

*COMPREHENSIVE  
ANNUAL FINANCIAL REPORT*

of the

**CITY OF WEST UNIVERSITY  
PLACE, TEXAS**

For the Year Ended  
December 31, 2012

**Officials Issuing Report:**

**Michael Ross  
City Manager**

**Rhonda Daugherty  
Finance Director**

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# CITY OF WEST UNIVERSITY PLACE, TEXAS

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# CITY OF WEST UNIVERSITY PLACE, TEXAS

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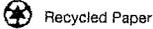
*INTRODUCTORY SECTION*

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# City of West University Place

*A Neighborhood City*



April 30, 2013

The Honorable Mayor, Members of  
City Council, and Citizens of the  
City of West University Place, Texas:

The Finance Department is pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of West University Place, Texas (the "City") for the fiscal year ended December 31, 2012. This report is published to provide the City Council, City staff, our citizens, our bondholders and other interested parties with detailed information concerning the financial condition and activities of the City government. Management assumes responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures.

We believe the data presented is accurate in all material respects and is organized in a manner designed to present fairly the financial position and results of operations of the City as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain the maximum understanding of the City's financial activities have been included.

Belt Harris Pechacek, LLLP, Certified Public Accountants, have issued an unqualified ("clean") opinion on the City's financial statements for the year ended December 31, 2012. The independent auditors' report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditors' report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **PROFILE OF THE GOVERNMENT**

The City was incorporated in 1924 and became a Texas Home-Rule City in 1940. The City operates under the Council-Manager form of municipal government. The City Council is comprised of the Mayor and four Council members, who are responsible for passing ordinances, adopting the budget, appointing board and committee members, and appointing the City Manager. The Mayor and Council are elected on an at large, non-partisan basis for two year terms. The City Manager is responsible for carrying out the policies and ordinances of the Mayor and Council, overseeing the day-to-day operations of the City, and appointing department heads.

The City provides a full range of municipal services. These services include police and fire protection, municipal court, streets, drainage, leisure services, water and sewer, solid waste collection and disposal, community development, and general administrative services. Based upon the criterion set forth in

generally accepted accounting principles, the following organizations are includable within the City's reporting entity:

<u>Entity</u>	<u>Method of Inclusion</u>
Friends of West University Parks Fund	Blended

### ACCOUNTING SYSTEM AND BUDGETARY CONTROL

The City's accounting records for general governmental operations are maintained on a modified accrual basis, with the revenues being recorded when available and measurable and expenditures being recorded when the services or goods are received and the liabilities are incurred. Accounting records for the City's utilities and other proprietary activities are maintained on the accrual basis.

In developing and maintaining the City's accounting system, consideration is given to the adequacy of the internal control structure. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing the financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

The City Charter establishes the fiscal year as January 1 through December 31. The Charter requires the City Manager to submit a proposed budget and accompanying budget message to the Council each year. The proposed budget is reviewed by the Council and is formally adopted by the passage of a budget ordinance. The City Manager is authorized to transfer budgeted amounts between line items within a department within any fund; however, any revisions that alter the total expenditures of any fund or department must be approved by the Council.

Budgetary control has been established at the department level. Monthly financial reports for Council are produced showing budget and actual revenues and expenditures. Individual line items are reviewed and analyzed for budgetary compliance.

### ECONOMIC CONDITION AND OUTLOOK

The City encompasses a 1.9 square mile area located a few blocks south of U.S. Highway 59 (the "Southwest Freeway") and approximately five miles from downtown Houston, Texas. The City is an integral part of the Houston metropolitan area and is completely surrounded by the cities of Houston, Bellaire and Southside Place. The City is primarily a residential area whose approximately 15,500 inhabitants are employed throughout the Houston urban area. Rice University and the Texas Medical Center complex are located about one mile east of the City limits in the City of Houston.

There is almost no vacant and/or undeveloped land in the City, so construction generally involves rebuilding and remodeling. The City continues to enjoy a stable outlook, with property values at \$4.18 billion, up 146 percent since 1999. Among reasons for this strength is the City's convenient proximity to the Texas Medical Center, downtown Houston, the Rice Village and Rice University, as well as the Galleria area.

The City's tax rate is one of the lowest in the Houston area and is projected to remain relatively stable into the future due to projected stability in taxable values, the political stability of the community, and the underlying strength in the Houston area economy. In the December 9, 2011 issue of the Houston Business Journal, the City was ranked number one in a study of the best locations for quality of life in the United States. In its April 2013 publication, The Greater Houston Partnership said that "The Houston Metro area continues to set the pace for job growth in the nation, recording a 4.5 percent increase in employment from February 2012 to February 2013, according to data released by the U.S. Bureau of Labor Statistics (BLS)." This will have a positive impact on the City of West University.

The City's relative stability is the result of a desire for suburban families to live closer to work. The City's low crime rate and hometown appeal have attracted many of these families. These factors have contributed, and continue to contribute, to the relative stability of property values in the City.

The value of real property in the City is expected to be stable into 2013. Expenditures are expected to remain steady with considerations for the continued competitive pressure on personnel costs and potential increases in the cost of employee health benefits.

### LONG-TERM FINANCIAL PLANNING

The City Council has adopted a series of financial standards and policies for operating and debt management. Management of the City has made every effort to comply with these standards and policies and believe we are currently in compliance.

The City has recognized the long-term financial implications of its pension and retiree health benefits. Regarding pensions, in an effort to reduce the City's unfunded liability and cost of the Texas Municipal Retirement System, the Council approved the elimination of the recurring cost of living adjustment (COLA) for employees and retirees. For retiree healthcare, at the November 17, 2008 Council meeting, Council adopted a new personnel handbook, modifications which included elimination of City funded healthcare coverage for employees hired January 1, 2009 and thereafter.

The City issued debt in 2009 and 2010 for the purposes of reconstructing the City's recreation facilities and constructing an expansion of the current City Hall for public safety improvement and enhancements. The recreation facilities reconstruction was completed in 2010 and the public safety expansion project was completed in 2011. The City issued debt in 2011 for the purpose of purchasing, constructing, modifying or replacing storm water detention and drainage facilities. Additionally, the City has refunded several outstanding debt obligations in 2010, 2011, 2012 and 2013, resulting in total debt savings of \$3,853,214. No additional new debt issuance is planned in the near future. As the opportunity presents itself, the City will consider refunding additional outstanding debt obligations; however, with most outstanding bonds at interest rates close to the current market rates, future refunding will be rare.

Capital expenditures are funded through annual allocations from either the general fund or the water and sewer fund. The allocations are transferred to the capital reserve fund for general capital projects or to the water and sewer capital reserve fund for water and sewer related projects. Major general capital projects planned for 2013 are the replacement of a heat pump and air handler for senior services, replacement of the parking lot for senior services, replacement of the Scout House roof, and replacement of the library elevator. Water and sewer related projects started in 2012 with an expected completion in 2013 are the Water Well #8 Rehabilitation and renovation of a lift station. 2013 planned projects are the belt filter replacement, a fixed based meter reading project, lift station renovations and painting of a steel storage tank. These projects and other future year's projects are listed specifically by fiscal year in the annual budget for each fiscal year in the capital project funds section.

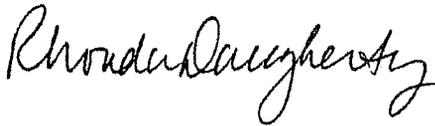
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended December 31, 2011. This was the 21<sup>st</sup> consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR that satisfies both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the Finance Department. Appreciation is expressed to all City employees throughout the organization, especially to those who were instrumental in the successful completion of this report. Additionally, we thank the Mayor, Council, and City Manager for their support for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



Rhonda Daugherty  
Finance Director

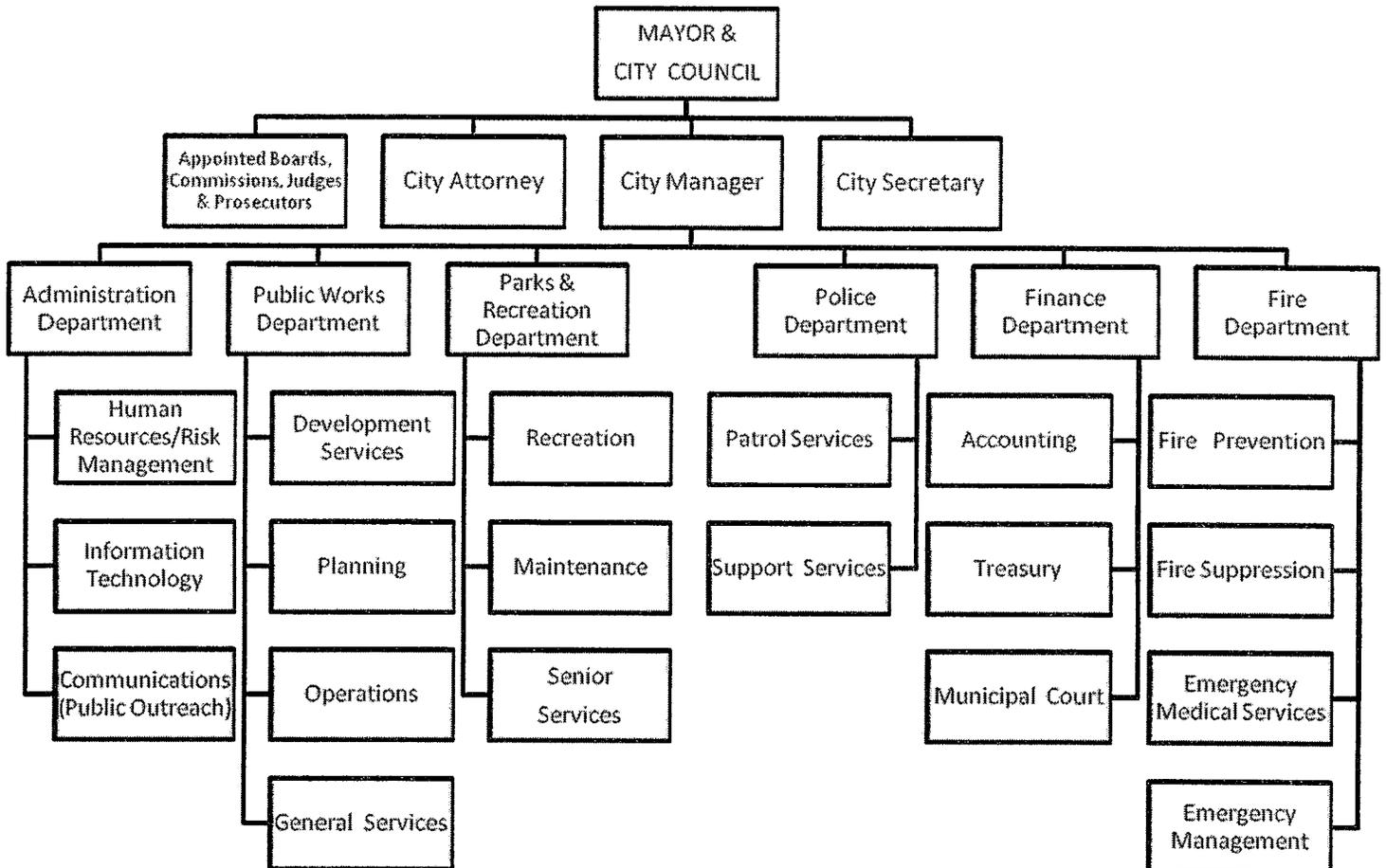


Renea Dobbs  
Treasurer

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## ORGANIZATIONAL CHART

December 31, 2012



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**CITY OF WEST UNIVERSITY PLACE, TEXAS**

*CERTIFICATE OF ACHIEVEMENT FOR  
EXCELLENCE IN FINANCIAL REPORTING*

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to  
City of West University Place,  
Texas

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

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



*Christopher P. Marzell*  
President

*Jeffrey R. Emery*  
Executive Director

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## PRINCIPAL OFFICIALS

December 31, 2012

<u>City Officials</u>	<u>Elective Position</u>	<u>Term Expires</u>
Bob Fry	Mayor	05/2013
Susan Sample	Mayor Pro Tem	05/2013
Ed Heathcott	Council Member	05/2013
Joan Johnson	Council Member	05/2013
Dick Yehle	Council Member	05/2013

<u>Key Staff</u>	<u>Position</u>
Michael Ross	City Manager
Chris Peifer	Assistant City Manager/Public Works Director
Thelma A. Lenz	City Secretary
Alan Petrov	City Attorney
Candelario Elizondo	City Judge
Tim O'Conner	Parks and Recreation Director
Steve Ralls	Fire Chief
Wendy Standorf	Director of Human Resources
Rhonda Daugherty	Finance Director
Ken Walker	Police Chief

*FINANCIAL SECTION*

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## *INDEPENDENT AUDITORS' REPORT*

To the Honorable Mayor and  
City Council Members of the  
City of West University Place, Texas:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of West University Place, Texas (the "City") as of and for the year ended December 31, 2012, 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.

