,028</u>	<u>\$ 2,336,233</u>	<u>\$ 2,497,376</u>	<u>\$ 2,587,177</u>
Change in Net Position				
Governmental Activities	<u>\$ (137,473)</u>	<u>\$ 55,720</u>	<u>\$ 43,960</u>	<u>\$ 206,432</u>
Total Primary Government	<u>\$ (137,473)</u>	<u>\$ 55,720</u>	<u>\$ 43,960</u>	<u>\$ 206,432</u>

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 526,326	\$ 526,660	\$ 602,122	\$ 566,878	\$ 544,958	\$ 555,997
1,386,884	1,519,944	1,654,677	1,778,147	1,536,246	1,641,290
1,017,670	1,099,024	992,942	914,805	1,048,229	1,246,769
-	230,848	35,415	292,303	56,800	355,684
<u>2,930,880</u>	<u>3,376,476</u>	<u>3,285,156</u>	<u>3,552,133</u>	<u>3,186,233</u>	<u>3,799,740</u>
<u>\$ 2,930,880</u>	<u>\$ 3,376,476</u>	<u>\$ 3,285,156</u>	<u>\$ 3,552,133</u>	<u>\$ 3,186,233</u>	<u>\$ 3,799,740</u>
\$ 59,122	\$ 17,548	\$ 17,032	\$ 28,846	\$ 34,069	\$ 71,871
131,983	143,780	120,598	105,886	103,335	70,453
364,568	372,595	363,343	358,502	361,380	387,328
2,732	254,319	51,042	743,203	154,084	631,558
-	-	-	-	-	-
<u>558,405</u>	<u>788,242</u>	<u>552,015</u>	<u>1,236,437</u>	<u>652,868</u>	<u>1,161,210</u>
<u>\$ 558,405</u>	<u>\$ 788,242</u>	<u>\$ 552,015</u>	<u>\$ 1,236,437</u>	<u>\$ 652,868</u>	<u>\$ 1,161,210</u>
<u>\$ (2,372,475)</u>	<u>\$ (2,588,234)</u>	<u>\$ (2,733,141)</u>	<u>\$ (2,315,696)</u>	<u>\$ (2,533,365)</u>	<u>\$ (2,638,530)</u>
<u>\$ (2,372,475)</u>	<u>\$ (2,588,234)</u>	<u>\$ (2,733,141)</u>	<u>\$ (2,315,696)</u>	<u>\$ (2,533,365)</u>	<u>\$ (2,638,530)</u>
\$ 543,935	\$ 550,888	\$ 609,669	\$ 624,499	\$ 631,232	\$ 621,493
1,405,445	1,431,039	1,403,658	1,517,231	1,451,426	1,443,841
665,531	620,050	624,797	637,013	600,515	609,355
914	9,410	26,811	82,197	121,123	34,018
149,182	28,190	36,372	58,241	110,490	121,746
<u>2,765,007</u>	<u>2,639,577</u>	<u>2,701,307</u>	<u>2,919,181</u>	<u>2,914,786</u>	<u>2,830,453</u>
<u>\$ 2,765,007</u>	<u>\$ 2,639,577</u>	<u>\$ 2,701,307</u>	<u>\$ 2,919,181</u>	<u>\$ 2,914,786</u>	<u>\$ 2,830,453</u>
<u>\$ 392,532</u>	<u>\$ 51,343</u>	<u>\$ (31,834)</u>	<u>\$ 603,485</u>	<u>\$ 381,421</u>	<u>\$ 191,923</u>
<u>\$ 392,532</u>	<u>\$ 51,343</u>	<u>\$ (31,834)</u>	<u>\$ 603,485</u>	<u>\$ 381,421</u>	<u>\$ 191,923</u>

CITY OF WEST ORANGE, TEXAS
GOVERNMENTAL ACTIVITIES TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Property Taxes	\$ 502,498	\$ 518,419	\$ 532,357	\$ 548,194
Sales Tax	804,830	821,544	804,340	855,967
Mixed Beverage Tax	6,827	5,068	5,023	6,269
Road Maintenance Tax	201,302	204,525	201,085	213,449
Hotel/Motel Occupancy Tax	4,861	4,499	4,258	5,123
Franchise Tax	<u>281,831</u>	<u>260,722</u>	<u>275,880</u>	<u>265,085</u>
Total Tax Revenues	<u>\$ 1,802,149</u>	<u>\$ 1,814,777</u>	<u>\$ 1,822,943</u>	<u>\$ 1,894,087</u>