### **Auditors' 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 of 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 auditors' 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 City'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 City'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.

---

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## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2012, 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, budgetary comparison information, and schedules of funding progress, identified as Required Supplementary Information on the table of contents, 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's basic financial statements. The introductory section, combining statements and schedules, and statistical section are presented for purposes of additional analysis and are not required parts of the basic financial statements.

The combining statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining 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.

*B*ELT *H*ARRIS *P*ECHACEK, LLLP

Belt Harris Pechacek, LLLP  
*Certified Public Accountants*  
Houston, Texas  
April 30, 2013  
(except for Note III.H., as to  
which the date is June 28, 2013)

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***MANAGEMENT'S DISCUSSION  
AND ANALYSIS***

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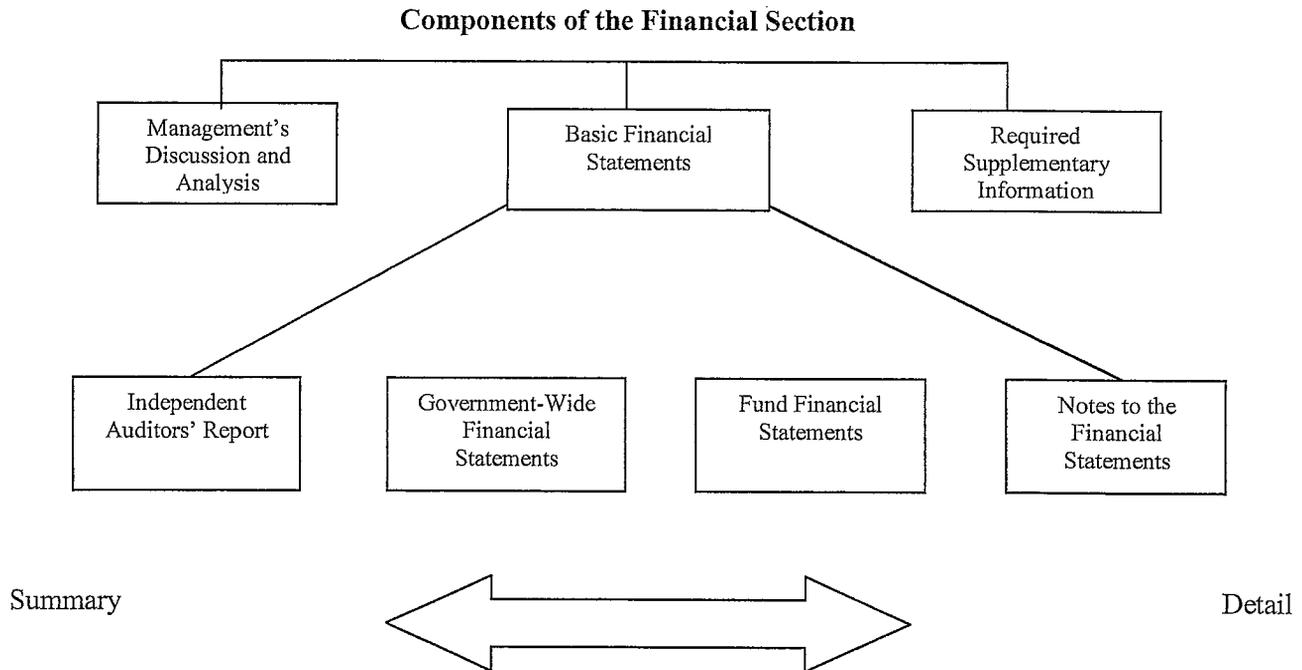
# CITY OF WEST UNIVERSITY PLACE, TEXAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2012

The purpose of the Management's Discussion and Analysis (MD&A) is to give the readers an objective and easily readable analysis of the financial activities of the City of West University Place, Texas (the "City") for the year ending December 31, 2012. The analysis is based on currently known facts, decisions, or economic conditions. It presents short and long-term analysis of the City's activities, compares current year results with those of the prior year, and discusses the positive and negative aspects of that comparison. Please read the MD&A in conjunction with the transmittal letter at the front of this report and the City's financial statements, which follow this section.

### THE STRUCTURE OF OUR ANNUAL REPORT



The City's basic financial statements include (1) government-wide financial statements, (2) individual fund financial statements, and (3) notes to the financial statements. This report also includes supplementary information intended to furnish additional detail to support the basic financial statements themselves.

#### Government-Wide Statements

The government-wide statements report information for the City as a whole. These statements include transactions and balances relating to all assets, including infrastructure capital assets. These statements are designed to provide information about cost of services, operating results, and financial position of the City as an economic entity. The Statement of Net Position and the Statement of Activities, which appear first in the City's financial statements, report information on the City's activities that enable the reader to understand the financial condition of the City. These statements are prepared using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account even if cash has not yet changed hands.

The Statement of Net Position presents information on all of the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference 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. Other non-financial factors, such as the City's property tax base and the condition of the City's infrastructure, need to be considered in order to assess the overall health of the City.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2012

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – the accrual method rather than modified accrual that is used in the fund level statements.

The Statement of Net Position and the Statement of Activities divide the City into two classes of activities:

1. *Governmental Activities* – Most of the City's basic services are reported here including general government (administration and finance), public safety (police and fire protection), public works (streets and drainage), and public services (leisure services and community development). Interest payments on the City's tax-supported debt are also reported here. Sales tax, property tax, franchise taxes, municipal court fines and permit fees finance most of these activities.
2. *Business-Type Activities* – Services involving a fee for those services are reported here. These services include the City's water and sewer services as well as solid waste collection.

The government-wide financial statements can be found after the MD&A.

### FUND FINANCIAL STATEMENTS

Funds may be considered as operating companies of the parent corporation, which is the City. They are usually segregated for specific activities or objectives. The City uses fund accounting to ensure and demonstrate compliance with finance related legal reporting requirements. The two categories of City funds are governmental and proprietary.

#### Governmental Funds

Governmental funds are used to account for essentially the same functions 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 year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *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 City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains 17 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and debt service fund, which are considered to be major funds. The City adopts an annual appropriated budget for its general fund, debt service fund, and select special revenue funds. Budgetary comparison schedules have been provided for these funds to demonstrate compliance with these budgets.

#### Proprietary Funds

The City maintains two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial

# **CITY OF WEST UNIVERSITY PLACE, TEXAS**

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)***

**For the Year Ended December 31, 2012**

statements. The City uses enterprise funds to account for its water distribution, wastewater collection/treatment, and solid waste operations. The proprietary fund financial statements provide separate information for the water and sewer and solid waste funds. The basic proprietary fund financial statements can be found in the basic financial statements of this report.

The City also uses internal service funds to account for its vehicle and equipment replacement services and for expenses associated with health benefits and technology management. These internal service funds have been included within governmental activities in the government-wide financial statements.

### **Notes to 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 are the last section of the basic financial statements.

### **Other Information**

In addition to basic financial statements, MD&A, and accompanying notes, this report also presents certain Required Supplementary Information (RSI). The RSI includes budgetary comparison schedules for the general fund and schedules of funding progress for Texas Municipal Retirement System and other postemployment benefits for healthcare. The RSI can be found after the basic financial statements.

### **GOVERNMENT-WIDE FINANCIAL ANALYSIS**

As noted earlier, net position may serve over time as a useful indicator of the City's financial position. For the City, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$61,564,762 as of December 31, 2012. This compares with \$59,030,968 from the prior fiscal year. The largest portion of the City's net position, 86 percent, reflects its investments in capital assets (e.g., land, building, equipment, improvements, construction in progress, and infrastructure), less any outstanding debt used to acquire those assets. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the assets themselves cannot be used to liquidate these liabilities.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2012

### Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Current and other assets	\$ 24,672,811	\$ 23,237,965	\$ 5,267,350	\$ 5,451,535	\$ 29,940,161	\$ 28,689,500
Capital assets, net	105,869,781	109,148,563	26,433,104	27,364,191	132,302,885	136,512,754
<b>Total Assets</b>	<b>130,542,592</b>	<b>132,386,528</b>	<b>31,700,454</b>	<b>32,815,726</b>	<b>162,243,046</b>	<b>165,202,254</b>
Deferred charge on refunding	955,620	732,865	73,670	81,856	1,029,290	814,721
<b>Total Deferred Outflows of Resources</b>	<b>955,620</b>	<b>732,865</b>	<b>73,670</b>	<b>81,856</b>	<b>1,029,290</b>	<b>814,721</b>
Long-term liabilities	78,194,458	82,910,755	5,112,399	5,833,221	83,306,857	88,743,976
Other liabilities	1,892,596	17,510,772	730,107	731,259	2,622,703	18,242,031
<b>Total Liabilities</b>	<b>80,087,054</b>	<b>100,421,527</b>	<b>5,842,506</b>	<b>6,564,480</b>	<b>85,929,560</b>	<b>106,986,007</b>
Property taxes	15,778,014	-	-	-	15,778,014	-
<b>Total Deferred Inflows of Resources</b>	<b>15,778,014</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,778,014</b>	<b>-</b>
<b>Net Position:</b>						
Net investment in capital assets	31,464,253	30,510,547	21,320,705	21,612,826	52,784,958	52,123,373
Restricted	2,165,442	1,315,036	645,000	720,000	2,810,442	2,035,036
Unrestricted	2,003,449	872,283	3,965,913	4,000,276	5,969,362	4,872,559
<b>Total Net Position</b>	<b>\$ 35,633,144</b>	<b>\$ 32,697,866</b>	<b>\$ 25,931,618</b>	<b>\$ 26,333,102</b>	<b>\$ 61,564,762</b>	<b>\$ 59,030,968</b>

A portion of the City's net position, \$2,810,442 or five percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$5,969,362 or nine percent, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$2,533,794 during the current fiscal year, an increase of four percent in comparison to the prior year. This included an increase of \$2,935,278 in the governmental activities, which primarily was a result of a decrease in expenses for public works and interest and fiscal agent fees on long-term debt. The decrease in business-type activities of \$401,484 is primarily a result of decreased revenue for charges for services attributed to the decrease in water usage due to improved drought conditions during the fiscal year.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2012

### Statement of Activities:

The following table provides a summary of the City's changes in net position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
<b>Revenues</b>						
Program revenues:						
Charges for services	\$ 2,978,910	\$ 2,529,004	\$ 9,289,465	\$ 10,774,080	\$ 12,268,375	\$ 13,303,084
Operating grants and contributions	300,048	259,000	-	-	300,048	259,000
Capital grants and contributions	604,758	360,741	-	-	604,758	360,741
General revenues:						
Ad valorem taxes	15,240,424	15,322,434	-	-	15,240,424	15,322,434
Sales taxes	1,003,897	997,318	-	-	1,003,897	997,318
Franchise taxes	1,142,265	1,148,390	-	-	1,142,265	1,148,390
Other taxes	9,685	8,994	-	-	9,685	8,994
Investment earnings	27,270	33,333	8,027	8,369	35,297	41,702
Other revenues	286,619	347,242	-	-	286,619	347,242
Gain on sale of capital asset	427	10,686	-	-	427	10,686
(Loss) on sale of asset held for resale	(68,150)	-	-	-	(68,150)	-
<b>Total Revenues</b>	<u>21,526,153</u>	<u>21,017,142</u>	<u>9,297,492</u>	<u>10,782,449</u>	<u>30,823,645</u>	<u>31,799,591</u>
<b>Expenses</b>						
General government	3,208,930	2,785,502	-	-	3,208,930	2,785,502
Public safety	6,211,784	5,870,061	-	-	6,211,784	5,870,061
Public works	4,240,301	5,176,660	-	-	4,240,301	5,176,660
Public services	4,158,008	3,858,501	-	-	4,158,008	3,858,501
Interest and fiscal agent fees on long-term debt	2,633,700	3,351,762	-	-	2,633,700	3,351,762
Water and sewer	-	-	6,409,131	6,927,509	6,409,131	6,927,509
Solid waste	-	-	1,427,997	1,322,082	1,427,997	1,322,082
<b>Total Expenses</b>	<u>20,452,723</u>	<u>21,042,486</u>	<u>7,837,128</u>	<u>8,249,591</u>	<u>28,289,851</u>	<u>29,292,077</u>
<b>Increase (Decrease) in Net Position Before Transfers</b>	1,073,430	(25,344)	1,460,364	2,532,858	2,533,794	2,507,514
Transfers	1,861,848	1,517,223	(1,861,848)	(1,517,223)	-	-
<b>Change in Net Position</b>	2,935,278	1,491,879	(401,484)	1,015,635	2,533,794	2,507,514
Beginning net position	32,697,866	31,205,987	26,333,102	25,317,467	59,030,968	56,523,454
<b>Ending Net Position</b>	<u>\$ 35,633,144</u>	<u>\$ 32,697,866</u>	<u>\$ 25,931,618</u>	<u>\$ 26,333,102</u>	<u>\$ 61,564,762</u>	<u>\$ 59,030,968</u>

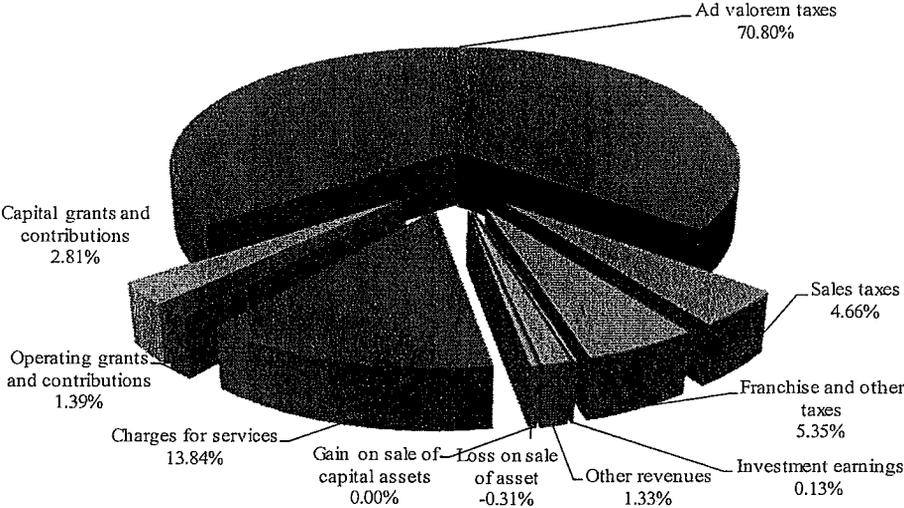
# CITY OF WEST UNIVERSITY PLACE, TEXAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

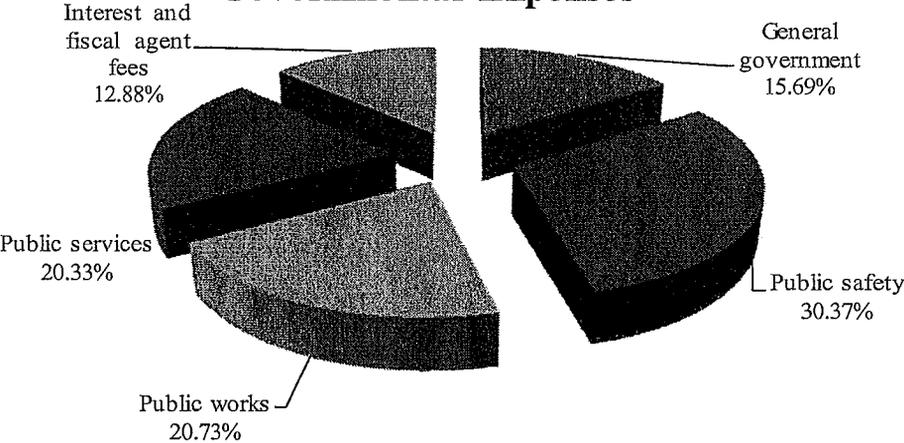
For the Year Ended December 31, 2012

Graphic presentations of selected data from the summary tables follow to assist in the analysis of the City's activities.

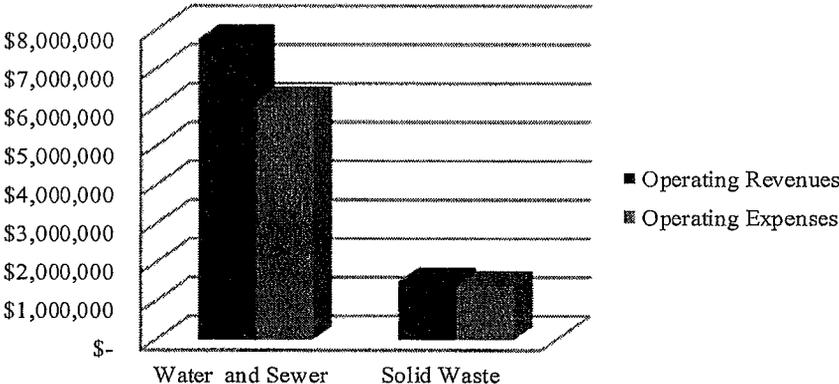
### Governmental Revenues



### Governmental Expenses



### Business-Type Activities



# CITY OF WEST UNIVERSITY PLACE, TEXAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2012

For the year ended December 31, 2012, revenues from governmental activities totaled \$21,526,153. Overall governmental revenues remained comparable.

For the year ended December 31, 2012, expenses for governmental activities totaled \$20,452,723, a decrease of \$589,763 or 3 percent from last year. This is primarily due to a decrease in public works expenses and interest and fiscal agent fees. The change related to these respective functions is largely attributed to a reduction of expenses related to pension liability and a decrease in debt service activity.

Operating revenues for business-type activities decreased by a total of \$1,484,957. Of this amount, charges for services decreased \$1,484,615, or fourteen percent, because of a decrease in water usage due to improved drought conditions during the year. Operating expenses for business-type activities decreased by \$412,463. This decrease is primarily due to a decrease in water usage during the year.

### FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, fund accounting is used to demonstrate and ensure compliance with finance-related legal requirements.

**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, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the year.

The City's governmental funds reflect a combined fund balance of \$7,145,950. Of this, \$136,936 is nonspendable, \$194,809 is restricted for debt service, \$39,001 is restricted for enabling legislation, \$918,895 is restricted for capital projects, \$631,682 is restricted for City parks, \$381,055 is restricted for METRO, \$210,000 is assigned for City operations, \$96,458 is assigned to special revenue funds, and \$638,002 is assigned to capital projects funds.

There was an increase in the combined fund balance of \$665,909 compared to the prior year. This is largely attributable to a decrease in capital outlay expenditures.

The general fund is the chief operating fund of the City. At the end of the current year, unassigned fund balance of the general fund was \$3,919,273, while total fund balance reached \$4,263,837. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 31 percent of total general fund expenditures, while total fund balance represents 33 percent of the total general fund expenditures. The general fund demonstrated an overall increase of \$184,577 primarily due to an increase in transfers in from other funds.

The debt service fund has a total fund balance of \$194,809, all of which is restricted for the payment of debt service. Expenditures exceeded revenues by \$713,441, with an overall net decrease in fund balance for the year of \$251,285 after transfers and debt issuance. This decrease is due to the bond payment exceeding property taxes collected.

**Proprietary Funds** – The City's proprietary funds financial statements provide the same type of information found in the government-wide financial statements, but in more detail.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2012

### GENERAL FUND BUDGETARY HIGHLIGHTS

There had been a planned decrease in budgeted fund balance in the amount of \$909,531 in the general fund. However, the net change in fund balance increased by \$184,577, resulting in a positive variance of \$1,094,108 from actual over budgeted as amended.

Actual general fund revenues were greater than the amended budgeted revenues by \$259,023 during 2012. This net variance includes the positive variances of \$199,574 for permits, licenses, and fees and \$270,928 for charges for services.

Actual expenditures were less than budgeted amounts in total by \$835,084 for the fiscal year. This net variance is due to positive variances of \$228,984 for general government, \$202,247 for public safety, \$326,170 for public works, and \$77,683 for public service.

### CAPITAL ASSETS

At the end of year 2012, the City's governmental activities funds had invested \$105,869,781 in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents a net decrease of \$3,278,782.

Major capital asset events during the year included the following:

- Purchase of seven vehicles in the amount of \$258,739
- Community Drive reconstruction project in the amount of \$80,923
- Renovations for public works buildings in the amount of \$54,220

More detailed information about the City's capital assets is presented in note III.C. to the financial statements.

### LONG-TERM DEBT

At the end of the current year, the City had total bonds and certificates of obligation outstanding of \$78,905,000. Of this amount, \$60,875,000 was general obligation debt, \$5,105,000 was revenue bond debt, and certificates of obligation accounted for \$12,925,000.

During the year, the City had a net decrease in long-term debt of \$5,437,118. The City issued \$8,555,000 of permanent improvement refunding bonds, series 2012 for the purpose of refunding a portion of outstanding certificates of obligation, series 2003 in the amount of \$8,475,000.

More detailed information about the City's long-term liabilities is presented in note III.D. to the financial statements.

Current underlying ratings on debt issues are as follows:

	<b>Moody's Investors Service</b>	<b>Standard and Poor's</b>
Water revenue bonds	<u>Aaa</u>	<u>AAA</u>

# **CITY OF WEST UNIVERSITY PLACE, TEXAS**

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)***

**For the Year Ended December 31, 2012**

### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The City Council approved a \$34.28 million operating budget for fiscal year 2013. The budget has no increase in the property tax rate. The ability to maintain the current tax rate was made possible by the diligent efforts of the staff to continue to keep expenditures controlled. The City's tax rate is one of the lowest in the Houston area and is projected to remain relatively stable into the future due to projected stability in taxable values, the political stability of the community, and the underlying strength in the Houston area economy. Growth in assessed values is at almost 18 percent in the last five years (since 2007), with just over 3 percent attributable to the last year. For the future, the rate of growth is expected to remain steady with reconstruction continuing to impact the value of property well into the future. In the December 9, 2011 issue of the Houston Business Journal, the City was ranked number one in a study of the best locations for quality of life in the United States. In its April 2013 publication, The Greater Houston Partnership said that "The Houston Metro area continues to set the pace for job growth in the nation, recording a 4.5 percent increase in employment from February 2012 to February 2013, according to data released by the U.S. Bureau of Labor Statistics (BLS)." This will have a positive impact on the City of West University Place.