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$	543,935	\$ 550,888	\$ 609,669	\$ 624,499	\$ 631,232	\$ 621,493
	903,523	924,039	908,301	993,957	935,988	949,185
	6,679	6,356	5,285	6,669	6,817	5,746
	224,623	231,011	227,073	248,487	233,996	237,296
	5,691	4,761	5,346	8,038	9,044	7,801
	<u>264,929</u>	<u>264,872</u>	<u>257,653</u>	<u>260,080</u>	<u>265,581</u>	<u>243,813</u>
 \$	 <u>1,949,380</u>	 <u>1,981,927</u>	 <u>2,013,327</u>	 <u>2,141,730</u>	 <u>2,082,658</u>	 <u>2,065,334</u>

CITY OF WEST ORANGE, TEXAS
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Nonspendable	\$ 1,142	\$ 591	\$ 1,368	\$ 1,065
Restricted	-	-	28,364	33,501
Unassigned	<u>1,701,093</u>	<u>2,038,150</u>	<u>2,304,014</u>	<u>2,760,263</u>
Total General Fund	<u>\$ 1,702,235</u>	<u>\$ 2,038,741</u>	<u>\$ 2,333,746</u>	<u>\$ 2,794,829</u>
All Other Governmental Funds				
Restricted	<u>\$ 233,152</u>	<u>\$ 229,196</u>	<u>\$ 221,159</u>	<u>\$ 219,518</u>
Total All Other Governmental Funds	<u>\$ 233,152</u>	<u>\$ 229,196</u>	<u>\$ 221,159</u>	<u>\$ 219,518</u>

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 936	\$ 850	\$ 973	\$ 781	\$ 1,532	\$ 3,126
1,316,564	1,555,662	1,802,759	2,084,015	2,379,009	2,629,211
<u>2,100,370</u>	<u>2,218,226</u>	<u>2,240,827</u>	<u>2,797,863</u>	<u>2,988,330</u>	<u>2,945,823</u>
<u>\$ 3,417,870</u>	<u>\$ 3,774,738</u>	<u>\$ 4,044,559</u>	<u>\$ 4,882,659</u>	<u>\$ 5,368,871</u>	<u>\$ 5,578,160</u>
\$ 216,884	\$ 219,461	\$ 202,984	\$ 199,878	\$ 213,133	\$ 230,632
<u>\$ 216,884</u>	<u>\$ 219,461</u>	<u>\$ 202,984</u>	<u>\$ 199,878</u>	<u>\$ 213,133</u>	<u>\$ 230,632</u>

CITY OF WEST ORANGE, TEXAS
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified accrual basis of accounting)
(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Revenues				
Taxes	\$ 1,789,896	\$ 1,812,982	\$ 1,810,783	\$ 1,890,891
Payments in lieu of property taxes	518,600	486,420	598,246	633,334
Licenses and permits	17,463	18,018	12,918	15,564
Fines and forfeitures	161,822	180,482	137,449	118,975
Fees and charges for services	378,665	391,517	385,716	384,692
Intergovernmental	1,177,283	2,340	7,509	5,486
Investment earnings	2,385	1,592	1,945	1,329
Other revenues	<u>55,152</u>	<u>72,795</u>	<u>77,318</u>	<u>68,540</u>
 Total Revenues	 <u>4,101,266</u>	 <u>2,966,146</u>	 <u>3,031,884</u>	 <u>3,118,811</u>
Expenditures				
General government	569,375	512,643	504,579	477,646
Public safety	1,215,031	1,211,165	1,307,301	1,294,740
Health and safety	-	-	-	-
Public works	<u>2,551,961</u>	<u>909,788</u>	<u>933,036</u>	<u>886,983</u>
 Total Expenditures	 <u>4,336,367</u>	 <u>2,633,596</u>	 <u>2,744,916</u>	 <u>2,659,369</u>
 Net Change in Fund Balances	 <u>\$ (235,101)</u>	 <u>\$ 332,550</u>	 <u>\$ 286,968</u>	 <u>\$ 459,442</u>
 Debt service as a percentage of noncapital expenditures	 0.00%	 0.00%	 0.00%	 0.00%