The water and sewer fund had been a source of concern because of a series of wet years and dramatic increases in debt service which had steadily decreased reserves and pushed the fund into non-compliance with its bond covenants. The City Council took action in late 2003 by increasing water and sewer rates. Since then, the City has carefully monitored the performance of utility services and increased rates as needed. The adopted fiscal 2013 budget maintains the 2012 water and sewer rates, however, the City Council approved an ordinance in April 2013 to increase the water rates due to an increase in the cost of treated water purchased from the City of Houston. Additional revenue from water and sewer sales due to the historical Texas drought in 2011 has been instrumental in allowing the City to set aside funds for high dollar non-recurring expenditures in the near future fiscal years.

### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances. Questions concerning this report or requests for additional financial information should be directed to Rhonda Daugherty, Finance Director, 3800 University Boulevard, West University Place, TX, 77005, telephone 713.662.5816, or for general City information, visit the City's website at [www.westutx.gov](http://www.westutx.gov).

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***BASIC FINANCIAL STATEMENTS***

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# CITY OF WEST UNIVERSITY PLACE, TEXAS

## STATEMENT OF NET POSITION

December 31, 2012

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b><u>Assets</u></b>			
Cash and equity in pooled cash and investments	\$ 12,733,723	\$ 3,813,632	\$ 16,547,355
Cash with fiscal agent	2,451,116	-	2,451,116
Receivables, net of allowances	9,263,049	1,453,718	10,716,767
Inventory	2,372	-	2,372
Prepays and other assets	222,551	-	222,551
Capital assets:			
Non-depreciable capital assets	6,298,042	415,989	6,714,031
Depreciable capital assets, net	99,571,739	26,017,115	125,588,854
<b>Total Assets</b>	<b>130,542,592</b>	<b>31,700,454</b>	<b>162,243,046</b>
<b><u>Deferred Outflow of Resources</u></b>			
Deferred charge on refunding	955,620	73,670	1,029,290
<b><u>Liabilities</u></b>			
Accounts payable and accrued liabilities	749,536	641,988	1,391,524
Accrued interest payable	1,143,060	88,119	1,231,179
Noncurrent liabilities:			
Due within one year	6,330,630	645,000	6,975,630
Due in more than one year	71,863,828	4,467,399	76,331,227
<b>Total Liabilities</b>	<b>80,087,054</b>	<b>5,842,506</b>	<b>85,929,560</b>
<b><u>Deferred Inflow of Resources</u></b>			
Property taxes	15,778,014	-	15,778,014
<b><u>Net Position</u></b>			
Net investment in capital assets	31,464,253	21,320,705	52,784,958
Restricted for:			
Capital projects	918,895	-	918,895
Debt service	194,809	645,000	839,809
Enabling legislation	39,001	-	39,001
City parks	631,682	-	631,682
METRO	381,055	-	381,055
Unrestricted	2,003,449	3,965,913	5,969,362
<b>Total Net Position</b>	<b>\$ 35,633,144</b>	<b>\$ 25,931,618</b>	<b>\$ 61,564,762</b>

See Notes to Financial Statements.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2012

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
<b>Governmental Activities</b>				
General government	\$ 3,208,930	\$ -	\$ 300,048	\$ -
Public safety	6,211,784	818,182	-	-
Public works	4,240,301	-	-	-
Public services	4,158,008	2,160,728	-	604,758
Interest on long-term debt	2,633,700	-	-	-
<b>Total Governmental Activities</b>	<u>20,452,723</u>	<u>2,978,910</u>	<u>300,048</u>	<u>604,758</u>
<b>Business-Type Activities</b>				
Water and sewer	6,409,131	7,777,386	-	-
Solid waste	1,427,997	1,512,079	-	-
<b>Total Business-Type Activities</b>	<u>7,837,128</u>	<u>9,289,465</u>	<u>-</u>	<u>-</u>
<b>Total Primary Government</b>	<u>\$ 28,289,851</u>	<u>\$ 12,268,375</u>	<u>\$ 300,048</u>	<u>\$ 604,758</u>

**General Revenues:**

- Ad valorem taxes
- Sales taxes
- Franchise taxes
- Other taxes
- Investment earnings
- Other revenues
- Gain on sale of capital assets
- (Loss) on sale of asset held for resale
- Transfers

**Total General Revenues and Transfers**

**Change in Net Position**

Beginning net position

**Ending Net Position**

See Notes to Financial Statements.

**Net Revenue (Expense) and Changes in Net Position**

<b>Primary Government</b>		
<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total</b>
\$ (2,908,882)	\$ -	\$ (2,908,882)
(5,393,602)	-	(5,393,602)
(4,240,301)	-	(4,240,301)
(1,392,522)	-	(1,392,522)
(2,633,700)	-	(2,633,700)
<u>(16,569,007)</u>	<u>-</u>	<u>(16,569,007)</u>
-	1,368,255	1,368,255
-	84,082	84,082
<u>-</u>	<u>1,452,337</u>	<u>1,452,337</u>
<u>(16,569,007)</u>	<u>1,452,337</u>	<u>(15,116,670)</u>
15,240,424	-	15,240,424
1,003,897	-	1,003,897
1,142,265	-	1,142,265
9,685	-	9,685
27,270	8,027	35,297
286,619	-	286,619
427	-	427
(68,150)	-	(68,150)
<u>1,861,848</u>	<u>(1,861,848)</u>	<u>-</u>
<u>19,504,285</u>	<u>(1,853,821)</u>	<u>17,650,464</u>
2,935,278	(401,484)	2,533,794
<u>32,697,866</u>	<u>26,333,102</u>	<u>59,030,968</u>
<u>\$ 35,633,144</u>	<u>\$ 25,931,618</u>	<u>\$ 61,564,762</u>

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# CITY OF WEST UNIVERSITY PLACE, TEXAS

## BALANCE SHEET

### GOVERNMENTAL FUNDS

December 31, 2012

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>Assets</u></b>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 6,274,079	\$ 2,656,278	\$ 2,782,371	\$ 11,712,728
Cash with fiscal agent	1,253,043	1,198,073	-	2,451,116
Receivables, net	4,962,887	4,250,826	19,498	9,233,211
Due from other funds	367,422	-	-	367,422
Inventory	-	-	2,372	2,372
Prepaid costs	134,564	-	-	134,564
<b>Total Assets</b>	<b>\$ 12,991,995</b>	<b>\$ 8,105,177</b>	<b>\$ 2,804,241</b>	<b>\$ 23,901,413</b>
<b><u>Liabilities</u></b>				
Accounts payable and accrued liabilities	\$ 553,409	\$ 84,654	\$ 5,939	\$ 644,002
Due to other funds	-	-	110,998	110,998
<b>Total Liabilities</b>	<b>553,409</b>	<b>84,654</b>	<b>116,937</b>	<b>755,000</b>
<b><u>Deferred Inflow of Resources</u></b>				
Unavailable revenue - property taxes	8,174,749	7,825,714	-	16,000,463
<b><u>Fund Balances</u></b>				
Nonspendable:				
Prepaid items	134,564	-	-	134,564
Inventory	-	-	2,372	2,372
Restricted for:				
Debt service	-	194,809	-	194,809
Enabling legislation	-	-	39,001	39,001
Capital projects	-	-	918,895	918,895
City parks	-	-	631,682	631,682
METRO	-	-	381,055	381,055
Assigned to:				
City operations	210,000	-	-	210,000
Special revenue funds	-	-	96,458	96,458
Capital projects funds	-	-	638,002	638,002
Unassigned:				
General fund	3,919,273	-	-	3,919,273
Special revenue funds	-	-	(20,161)	(20,161)
<b>Total Fund Balances</b>	<b>4,263,837</b>	<b>194,809</b>	<b>2,687,304</b>	<b>7,145,950</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 12,991,995</b>	<b>\$ 8,105,177</b>	<b>\$ 2,804,241</b>	<b>\$ 23,901,413</b>

See Notes to Financial Statements.

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**CITY OF WEST UNIVERSITY PLACE, TEXAS**  
**RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
December 31, 2012

Total fund balance for governmental funds		\$ 7,145,950
Amounts reported for governmental activities in the Statement of Net Position are different, because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets, non-depreciable	13,092,952	
Capital assets, net depreciable	<u>91,988,819</u>	
		105,081,771
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		
		222,449
Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position.		
		1,564,872
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.		
Accrued interest	(1,143,060)	
Deferred charge on refunding	955,620	
Non-current liabilities due in one year	(6,330,630)	
Non-current liabilities due in more than one year	<u>(71,863,828)</u>	
		<u>(78,381,898)</u>
		<u>\$ 35,633,144</u>

See Notes to Financial Statements.

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**CITY OF WEST UNIVERSITY PLACE, TEXAS**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
For the Year Ended December 31, 2012

	General	Debt Service	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Ad valorem taxes	\$ 7,519,108	\$ 7,705,438	\$ -	\$ 15,224,546
Sales taxes	1,003,897	-	-	1,003,897
Franchise taxes	1,142,265	-	-	1,142,265
Other taxes	9,685	-	-	9,685
Permits, licenses, and fees	564,174	-	44,863	609,037
Fines and forfeitures	198,368	-	10,777	209,145
Charges for services	2,160,728	-	-	2,160,728
Intergovernmental	-	-	300,048	300,048
Contributions	-	-	604,758	604,758
Investment earnings	17,479	2,062	5,494	25,035
Other revenue	218,469	-	-	218,469
<b>Total Revenues</b>	<b>12,834,173</b>	<b>7,707,500</b>	<b>965,940</b>	<b>21,507,613</b>
<b>Expenditures</b>				
<b>Current:</b>				
General government	2,424,166	-	3,589	2,427,755
Public safety	5,615,673	-	-	5,615,673
Public works	2,628,156	-	-	2,628,156
Public service	2,144,127	-	258,751	2,402,878
<b>Capital outlay</b>	-	-	214,662	214,662
<b>Debt service:</b>				
Principal	-	5,305,000	-	5,305,000
Interest and fiscal agent fees	-	3,015,941	-	3,015,941
Advance refunding escrow	-	100,000	-	100,000
<b>Total Expenditures</b>	<b>12,812,122</b>	<b>8,420,941</b>	<b>477,002</b>	<b>21,710,065</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>22,051</b>	<b>(713,441)</b>	<b>488,938</b>	<b>(202,452)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,560,000	301,848	266,090	2,127,938
Transfers (out)	(1,397,474)	-	(22,411)	(1,419,885)
Debt issued	-	8,555,000	-	8,555,000
Premium on bonds issued	-	282,219	-	282,219
Payment to refunded bond escrow agent	-	(8,676,911)	-	(8,676,911)
<b>Total Other Financing Sources</b>	<b>162,526</b>	<b>462,156</b>	<b>243,679</b>	<b>868,361</b>
<b>Net Change in Fund Balances</b>	<b>184,577</b>	<b>(251,285)</b>	<b>732,617</b>	<b>665,909</b>
Beginning fund balances	4,079,260	446,094	1,954,687	6,480,041
<b>Ending Fund Balances</b>	<b>\$ 4,263,837</b>	<b>\$ 194,809</b>	<b>\$ 2,687,304</b>	<b>\$ 7,145,950</b>

See Notes to Financial Statements.

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**CITY OF WEST UNIVERSITY PLACE, TEXAS**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2012

Net changes in fund balances - total governmental funds \$ 665,909

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital asset expenditures	237,965
Depreciation expense	(3,546,425)

The issuance of long-term debt (e.g., bonds, certificates of obligation) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.

Principal payments	5,210,000
Amortization of deferred charges	228,903
Bonds issued	(8,555,000)
Premium on bonds issued	(282,219)
Payment to refunded bond escrow agent	8,676,911
Accrued interest	253,338

Revenues in the Statement of Activities that does not provide current financial resources are not reported as revenue in the funds.	15,878
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Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	(339,543)
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Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The net revenue (expense) is reported with governmental activities.	369,561
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<b>Change in Net Position of Governmental Activities</b>	<b>\$ 2,935,278</b>
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See Notes to Financial Statements.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

STATEMENT OF NET POSITION (Page 1 of 2)

## PROPRIETARY FUNDS

December 31, 2012

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Solid Waste	Total Funds	Internal Service Funds
<b>Assets</b>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 3,702,897	\$ 110,735	\$ 3,813,632	\$ 1,020,995
Accounts receivable, net	1,227,335	226,383	1,453,718	29,838
Prepaid costs	-	-	-	87,987
<b>Total Current Assets</b>	4,930,232	337,118	5,267,350	1,138,820
Noncurrent assets:				
Capital assets:				
Land	193,875	-	193,875	-
Construction in progress	222,114	-	222,114	-
Buildings and improvements	459,625	-	459,625	-
Furniture and equipment	1,941,719	-	1,941,719	2,646,381
Water and sewer system	54,406,562	-	54,406,562	-
Less: accumulated depreciation	(30,790,791)	-	(30,790,791)	(1,858,371)
<b>Total Capital Assets, Net of Accumulated Depreciation</b>	26,433,104	-	26,433,104	788,010
<b>Total Noncurrent Assets</b>	26,433,104	-	26,433,104	788,010
<b>Total Assets</b>	\$ 31,363,336	\$ 337,118	\$ 31,700,454	\$ 1,926,830

See Notes to Financial Statements.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## STATEMENT OF NET POSITION (Page 2 of 2)

### PROPRIETARY FUNDS

December 31, 2012

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Solid Waste	Total	Internal Service Funds
<b><u>Deferred Outflows of Resources</u></b>				
Deferred charge on refunding	\$ 73,670	\$ -	\$ 73,670	\$ -
<b>Total Deferred Outflows of Resources</b>	<b>73,670</b>	<b>-</b>	<b>73,670</b>	<b>-</b>
<b><u>Liabilities</u></b>				
Current liabilities:				
Accounts payable and accrued liabilities	567,348	74,640	641,988	105,534
Due to other funds	-	-	-	256,424
Accrued interest payable	88,119	-	88,119	-
Revenue bonds due within one year	645,000	-	645,000	-
<b>Total Current Liabilities</b>	<b>1,300,467</b>	<b>74,640</b>	<b>1,375,107</b>	<b>361,958</b>
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts and deferred amounts on refunding)	4,467,399	-	4,467,399	-
<b>Total Noncurrent Liabilities</b>	<b>4,467,399</b>	<b>-</b>	<b>4,467,399</b>	<b>-</b>
<b>Total Liabilities</b>	<b>5,767,866</b>	<b>74,640</b>	<b>5,842,506</b>	<b>361,958</b>
<b><u>Net Position</u></b>				
Net investment in capital assets	21,320,705	-	21,320,705	788,010
Restricted for debt service	645,000	-	645,000	-
Unrestricted	3,703,435	262,478	3,965,913	776,862
<b>Total Net Position</b>	<b>\$ 25,669,140</b>	<b>\$ 262,478</b>	<b>\$ 25,931,618</b>	<b>\$ 1,564,872</b>

See Notes to Financial Statements.

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**CITY OF WEST UNIVERSITY PLACE, TEXAS**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**

For the Year Ended December 31, 2012

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water and</u>	<u>Solid</u>	<u>Total Funds</u>	<u>Internal Service</u>
	<u>Sewer</u>	<u>Waste</u>		<u>Funds</u>
<b><u>Operating Revenues</u></b>				
Charges for sales and services	\$ 7,572,703	\$ 1,323,114	\$ 8,895,817	\$ 2,537,925
Other revenues	204,683	188,965	393,648	-
<b>Total Operating Revenues</b>	<u>7,777,386</u>	<u>1,512,079</u>	<u>9,289,465</u>	<u>2,537,925</u>
<b><u>Operating Expenses</u></b>				
Costs of sales and services	3,090,900	919,661	4,010,561	3,035,025
Personnel	1,202,110	508,336	1,710,446	-
Repairs and maintenance	-	-	-	60,735
Depreciation	1,901,326	-	1,901,326	229,061
<b>Total Operating Expenses</b>	<u>6,194,336</u>	<u>1,427,997</u>	<u>7,622,333</u>	<u>3,324,821</u>
<b>Operating Income (Loss)</b>	<u>1,583,050</u>	<u>84,082</u>	<u>1,667,132</u>	<u>(786,896)</u>
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Investment earnings	7,455	572	8,027	2,235
Interest expense	(214,795)	-	(214,795)	-
Gain on sale of assets	-	-	-	427
<b>Total Nonoperating Revenues (Expenses)</b>	<u>(207,340)</u>	<u>572</u>	<u>(206,768)</u>	<u>2,662</u>
<b>Income (Loss) Before Transfers</b>	<u>1,375,710</u>	<u>84,654</u>	<u>1,460,364</u>	<u>(784,234)</u>
Transfers in	-	-	-	1,156,495
Transfers (out)	(1,551,852)	(309,996)	(1,861,848)	(2,700)
<b>Change in Net Position</b>	<u>(176,142)</u>	<u>(225,342)</u>	<u>(401,484)</u>	<u>369,561</u>
Beginning net position	<u>25,845,282</u>	<u>487,820</u>	<u>26,333,102</u>	<u>1,195,311</u>
<b>Ending Net Position</b>	<u>\$ 25,669,140</u>	<u>\$ 262,478</u>	<u>\$ 25,931,618</u>	<u>\$ 1,564,872</u>

See Notes to Financial Statements.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 1 of 2) For the Year Ended December 31, 2012

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Solid Waste	Total Funds	Internal Service Funds
<b><u>Cash Flows from Operating Activities</u></b>				
Receipts from customers and users	\$ 7,727,128	\$ 1,505,602	\$ 9,232,730	\$ 2,517,385
Payments to suppliers	(3,061,806)	(940,095)	(4,001,901)	(3,177,346)
Payments to employees	(1,202,110)	(508,336)	(1,710,446)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>3,463,212</b>	<b>57,171</b>	<b>3,520,383</b>	<b>(659,961)</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Transfer from other funds	-	-	-	1,156,495
Transfer to other funds	(1,551,852)	(309,996)	(1,861,848)	(2,700)
<b>Net Cash Provided (Used) by Noncapital Financing Activities</b>	<b>(1,551,852)</b>	<b>(309,996)</b>	<b>(1,861,848)</b>	<b>1,153,795</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Acquisition and construction of capital assets	(970,239)	-	(970,239)	(258,739)
Principal paid on capital debt	(720,000)	-	(720,000)	-
Interest paid on capital debt	(214,795)	-	(214,795)	-
Proceeds from sale of capital assets	-	-	-	427
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(1,905,034)</b>	<b>-</b>	<b>(1,905,034)</b>	<b>(258,312)</b>
<b><u>Cash Flows from Investing Activities</u></b>				
Interest received	7,455	572	8,027	2,235
<b>Net Cash Provided by Investing Activities</b>	<b>7,455</b>	<b>572</b>	<b>8,027</b>	<b>2,235</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>13,781</b>	<b>(252,253)</b>	<b>(238,472)</b>	<b>237,757</b>
Beginning cash and cash equivalents	3,689,116	362,988	4,052,104	783,238
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 3,702,897</b>	<b>\$ 110,735</b>	<b>\$ 3,813,632</b>	<b>\$ 1,020,995</b>

See Notes to Financial Statements.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS (Page 2 of 2) For the Year Ended December 31, 2012

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water and</u>	<u>Solid</u>	<u>Total Funds</u>	<u>Activities</u>
	<u>Sewer</u>	<u>Waste</u>		<u>Internal Service</u>
				<u>Funds</u>
<b>Reconciliation of Operating Income</b>				
<b>(Loss) to Net Cash Provided (Used)</b>				
<b>by Operating Activities</b>				
Operating income (loss)	\$ 1,583,050	\$ 84,082	\$ 1,667,132	\$ (786,896)
Adjustments to reconcile operating income				
(loss) to net cash provided (used) by				
operating activities:				
Depreciation	1,901,326	-	1,901,326	229,061
<b>Changes in Operating Assets and Liabilities:</b>				
<b>(Increase) Decrease in Current Assets:</b>				
Accounts receivable	(50,258)	(6,477)	(56,735)	(20,540)
Prepaid costs	-	-	-	(23,683)
<b>Increase (Decrease) in Current Liabilities:</b>				
Accounts payable and accrued liabilities	29,094	(20,434)	8,660	40,654
Due to other funds	-	-	-	(98,557)
<b>Net Cash Provided (Used)</b>				
<b>by Operating Activities</b>	<u>\$ 3,463,212</u>	<u>\$ 57,171</u>	<u>\$ 3,520,383</u>	<u>\$ (659,961)</u>

See Notes to Financial Statements.

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# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended December 31, 2012

### I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Reporting Entity

The City of West University Place, Texas (the "City") was incorporated in 1924. The City has operated under a "Home Rule Charter" since 1940 which provides for a Council-Manager form of government.

The City Council is the principal legislative body of the City. The City Manager is appointed by a majority vote of the City Council and is responsible to the Council for the administration of all the affairs of the City. The City Manager is responsible for the appointment and removal of department directors and employees, supervision and control of all City departments, and preparation of the annual budget.

The City provides the following services: public safety to include police and fire services, municipal court, leisure services, streets, drainage, water and sewer services, solid waste collection and disposal, community development, and general administration.

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 basic 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. The Friends of West University Parks fund, although legally separate, is considered part of the reporting entity. No other entities have been included in the City's reporting entity. Additionally, as the City is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

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

#### **Blended Component Unit**

##### **Friends of West University Parks Fund**

Friends of West University Parks Fund (the "Corporation") has been included in the reporting entity as a blended component unit. The Corporation is a not-for-profit entity created to solicit private contributions for the beautification, improvement, and maintenance of the City's parkland. The Corporation's Board of Directors is appointed by and serves at the discretion of City Council. City Council approval is required for any projects of the Corporation that exceed \$1,000. In the event of dissolution, any assets of the Corporation will be transferred to the City. The operations

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

of the Corporation are presented as a governmental fund type. Separate financial statements of the Corporation may be obtained from the Finance Department of the City.

### B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the primary government. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support.

### C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the City's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the City's water and wastewater functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

### D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the City's funds, including its blended component unit. Separate statements for each fund category – governmental and proprietary– are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following governmental funds:

The *general fund* is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, sales and franchise taxes, licenses and permits, fines and forfeitures, and charges for services. Expenditures include general government, public safety, public works, and public service. The general fund is always considered a major fund for reporting purposes.

The *debt service fund* is used to account for the payment of interest and principal on all general obligation bonds and other long-term debt of the City. The primary source of revenue for debt service is local property taxes. The debt service fund is considered a major fund for reporting purposes.

The *special revenue funds* are used to account for proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes. The special revenue funds are considered nonmajor funds for reporting purposes.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

The *capital projects funds* are used to account for the expenditures of resources accumulated from the sale of long-term debt and related interest earnings for capital improvement projects. The capital projects funds are considered nonmajor funds for reporting purposes.

The City reports the following enterprise funds:

The *enterprise funds* are used to account for the operations that provide water and wastewater collection, wastewater treatment operations and solid waste collection and disposal. The services are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses including depreciation) of providing goods or services to the general public on a continuing basis will be financed or recovered primarily through user charges. The water and sewer fund and the solid waste fund are considered major funds for reporting purposes.

Additionally, the City reports the following fund type:

*Internal service funds* account for services provided to other departments or agencies of the government, or to other governments, on a cost reimbursement basis. The vehicle replacement and equipment replacement funds are used to account for vehicle and equipment replacement and maintenance services. The healthcare benefits fund accounts for costs associated with retired or separated employees, as well as healthcare benefits. The technology management fund accounts for technology services.

During the course of operations, the City has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

The government-wide and proprietary fund 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.

The 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 City 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, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales 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 of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the City.

### **F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance**

#### **1. Cash and Cash Equivalents**

The City's cash and cash equivalent are considered to be cash on hand, demand deposits, balances in statewide investment pools (TexPool), and short-term investments with original maturities of three months or less from the date of acquisition. For the purpose of the statement of cash flows, the proprietary fund types consider temporary investments with maturity of three months or less when purchased to be cash equivalents.