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 1,949,380	\$ 1,976,692	\$ 2,005,067	\$ 2,137,885	\$ 2,082,387	\$ 2,067,462
665,531	620,050	624,797	637,013	600,515	609,355
49,313	10,464	7,907	17,276	22,069	71,871
125,935	130,982	109,262	92,732	92,113	70,453
376,682	387,501	377,260	374,816	376,841	387,328
1,164	242,569	47,063	739,122	151,284	710,397
975	9,410	26,811	82,197	121,123	34,018
150,850	44,916	46,895	70,733	111,051	78,230
<u>3,319,830</u>	<u>3,422,584</u>	<u>3,245,062</u>	<u>4,151,774</u>	<u>3,557,383</u>	<u>4,029,114</u>
501,069	494,873	561,538	520,794	514,373	583,243
1,363,340	1,444,401	1,596,469	1,679,383	1,449,090	1,751,502
-	230,848	35,415	292,303	56,800	355,684
821,139	893,017	798,296	825,210	1,037,653	1,111,897
<u>2,685,548</u>	<u>3,063,139</u>	<u>2,991,718</u>	<u>3,317,690</u>	<u>3,057,916</u>	<u>3,802,326</u>
<u>\$ 634,282</u>	<u>\$ 359,445</u>	<u>\$ 253,344</u>	<u>\$ 834,084</u>	<u>\$ 499,467</u>	<u>\$ 226,788</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF WEST ORANGE, TEXAS
GENERAL GOVERNMENT TAX REVENUES BY SOURCE
LAST TEN FISCAL YEARS
(Accrual basis of accounting)
(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Property Taxes	\$ 490,245	\$ 516,624	\$ 520,197	\$ 544,998
Sales Tax	804,830	821,544	804,340	855,967
Mixed Beverage Tax	6,827	5,068	5,023	6,269
Road Maintenance Tax	201,302	204,525	201,085	213,449
Hotel/Motel Occupancy Tax	4,861	4,499	4,258	5,123
Franchise Tax	<u>281,831</u>	<u>260,722</u>	<u>275,880</u>	<u>265,085</u>
 Total Tax Revenues	 <u>\$ 1,789,896</u>	 <u>\$ 1,812,982</u>	 <u>\$ 1,810,783</u>	 <u>\$ 1,890,891</u>

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 543,935	\$ 550,888	\$ 609,669	\$ 620,654	\$ 630,961	\$ 623,621
903,523	924,039	908,301	993,957	935,988	949,185
6,679	6,356	5,285	6,669	6,817	5,746
224,623	231,011	227,073	248,487	233,996	237,296
5,691	4,761	5,346	8,038	9,044	7,801
<u>264,929</u>	<u>264,872</u>	<u>257,653</u>	<u>260,080</u>	<u>265,581</u>	<u>243,813</u>
<u>\$ 1,949,380</u>	<u>\$ 1,981,927</u>	<u>\$ 2,013,327</u>	<u>\$ 2,137,885</u>	<u>\$ 2,082,387</u>	<u>\$ 2,067,462</u>

CITY OF WEST ORANGE, TEXAS
GROSS SALES BY CATEGORY
LAST TEN FISCAL YEARS
(Unaudited)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Manufacturing	1,467,960	1,922,426	2,683,365	5,354,248
Construction			797,778	2,235,763
Wholesale Trade	114,627	137,283	137,568	
Retail Trade	150,736,064	165,893,897	168,941,862	177,190,218
Finance/Insurance	35,440	149,544		64,503
Real Estate/Rental/Leasing				177,775
Professional/Technical	313,497	915,290	424,530	
Entertainment/Recreation				207,604
Accommodation/Food Service	6,963,120	7,282,013	7,312,086	8,631,776
Other Services	4,771,400	5,873,484	4,653,668	5,620,305
Other				
City Direct Sales Tax Rate	0.0012500%	0.0012500%	0.0012500%	0.0012500%

Source - Texas Comptroller of Public Accounts

* Represents the first two quarters of the 2020 fiscal year. The third and fourth quarters are not currently available.

2015	2016	2017	2018	2019	2020*
5,536,985	2,344,915	388,448	315,873	261,123	134,724
1,448,909	9,084,692	7,481,819	7,365,087	4,563,825	2,470,955
				489,494	
181,463,627	183,668,969	199,175,784	205,558,353	189,443,591	100,070,526
				203,832	100,498
178,706	186,397			13,824	38,150
215,090	158,890	350,215	428,468	360,710	
9,654,090	10,046,928	9,496,722	6,773,698	7,838,176	4,496,748
5,188,361	5,129,147	4,980,123	5,732,888	5,454,782	2,184,316
				807,581	890,657
0.0012500%	0.0012500%	0.0012500%	0.0012500%	0.0012500%	0.0012500%

CITY OF WEST ORANGE, TEXAS
 ASSESSED VALUE AND ESTIMATED ACTUAL 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*</u>	<u>Total Direct Tax Rate</u>
2011	\$ 77,160,698	\$ 35,012,530	\$ 30,550,748	\$ 25,620,193	\$ 117,103,783	0.41934
2012	78,217,805	36,453,156	30,599,836	25,501,149	119,769,648	0.42500
2013	77,790,391	36,868,109	34,472,526	25,738,320	123,392,706	0.42500
2014	77,658,002	37,148,182	36,336,024	25,072,090	126,070,118	0.42500
2015	78,733,073	36,157,121	35,229,837	24,488,265	125,631,766	0.42500
2016	80,056,160	35,233,354	36,376,238	24,855,869	126,809,883	0.42500
2017	82,840,347	35,964,573	46,719,602	24,156,484	141,368,038	0.42500
2018	86,622,805	42,255,827	38,022,903	32,352,645	134,548,890	0.45000
2019	83,589,418	48,591,320	39,123,659	39,895,035	131,409,362	0.47000
2020	91,629,416	47,460,525	38,286,816	42,999,875	134,376,882	0.47000

Source - Tax assessor/collector's records

*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
PROPERTY TAX RATES -
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Tax Year	Direct Rate	Overlapping Rates (1)		Totals
		City of West Orange (3) Maintenance Rate	West Orange Cove ISD	Orange County (2)	
2011	2010	0.419340	1.352700	0.642600	2.41464
2012	2011	0.425000	1.286000	0.640060	2.35106
2013	2012	0.425000	1.427740	0.544000	2.39674
2014	2013	0.425000	1.427740	0.544000	2.39674
2015	2014	0.425000	1.427740	0.659050	2.51179
2016	2015	0.425000	1.425000	0.658910	2.50891
2017	2016	0.425000	1.425000	0.662820	2.51282
2018	2017	0.450000	1.425000	0.660560	2.53556
2019	2018	0.470000	1.425000	0.681010	2.57601
2020	2019	0.470000	1.323350	0.680460	2.47381

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.

(3) The City of West Orange only has a maintenance tax rate. The City has not levied a debt service tax in the last ten fiscal years.

CITY OF WEST ORANGE, TEXAS
 PRINCIPAL PROPERTY TAXPAYERS
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
Suez WTS USA, Inc.	13,237,580	1	9.85%			
Wal-Mart Store #00777	7,976,796	2	5.94%	7,808,094	2	6.67%
Granger Chevrolet	5,178,417	3	3.85%	1,769,558	6	1.51%
Wal-Mart Stores Inc.	3,722,857	4	2.77%	7,731,211	3	6.60%
Albanese Real Estate	3,175,948	5	2.36%	4,009,247	4	3.42%
EAN Holdings, LLC	2,692,290	6	2.00%	1,256,990	9	1.07%
Entergy Texas, Inc.	2,631,040	7	1.96%			
Union Pacific Railroad Company	2,425,370	8	1.80%	1,271,120	8	1.09%
STI Group, Inc.	2,396,100	9	1.78%			
Orange Building, LLC	1,197,121	10	0.89%			
G E Betz-Betz Dearborn				8,366,730	1	7.14%
Entergy Gulf States, Inc.				1,990,970	5	1.70%
Metal Depot, Inc.				1,683,729	7	1.44%
Dupont Employees Rec Assn.				962,941	10	0.82%
Subtotal	44,633,519		33.22%	36,850,590		31.47%
Other taxpayers	89,743,363		66.78%	80,253,223		68.53%
Totals	<u>\$ 134,376,882</u>		<u>100.00%</u>	<u>\$ 117,103,813</u>		<u>100.00%</u>