The City maintains pooled cash and investment accounts. Each fund whose monies are deposited in the pooled cash and investment accounts has equity therein, and interest earned on the investment of these monies is allocated based upon relative equity at the previous month end. Amounts on deposit in interest bearing accounts and other investments are displayed on the combined balance sheet as "cash and equity in pooled cash."

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

### 2. Investments

In accordance with GASB Statement No. 31, *Accounting and Reporting for Certain Investments and External Investment Pools*, the City reports all investments at fair value, except for “money market investments” and “2a7-like pools.” Money market investments, which are short-term highly liquid debt instruments that may include U.S. Treasury and agency obligations, are reported at amortized costs. Investment positions in external investment pools that are operated in a manner consistent with the SEC’s Rule 2a7 of the Investment Company Act of 1940, such as TexPool, are reported using the pools’ share price.

The City has adopted a written investment policy regarding the investment of its funds as defined in the Public Funds Investment Act, Chapter 2256, Texas Government Code. In summary, the City is authorized to invest in the following:

- Direct obligations of the U.S. government
- Money market mutual funds that meet certain criteria
- Statewide investment pools

### 3. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund type inventories are recorded as expenditures when the related liability is incurred (i.e., the purchase method).

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

### 4. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. In accordance with GASB Statement No. 34, infrastructure has been capitalized retroactively. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest costs incurred in connection with construction of enterprise fund capital assets are capitalized when the effects of capitalization materially impact the financial statements.

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.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

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

<u>Asset Description</u>	<u>Estimated Useful Life</u>
Buildings	20 to 50 years
Improvements	5 to 50 years
Equipment	5 to 10 years
Water and sewer system	20 to 30 years
Infrastructure	40 to 50 years

### 5. Deferred Outflows/Inflows of Resources

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 that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide Statement of Net Position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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 that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes. This amount is deferred and recognized as an inflow of resources in the period that the amount becomes available. At the government-wide level, the City reports a deferred inflow of resources for that portion of property taxes that was collected for use in the subsequent period.

### 6. Compensated Employee Absences

It is the City's policy to permit employees to accumulate earned but unused vacation, sick pay benefits, and compensatory time. Amounts accumulated, up to certain amounts, may be paid to employees upon termination of employment. The estimated amount of compensation for services provided that is expected to be liquidated with expendable, available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it when it matures or becomes due. Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable, available financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

### 7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities Statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

effective interest method, if material. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The property tax rate is allocated each year between the general and debt service funds. The full amount estimated to be required for debt service on general obligation debt is provided by the tax along with the interest earned in the debt service fund. Although a portion of the general obligation debt was directly related to the purchase of water and sewer infrastructure, the debt service expenditures are included in the governmental fund financial statements as they are expected to be paid from debt service tax revenues instead of water system revenues.

Assets acquired under the terms of a capital lease are recorded as liabilities and capitalized in the government-wide financial statements at the present value of net minimum lease payments at inception of the lease. In the year of acquisition, capital lease transactions are recorded as other financing sources and as capital outlay expenditures in the applicable fund. Lease payments representing both principal and interest are recorded as expenditures in the general fund upon payment with an appropriate reduction of principal recorded in the government-wide financial statements.

### **8. Net Position Flow Assumption**

Sometimes the City will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted-net position and unrestricted-net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted-net position to have been depleted before unrestricted-net position is applied.

### **9. Fund Balance Flow Assumptions**

Sometimes the City will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

### **10. Fund Balance Policies**

Fund balances of governmental funds are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by approval of a resolution prior to the end of the fiscal year, commit fund balance. Once approved, the limitation imposed by the resolution remains in place until a similar action is taken (the approval of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The City Council has authorized the City's Finance Director to assign fund balance to a specific purpose as approved by the City's fund balance policy. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

It is the City's policy to achieve and maintain an unassigned fund balance in the general fund equal to 20 percent of estimated revenue for the current annual budget. All other operating fund reserves will be maintained at 10 percent of the estimated revenue for the current annual budget. Balances of less than the prescribed levels shall only be allowed with specific approval of City Council.

### **11. Post Employment Healthcare Benefits**

The City provides post employment healthcare benefits as mandated by the Consolidated Omnibus Budget Reconciliation Act (COBRA). The requirements established by COBRA are fully funded by the employees who elect coverage under COBRA and the City incurs no direct costs.

For employees hired prior to January 1, 2009, the City provides continued healthcare coverage for eligible retirees until they become eligible for Medicare or other federal or state health insurance plans or if retirees become employed. The City pays 100 percent of the premium for the retiree. Spouses and dependents are eligible for continued coverage at the retirees' expense.

### **12. Estimates**

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

## **G. Revenues and Expenditures/Expenses**

### **1. Program Revenues**

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

### 2. Property Taxes

Property taxes are levied during October of each year and are due upon receipt of the City's tax bill. Taxes become delinquent, with an enforceable lien on property, on February 1 of the following year.

### 3. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds and internal service funds are charges to customers for sales and services. The enterprise funds also recognize as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

## II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) except the capital projects funds, which adopt a project length budget. The original budget is adopted by the City Council prior to the beginning of the year. The legal level of control as defined by the charter in the approved budget is the department level in the general fund and all others are the fund level. The City Manager may transfer appropriations within a department without seeking the approval of City Council. Appropriations lapse at the end of the year, excluding capital project budgets. Supplemental budget appropriations were made for the year ended December 31, 2012. An annual budget is not adopted for the blended component unit, Friends of West University Parks fund or the emergency grant fund. The parks fund, tree replacement fund, court technology fund, and METRO grant fund are all special revenue funds that have adopted budgets.

Encumbrances represent the estimated amount of expenditures ultimately to result when unperformed contracts (in progress at year end) are completed. Such encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

### III. DETAILED NOTES ON ALL FUNDS

#### A. Deposits and Investments

As of December 31, 2012, the City had the following investments:

Investment Type	Fair Value	Weighted Average Maturity (Years)
U.S. agencies	\$ 4,000,000	2.30
TexPool	10,115,850	0.00
<b>Total Fair Value</b>	<b>\$ 14,115,850</b>	
Portfolio weighted average maturity		0.65

*Interest rate risk.* In accordance with its investment policy, the City manages its exposure to declines in fair values by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations and invest operating funds primarily in short-term securities.

*Credit risk.* The City's policy requires that investment pools must be rated no lower than "AAA" or "AAA-m". United States agency investments must be issued in the United States and carry a rating of "AAA" or "AAAE" as provided by two of the top nationally recognized rating agencies. As of December 31, 2012, the City's investment in TexPool was rated "AAAm" and the City's investment in United States agencies was rated between "AAA" and "AAAE" by Standard & Poor's. All other investments are guaranteed (either express or implied) by the full faith and credit of the United States Government or the issuing U.S. agency. More specifically, the U.S. agency securities held by the City as of December 31, 2012 consist of a variety of bonds and discount notes issued by the Federal Home Loan Bank, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation. These investments were rated not less than "AAA" by both Moody's and Standard & Poor's.

*Custodial credit risk – deposits.* In the case of deposits, this is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of December 31, 2012, fair market values of pledged securities and FDIC coverage exceeded bank balances.

*Custodial credit risk – investments.* For an investment, this is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that it will seek to safekeeping securities at financial institutions, avoiding physical possession. Further, all trades, where applicable, are executed by delivery versus payment to ensure that securities are deposited in the City's safekeeping account prior to the release of funds.

#### TexPool

TexPool was established as a trust company with the Treasurer of the State of Texas as trustee, segregated from all other trustees, investments, and activities of the trust company. The State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Oversight includes the ability to significantly influence operations, designation of management, and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed of both participants in TexPool and other persons who do not have a business relationship with

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rate TexPool "AAAm". As a requirement to maintain the rating, weekly portfolio information must be submitted to Standard & Poor's, as well as to the Office of the Comptroller of Public Accounts for review.

TexPool operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in TexPool is the same as the value of TexPool shares.

### B. Receivables

Amounts are aggregated into a single accounts receivable (net of allowance for uncollectibles) line for certain funds and aggregated columns. Below is the detail of receivables for the general fund, the debt service fund, the nonmajor governmental funds in the aggregate, and the enterprise funds, including the applicable allowances for uncollectible accounts:

	General	Debt Service	Nonmajor Funds	Internal Service Funds	Water and Sewer	Solid Waste
Ad valorem taxes	\$ 4,435,837	\$ 4,250,826	\$ -	\$ -	\$ -	\$ -
Other taxes	319,379	-	-	-	-	-
Accounts	116,237	-	-	-	1,385,482	259,691
Intergovernmental	-	-	19,498	-	-	-
Other	93,495	-	-	29,838	8,960	-
Less allowance	(2,061)	-	-	-	(167,107)	(33,308)
	<u>\$ 4,962,887</u>	<u>\$ 4,250,826</u>	<u>\$ 19,498</u>	<u>\$ 29,838</u>	<u>\$ 1,227,335</u>	<u>\$ 226,383</u>

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

### C. Capital Assets

A summary of changes in capital assets for the year end is as follows:

	Primary Government			Ending Balance
	Beginning Balance*	Increases	(Decreases)	
<b>Governmental Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 6,298,042	\$ -	\$ -	\$ 6,298,042
Construction in progress	7,144	-	(7,144)	-
Total capital assets not being depreciated	6,305,186	-	(7,144)	6,298,042
Other capital assets:				
Buildings and improvements	56,940,548	61,364	-	57,001,912
Machinery and equipment	7,475,977	361,561	(24,379)	7,813,159
Infrastructure	65,206,756	80,923	-	65,287,679
Total other capital assets	129,623,281	503,848	(24,379)	130,102,750
Less accumulated depreciation for:				
Buildings and improvements	(7,647,604)	(1,744,569)	-	(9,392,173)
Machinery and equipment	(4,756,058)	(725,164)	24,379	(5,456,843)
Infrastructure	(14,376,242)	(1,305,753)	-	(15,681,995)
Total accumulated depreciation	(26,779,904)	(3,775,486)	24,379	(30,531,011)
Other capital assets, net	102,843,377	(3,271,638)	-	99,571,739
<b>Totals</b>	<b>\$ 109,148,563</b>	<b>\$ (3,271,638)</b>	<b>\$ (7,144)</b>	<b>105,869,781</b>
*Restated beginning balances			Less associated debt	(75,289,300)
			Plus unspent bond proceeds	883,772
			<b>Net investment in capital assets</b>	<b>\$ 31,464,253</b>

All capital assets constructed or paid for with funds of the component units are titled in the City's name. Accordingly, component unit capital assets and construction in progress are recorded in the governmental activities totals.

Depreciation was charged to governmental functions as follows:

General government	\$ 518,816
Public safety	101,611
Public works	1,378,414
Public service	1,547,584
Capital assets held by the City's internal service fund	229,061
<b>Total Governmental Activities Depreciation Expense</b>	<b>\$ 3,775,486</b>

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

The following is a summary of changes in capital assets for business-type activities for the year ended:

	Primary Government			Ending Balance
	Beginning Balance*	Increases	(Decreases)/ Reclassifications	
<b>Business-Type Activities:</b>				
Capital assets not being depreciated:				
Land	\$ 193,875	\$ -	\$ -	\$ 193,875
Construction in progress	489,687	970,239	(1,237,812)	222,114
Total capital assets not being depreciated	683,562	970,239	(1,237,812)	415,989
Other capital assets:				
Buildings	459,625	-	-	459,625
Water and sewer systems	54,406,562	-	-	54,406,562
Machinery and equipment	703,907	1,237,812	-	1,941,719
Total other capital assets	55,570,094	1,237,812	-	56,807,906
Less accumulated depreciation for:				
Buildings	(345,250)	(18,385)	-	(363,635)
Water and sewer systems	(27,989,151)	(1,826,641)	-	(29,815,792)
Machinery and equipment	(555,064)	(56,300)	-	(611,364)
Total accumulated depreciation	(28,889,465)	(1,901,326)	-	(30,790,791)
Other capital assets, net	26,680,629	(663,514)	-	26,017,115
Business-Type Activities Capital Assets, Net	\$ 27,364,191	\$ 306,725	\$ (1,237,812)	26,433,104
*Restated beginning balances			Less associated debt	(5,112,399)
			<b>Net investment in capital assets</b>	<b>\$ 21,320,705</b>

Depreciation was charged to business-type functions as follows:

Water and sewer	\$ 1,901,326
<b>Total Business-Type Activities Depreciation Expense</b>	<b>\$ 1,901,326</b>

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

### D. Long-Term Debt

The following is a summary of changes in the City's total governmental long-term liabilities for the year ended. In general, the City uses the general and debt service funds to liquidate governmental long-term liabilities.