Source - Tax assessor/collector's records

CITY OF WEST ORANGE, TEXAS
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
2011	0.41934	\$ 491,063	\$ 466,700	95.04	\$ 21,534	\$ 488,234	99.42
2012	0.42500	509,021	481,477	94.59	22,763	504,240	99.06
2013	0.42500	524,419	496,513	94.68	21,839	518,352	98.84
2014	0.42500	535,798	509,163	95.03	18,982	528,145	98.57
2015	0.42500	533,935	510,518	95.61	14,269	524,787	98.29
2016	0.42500	538,942	510,673	94.75	16,969	527,642	97.90
2017	0.42500	600,814	574,775	95.67	12,648	587,423	97.77
2018	0.45000	605,470	578,815	95.60	10,984	589,799	97.41
2019	0.47000	617,624	589,258	95.41	6,062	595,320	96.39
2020	0.47000	631,805	589,865	93.36	-	589,865	93.36

Source - Tax assessor/collector's records

CITY OF WEST ORANGE, TEXAS
 RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS
 (Unaudited)

Fiscal Year	Governmental Activities Capital Leases	Total Primary Government	% of Personal Income	Per Capita*
2011	\$ -	\$ -	-	\$ -
2012	-	-	-	-
2013	-	-	-	-
2014	-	-	-	-
2015	-	-	-	-
2016	-	-	-	-
2017	-	-	-	-
2018	-	-	-	-
2019	-	-	-	-
2020	-	-	-	-

* See the Schedule of Demographic and Economic Statistics (S-15) for personal income and population data.

** The City had no outstanding debt

CITY OF WEST ORANGE, TEXAS
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
SEPTEMBER 30, 2020
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (1)	City of West Orange Share of Debt
West Orange Cove ISD	\$ 66,563,995	7.4490%	\$ 4,958,353
Orange County	4,951,169	2.4438%	<u>120,996</u>
Subtotal, overlapping debt			5,079,349
City Direct Debt			<u>-</u>
Total Direct and Overlapping Debt			<u>\$ 5,079,349</u>

Sources - 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 11,710,378	\$ 11,976,965	\$ 12,339,271	\$ 12,607,012
Total net debt applicable to limit	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal debt margin	<u>\$ 11,710,381</u>	<u>\$ 11,976,962</u>	<u>\$ 12,339,270</u>	<u>\$ 12,607,009</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	\$ 117,103,783	\$ 119,769,648	\$ 123,392,706	\$ 126,070,118
Debt limit (10% of assessed value)	<u>11,710,378</u>	<u>11,976,965</u>	<u>12,339,271</u>	<u>12,607,012</u>
Legal debt margin	<u>\$ 11,710,378</u>	<u>\$ 11,976,965</u>	<u>\$ 12,339,271</u>	<u>\$ 12,607,012</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 ten fiscal years.

<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 12,563,177	\$ 12,680,988	\$ 14,136,804	\$ 13,454,889	\$ 13,140,936	\$ 13,437,688
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 12,563,177</u>	<u>\$ 12,680,988</u>	<u>\$ 14,136,804</u>	<u>\$ 13,454,889</u>	<u>\$ 13,140,936</u>	<u>\$ 13,437,688</u>
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
\$ 125,631,766	\$ 126,809,883	\$ 141,368,038	\$ 134,548,890	\$ 131,409,362	\$ 134,376,882
<u>12,563,177</u>	<u>12,680,988</u>	<u>14,136,804</u>	<u>13,454,889</u>	<u>13,140,936</u>	<u>13,437,688</u>
<u>\$ 12,563,177</u>	<u>\$ 12,680,988</u>	<u>\$ 14,136,804</u>	<u>\$ 13,454,889</u>	<u>\$ 13,140,936</u>	<u>\$ 13,437,688</u>