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities in the governmental funds. The governmental activities compensated absences, net pension obligation, and net OPEB obligation are generally liquidated by the general fund. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due.

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due within One Year
<b>Governmental Activities:</b>					
Bonds, notes and other payables:					
General obligation bonds	\$ 57,015,000	\$ 8,555,000	\$ 4,695,000	\$ 60,875,000 *	\$ 5,075,000
Certificates of obligation	21,915,000	-	8,990,000	12,925,000 *	430,000
Unamortized refunding items	1,325,010	282,219	117,929	1,489,300 *	-
Accreted interest	226,784	-	90,130	136,654	-
	80,481,794	8,837,219	13,893,059	75,425,954	5,505,000
Other liabilities:					
Compensated absences	694,714	441,150	218,497	917,367	825,630
Net pension obligation	1,085,751	10,670	-	1,096,421	-
Net OPEB obligation	648,495	106,221	-	754,716	-
	82,910,754	9,395,260	14,111,556	78,194,458	6,330,630
<b>Total Governmental Activities</b>	<b>\$ 82,910,754</b>	<b>\$ 9,395,260</b>	<b>\$ 14,111,556</b>	<b>\$ 78,194,458</b>	<b>\$ 6,330,630</b>
			<b>Long-term debt due in more than one year</b>	<b>\$ 71,863,828</b>	
<b>Business-Type Activities:</b>					
Revenue bonds	\$ 5,825,000	\$ -	\$ 720,000	\$ 5,105,000 **	\$ 645,000
(Less) unamortized premiums and or discounts	8,221	-	822	7,399 **	-
<b>Total Business-Type Activities</b>	<b>\$ 5,833,221</b>	<b>\$ -</b>	<b>\$ 720,822</b>	<b>\$ 5,112,399</b>	<b>\$ 645,000</b>
			<b>Long-term debt due in more than one year</b>	<b>\$ 4,467,399</b>	
			<b>*Debt associated with governmental activity capital assets</b>	<b>\$ 75,289,300</b>	
			<b>**Debt associated with business-type activity capital assets</b>	<b>\$ 5,112,399</b>	

### Advance Refunding

The City issued \$8,555,000 of permanent improvement refunding bonds, series 2012 to provide resources to purchase United States securities that were placed in an irrevocable trust for the purpose of partially refunding the certificates of obligation, series 2003. Accordingly, the trust account assets

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

and the liability for the defeased bonds are not included in the City's financial statements. The reacquisition price exceeded the net carrying amount of the old debt by \$301,911. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is equal to the life of the new debt issued. This advance refunding was undertaken to reduce total debt service payments over the next nine years by \$809,252 and resulted in an economic gain of \$757,828. At December 31, 2012, \$8,475,000 of certificates of obligation, series 2003 was considered defeased related to the 2012 refunding.

Long-term debt at year end was comprised of the following debt issues:

Description	Interest Rates	Balance
<b><u>Governmental Activities</u></b>		
<b>General Obligation Bonds</b>		
Permanent improvement		
Series 2010	2.00-4.00%	\$ 4,980,000
Permanent improvement and refunding		
Series 2005	2.45-5.25%	21,360,000
Series 2009	2.50-4.50%	10,575,000
Series 2010	1.00-3.00%	10,730,000
Series 2011	2.00-3.00%	4,675,000
Series 2012	2.00%	8,555,000
<b>Total General Obligation Bonds</b>		<b>60,875,000</b>
<b>Certificates of Obligation</b>		
Series 2001	4.40%	2,300,000
Series 2003	3.15-4.0%	125,000
Series 2009	2.50-4.50%	1,240,000
Series 2010	2.00-4.00%	6,860,000
Series 2010A	1.00-3.00%	1,510,000
Series 2011	2.00-2.25%	890,000
<b>Total Certificates of Obligation</b>		<b>12,925,000</b>
<b>Total Governmental Activities Long-Term Debt</b>		<b>\$ 73,800,000</b>
 <b><u>Business-Type Activities</u></b>		
<b>Revenue Bonds</b>		
Water and sewer, refunding series 2005	2.87-4.50%	\$ 5,105,000
<b>Total Business-Type Activities Long-Term Debt</b>		<b>\$ 5,105,000</b>

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

The annual requirements to amortize general obligation bonds, certificates of obligation, and revenue bonds outstanding at year ending were as follows:

Year Ending Dec 31	Governmental Activity		Business-Type Activity		Total
	Principal	Interest	Principal	Interest	
2013	\$ 5,505,000	\$ 2,672,578	\$ 645,000	\$ 198,585	\$ 9,021,163
2014	5,725,000	2,497,124	675,000	172,185	9,069,309
2015	5,990,000	2,283,668	695,000	144,351	9,113,019
2016	6,220,000	2,053,558	725,000	115,516	9,114,074
2017	6,850,000	1,797,111	380,000	93,226	9,120,337
2018-2022	28,245,000	5,210,328	1,985,000	214,172	35,654,500
2023-2027	12,500,000	1,907,925	-	-	14,407,925
2028	2,765,000	58,175	-	-	2,823,175
<b>Total</b>	<b>\$ 73,800,000</b>	<b>\$ 18,480,467</b>	<b>\$ 5,105,000</b>	<b>\$ 938,035</b>	<b>\$ 98,323,502</b>

The City issues a variety of long-term debt instruments in order to acquire and/or construct major capital facilities (streets, drainage, public safety, water and wastewater) and equipment for general government and enterprise fund activities. These instruments include general obligation bonds, certificates of obligation, and revenue bonds. Future ad valorem tax revenues, water and sewer system revenues, or liens on property and equipment secure these debt obligations.

General obligation bonds are direct obligations of the City for which its full faith and credit are pledged. Repayment of general obligation bonds are from taxes levied on all taxable property located within the City. The City is not obligated in any manner for special assessment debt.

### Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service (IRS) at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed, or not performed correctly, a substantial liability to the City could result. The City periodically engages an arbitrage consultant to perform the calculations in accordance with the rules and regulations of the IRS.

### **E. Interfund Receivable and Payables**

The composition of interfund balances as of year end was as follows:

Due To	Due From	Amounts
General	Internal service	\$ 256,424
General	Nonmajor	110,998
		<u>\$ 367,422</u>

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

### F. Interfund Transfers

Transfers between the primary government funds during the year were as follows:

Transfer Out	Transfer In	Amounts
General	Internal service	\$ 1,153,795
General	Nonmajor	243,679
Nonmajor	Nonmajor	22,411
Water and sewer	Debt service	301,848
Water and sewer	General	1,250,004
Solid waste	General	309,996
Internal service	Internal service	2,700
		<u>\$ 3,284,433</u>

Transfers to the general fund were subsidies for administrative expenditures. Other amounts transferred between funds related to amounts collected by the nonmajor governmental funds for various governmental expenditures.

### G. Restatement of Net Position

In the fiscal year ending December 31, 2012, the City implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. In accordance with this statement, beginning net position of the governmental and business-type activities has been reduced by \$985,379 and \$134,235, respectively, to remove previously capitalized bond issuance costs.

In addition, beginning net position of the business-type activities and the water and sewer fund has been increased by \$127,000 in order to record construction in progress which should have been recorded in the prior year. See below for a reconciliation of changes in beginning net position:

	Water and Sewer	Governmental Activities	Business-Type Activities	Total
Beginning net position	\$ 25,852,517	\$ 33,923,791	\$ 26,340,337	\$ 60,264,128
Restatement - bond issuance costs	(134,235)	(985,379)	(134,235)	(1,119,614)
Restatement - capital assets	127,000	(240,546)	127,000	(113,546)
Beginning net position - restated	<u>\$ 25,845,282</u>	<u>\$ 32,697,866</u>	<u>\$ 26,333,102</u>	<u>\$ 59,030,968</u>

### H. Subsequently Discovered Fact

On June 22, 2012, the City sold a property that was restricted for resale in the amount of \$410,238 for \$342,088. The City incurred a loss of \$68,150 on the sale. The Statement of Net Position and Statement of Activities for governmental activities, as well as the Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances for the general fund were adjusted as of June 28, 2013 to reflect this subsequently discovered fact.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

### IV. OTHER INFORMATION

#### A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the City participates along with 2,617 other entities in the Texas Municipal League's Intergovernmental Risk Pools (the "Pool"). The Pool purchases commercial insurance at group rates for participants in the Pool. The City has no additional risk or responsibility to the Pool, outside of the payment of insurance premiums. The City has not significantly reduced insurance coverage or had settlements which exceeded coverage amounts for the past three years.

#### B. Subsequent Events

On April 9, 2013, the City issued \$16,360,000 of permanent improvement refunding bonds, series 2013 to provide resources to purchase United States securities that were placed in an irrevocable trust for the purpose of partially refunding the permanent improvement refunding bonds, series 2005. The interest rate on the bonds is 0.340-1.750 percent, and the maturity date is February 1, 2020.

#### C. Contingent Liabilities

Amounts received or receivable from granting agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amounts of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported. Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends, including frequency and amount of payouts, and other economic and social factors. No claim liabilities are reported at year end.

#### D. Pension Plans

##### Texas Municipal Retirement System

##### Plan Description

The City provides pension benefits for all of its full-time employees through a non-traditional, joint contributory, hybrid defined benefit plan in the state-wide Texas Municipal Retirement System (TMRS), an agent multiple-employer public employee retirement system. The plan provisions that have been adopted by the City are within the options available in the governing state statutes of TMRS.

TMRS issues a publicly available comprehensive annual financial report that includes financial statements and RSI for TMRS. The report also provides detailed explanations of the contributions, benefits and actuarial methods and assumptions used by TMRS. This report may be obtained from TMRS' website at [www.TMRS.com](http://www.TMRS.com).

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

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

	<u>2012</u>	<u>2011</u>
Employee deposit rate	7.00%	7.00%
Matching ratio (City to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service requirement eligibility (expressed as age/yrs of service)	60/5, 0/20	60/5, 0/20
Updated service credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity increase (to retirees)	0% of CPI	0% of CPI

### Benefits

Upon retirement, benefits depend upon the sum of the employee's contributions to the plan, with interest, and the City-financed monetary credits, with interest. City-financed monetary credits are composed of three sources: prior service credits, current service credits, and updated service credits. At the date the Plan began, the City granted monetary credits for service rendered before the Plan began of a theoretical amount at least equal to two times what would have been contributed by the employee, with interest, prior to establishment of the plan. Monetary credits for service since the Plan began are a percent (100%, 150%, or 200%) of the employee's accumulated contributions. In addition, the City can grant, as often as annually, another type of monetary credit referred to as an updated service credit. This is a theoretical amount which, when added to the employee's accumulated contributions and the monetary credits for service since the Plan began, would be the total monetary credits and employee contributions accumulated with interest if the current employee contribution rate and City matching percent had always been in existence, and if the employee's salary had always been the average of his salary in the last three years that are one year before the effective date. At retirement, the benefit is calculated as if the sum of the employee's accumulated contributions, with interest, and the employer-financed monetary credits, with interest were used to purchase an annuity.