CITY OF WEST ORANGE, TEXAS
 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST YEN FISCAL YEARS
 (Unaudited)

<u>Fiscal Year Ended Sept. 30,</u>	<u>Population (1)</u>	<u>Personal Income (1)</u>	<u>Per Capita Personal Income (1)</u>	<u>Median Age (1)</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate</u>
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
2015	3,455	75,895,985	21,967	38	2,417	n/a
2016	3,458	94,026,478	27,191	41	2,446	n/a
2017	3,454	107,761,346	31,199	39	2,386	n/a
2018	3,419	n/a	n/a	n/a	2,481	n/a
2019	3,419	n/a	31,744	36	2,488	n/a
2020	3,294	n/a	n/a	40	2,512	n/a

n/a - information not available

Data sources:

(1) Orange County EDC

(2) West Orange Cove CISD

CITY OF WEST ORANGE, TEXAS
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)

Employer	2020			2011		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Walmart	261		17.30%	374	1	17.73%
WOCCISD	102		6.76%	127	2	6.02%
STI	101		6.69%			
Granger Chevrolet	80		5.30%	52	3	2.47%
Suez Water Tech	59		3.91%			
West Orange Bus Service	28		1.86%			
Akrotex Inc.	22		1.46%	35	6	1.66%
City of West Orange	22		1.46%	28	7	1.33%
Metal Depot	16		1.06%			
GE Water & Process Technology			0.00%	44	4	2.09%
STS Bus Service			0.00%	40	5	1.90%
Little Giant/TMRS			0.00%	14	9	0.66%
Burke's Outlet			0.00%	10	10	0.47%
Total	<u>691</u>		<u>45.79%</u>	<u>724</u>		<u>34.33%</u>

Source - City records

CITY OF WEST ORANGE, TEXAS
 FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION
 LAST TEN FISCAL YEARS
 (Unaudited)

Function	Full-time Equivalent Employees as of September 30									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	5	5	5	5	5	5	5	5	5	4
Public Safety										
Police										
Officers	9	9	9	9	9	9	8	7	8	10
Civilians	2	2	2	2	2	2	2	2	2	2
Fire										
Firefighters	-	-	-	-	-	-	-	-	-	-
Civilians	-	-	-	-	-	-	-	-	-	-
Public Works										
Streets and Sanitation	8	7	7	7	7	6	5	5	6	6
Maintenance and Operations	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Totals	<u>25</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>24</u>	<u>23</u>	<u>21</u>	<u>20</u>	<u>22</u>	<u>23</u>

Source - City personnel records

CITY OF WEST ORANGE, TEXAS
 OPERATING INDICATORS BY FUNCTION
 LAST TEN FISCAL YEARS
 (Unaudited)

<u>Function</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Police										
Arrests	621	669	595	593	521	479	368	237	213	81
Accident reports	58	51	48	62	71	66	56	35	49	28
Citations	1,562	1,284	1,218	994	1,131	1,194	854	768	633	292
Offense reports	703	1,269	708	6,611	626	592	497	359	417	458
Calls for service	2,895	3,255	2,472	3,274	3,501	3,802	3,999	3,350	4,361	4,377
Fire										
Emergency responses	34	16	25	14	29	14	31	76	64	21
Fire incidents	10	15	11	15	10	8	16	14	14	21
Service calls and other calls	11	10	26	27	13	16	12	49	42	19
Automatic aid, mutual aid giver	18	9	8	11	5	7	4	13	7	15

Source - Various City departments

CITY OF WEST ORANGE, TEXAS
CAPITAL ASSETS STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS
(Unaudited)

<u>Function</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Public Safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	7	7	7	7	7	7	8	9	9	9
Fire										
Stations	1	1	1	1	1	1	1	1	1	1
Public Works										
Collection trucks	3	3	3	3	3	3	3	2	2	2
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.