### Contributions

Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Projected Unit Credit actuarial cost method. This rate consists of the normal cost contribution and the prior service cost contribution rate, which is calculated to be a level percent of payroll from year to year. The normal cost contribution rate finances the portion of an active member's projected benefit allocated annually and the prior service contribution rate amortizes the unfunded (overfunded) actuarial liability (asset) over the remainder of the plan's 30-year amortization period. Both the normal cost and prior service contribution rates include recognition of the projected impact of annually repeating benefits such as Updated Service Credits and Annuity Increases.

The City contributes to the Plan at an actuarially determined rate. Both the employees and the City make contributions monthly. Since the City needs to know its contribution rate in advance for budgetary purposes, there is a one-year delay between the actuarial valuation that serves as the basis for the rate and the calendar year when the rate goes into effect.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

The annual pension cost and the net pension obligation (NPO) (asset) are as follows:

Annual required contribution (ARC)	\$ 795,106
Interest on Net Pension Obligation (NPO)	76,002
Adjustment to the ARC	<u>(65,332)</u>
Annual Pension Cost (APC)	805,776
Contributions made	<u>(795,106)</u>
Increase in NPO	10,670
NPO-beginning of year	<u>1,085,751</u>
NPO-end of year	<u><u>\$ 1,096,421</u></u>

Three-year trend information for the annual pension cost (APC) is as follows:

Fiscal Year	Annual Pension Cost (APC)	Actual Contribution Made	Percentage of APC Contributed	Net Pension Obligation
2010	\$ 1,761,054	1,458,933	82.84%	\$ 572,381
2011	\$ 1,671,988	1,158,618	69.30%	\$ 1,085,751
2012	\$ 805,776	795,106	98.68%	\$ 1,096,421

The required contribution rate for fiscal year 2012 was determined as part of the December 31, 2010 actuarial valuation. Additional information as of the latest actuarial valuation, December 31, 2011, also follows:

	2012	2011	2010
Actuarial Valuation Date	12/31/2011	12/31/2010	12/31/2009
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit
Amortization Method	Level % of Payroll	Level % of Payroll	Level % of Payroll
Remaining Amortization Period	26.2 years- Closed period	27.1 years- Closed period	28.1 years - Closed period
Amortization Period for New Gains/Losses	30 years	30 years	30 years
Asset Valuation Method	10-year smoothed market	10-year smoothed market	10-year smoothed market
Investment Rate of Return	7.0%	7.0%	7.5%
Projected Salary Increases	Varies by age and service	Varies by age and service	Varies by age and service
Includes Inflation at	3.00%	3.00%	3.00%
Cost of Living Adjustments	0.0%	0.0%	2.1%

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

The funded status as of December 31, 2011, the most recent actuarial valuation date, is presented as follows:

	<u>2012</u>
Actuarial Valuation Date	12/31/2011
Actuarial Value of Assets	\$ 31,698,316
Actuarial Accrued Liability	\$ 35,814,690
Percentage Funded	88.5%
Unfunded Actuarial Accrued Liability (UAAL)	\$ 4,116,374
Annual Covered Payroll	\$ 7,484,612
UAAL as a Percentage of Covered Payroll	55.0%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

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

### E. Other Post Employment Benefits

#### Healthcare Plan

##### Plan Description

The City of West University Place Retiree Health Care Plan (the "Plan") is a single employer defined benefit healthcare plan administered by the City. The Plan provides medical benefits to eligible retirees and their spouses.

##### Employees Hired January 1, 2009 and Thereafter

A retiree and his or her covered dependent(s) may be eligible for continued coverage through COBRA according to regulatory requirements. Retirees may not add dependents after retiring. Retirees are responsible for all costs, including premiums and administrative fees, associated with COBRA benefits. Retiree/dependent COBRA benefits will be terminated if the City (or the City's third party administrator) does not receive the required contributions by the date due.

##### Employees Hired Prior to January 1, 2009

Non-exempt Employees – If a non-exempt employee retires through TMRS and has been employed full-time for the City for at least ten years immediately preceding the date of retirement, the employee may continue coverage with the City's health plan.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

Exempt Employees – If an exempt employee retires through TMRS and has a minimum of ten years of service credit with TMRS, of which three years immediately preceding the date of retirement were with the City, the employee may continue to be covered through the City’s health plan. The benefit includes basic medical coverage, excluding accidental death, life, disability and dental.

The City pays 100 percent of the premium for the retiree. Spouses and dependents are eligible for continued coverage. Retirees are responsible for all costs associated with spouse and dependent benefits. Surviving spouses of deceased retirees are eligible for continued coverage through COBRA according to regulatory requirements. All benefits terminate when the retiree becomes eligible for Medicare or other federal or state health insurance plans or if the retiree becomes employed.

Employees who retire under a disability retirement are eligible for retiree health benefits if they have met the eligibility for a regular retirement upon their disability. TMRS retirement requirement is five years of service at age 60 or 20 years of service regardless of age.

### Funding Policy

The contribution requirements of plan members and the City are established and may be amended by the City Council. Funding is provided on a pay-as-you-go basis.

### Annual Other Post Employment Employee Benefit Cost

The City’s annual Other Post Employment Employee Benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of accrual that is projected to recognize the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the City’s annual OPEB cost for the year, the amount actually contributed to the Plan, and the City’s net OPEB obligation.

Annual required contribution	\$	356,181
Interest on net OPEB obligation		29,182
Adjustment to annual required contribution		<u>(38,942)</u>
Annual OPEB cost (expense)		346,421
Contributions made		<u>(240,200)</u>
Increase in net OPEB obligation		106,221
Net OPEB obligation-beginning of year		<u>648,495</u>
Net OPEB obligation-end of year		<u><u>\$ 754,716</u></u>

The City’s annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2012 and the two preceding years are as follows:

<u>Fiscal Year</u>	<u>Annual OPEB Cost (APC)</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>	
			<u>Beginning</u>	<u>Ending</u>
2010	\$ 299,682	60.50%	\$ 426,427	\$ 544,800
2011	\$ 309,022	66.40%	\$ 544,800	\$ 648,495
2012	\$ 346,421	69.30%	\$ 648,495	\$ 754,716

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

### Funded Status and Funding Progress

As of December 31, 2011, the most recent actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$3,349,018, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$3,349,018. The annual covered payroll as of December 31, 2011 was \$7,484,612 and the UAAL as a percentage of this number was 44.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

### Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The following is a summary of the actuarial assumptions:

Actuarial Cost Method	Projected unit credit
Amortization Method	Level dollar
Amortization Period	30 year, open amortization
Asset Valuation Method	Market value
Investment Rate of Return	4.5%, net of expenses
Inflation rate	3.0% per year
Healthcare Cost Trend Rate	Initial rate of 8.50% declining to an ultimate rate of 4.50% after 8 years

### **TMRS - Supplemental Death Benefits Plan**

#### Plan Description

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan operated by TMRS known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to the employee's annual salary (calculated based on the employee's actual earnings, for the 12-month period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "other post employment benefit," or OPEB. The obligations of this plan are payable only from the

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2012

SDBF and are not an obligation of, or a claim against, the Pension Trust Fund. For the year ended December 31, 2012, the City offered the supplemental death benefit to both active and retired employees.

### Contributions

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year; the intent is not to pre-fund retiree term life insurance during employees' entire careers.

The City's contribution rates to the TMRS SDBF, for the retiree portion, for the years ended December 31, 2012, 2011, and 2010 are shown below. Annual SDBF costs were \$3,106, \$2,994, and \$3,106 for 2012, 2011, and 2010 respectively.

	<u>2012</u>	<u>2011</u>	<u>2010</u>
Annual Req. Contrib. (Rate)	0.04%	0.04%	0.04%
Actual Contribution Made	0.04%	0.04%	0.04%
Percentage of ARC Contrib.	100.00%	100.00%	100.00%

***REQUIRED SUPPLEMENTARY INFORMATION***

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**CITY OF WEST UNIVERSITY PLACE, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**

For the Year Ended December 31, 2012

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Taxes:				
Ad valorem	\$ 7,559,500	\$ 7,559,500	\$ 7,519,108	\$ (40,392)
Sales	1,090,000	1,090,000	1,003,897	(86,103)
Franchise	1,168,200	1,168,200	1,142,265	(25,935)
Other taxes	10,000	10,000	9,685	(315)
Permits, licenses, and fees	364,600	364,600	564,174	199,574
Fines	256,500	256,500	198,368	(58,132)
Charges for services	1,889,800	1,889,800	2,160,728	270,928
Investment earnings	25,000	25,000	17,479	(7,521)
Other revenues	211,550	211,550	218,469	6,919
<b>Total Revenues</b>	<u>12,575,150</u>	<u>12,575,150</u>	<u>12,834,173</u>	<u>259,023</u>
<b>Expenditures</b>				
General government:				
Administration	984,000	962,000	961,910	90
Finance	1,797,530	1,691,150	1,462,256	228,894
Total general government expenditures	<u>2,781,530</u>	<u>2,653,150</u>	<u>2,424,166</u>	<u>228,984</u>
Public safety:				
Police	3,313,863	3,300,068	3,113,367	186,701
Fire	2,433,152	2,517,852	2,502,306	15,546
Total public safety expenditures	<u>5,747,015</u>	<u>5,817,920</u>	<u>5,615,673</u>	<u>202,247</u>
Public works	2,954,326	2,954,326	2,628,156	326,170
Public service	2,221,810	2,221,810	2,144,127	77,683
<b>Total Expenditures</b>	<u>13,704,681</u>	<u>13,647,206</u>	<u>12,812,122</u>	<u>835,084</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>(1,129,531)</u>	<u>(1,072,056)</u>	<u>22,051</u>	<u>1,094,107</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,560,000	1,560,000	1,560,000	-
Transfers (out)	<u>(1,340,000)</u>	<u>(1,397,475)</u>	<u>(1,397,474)</u>	<u>1</u>
<b>Total Other Financing Sources (Uses)</b>	<u>220,000</u>	<u>162,525</u>	<u>162,526</u>	<u>1</u>
<b>Net Change in Fund Balance</b>	<u>\$ (909,531)</u>	<u>\$ (909,531)</u>	<u>184,577</u>	<u>\$ 1,094,108</u>
Beginning fund balance			<u>4,079,260</u>	
<b>Ending Fund Balance</b>			<u>\$ 4,263,837</u>	

Notes to Required Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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# CITY OF WEST UNIVERSITY PLACE, TEXAS

## SCHEDULE OF FUNDING PROGRESS

### TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended December 31, 2012

The City's annual covered payroll and pension costs are actuarially valued on a calendar year basis. The information presented below represents the City's schedule of funding progress.

Fiscal Year	2012	2011	2010
Actuarial Valuation Date	12/31/2011	12/31/2010	12/31/2009
Actuarial Value of Assets	\$ 31,698,316	\$ 29,734,410	\$ 17,408,411
Actuarial Accrued Liability	\$ 35,814,690	\$ 34,703,943	\$ 24,892,439
Percentage Funded	88.5%	85.7%	69.9%
Unfunded Actuarial			
Accrued Liability (UAAL)	\$ 4,116,374	\$ 4,969,533	\$ 7,484,028
Annual Covered Payroll	\$ 7,484,612	\$ 7,764,415	\$ 6,929,774
UAAL % of Covered Payroll	55.0%	64.0%	108.0%
Net Pension Obligation (NPO)			
at the Beginning of Period	\$ 1,085,751	\$ 572,381	\$ 270,260
Annual Pension Cost (APC)	805,776	1,671,988	1,761,054
Contributions Made	795,106	1,158,618	1,458,933
<b>NPO at the End of Period</b>	<b>\$ 1,096,421</b>	<b>\$ 1,085,751</b>	<b>\$ 572,381</b>

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# CITY OF WEST UNIVERSITY PLACE, TEXAS

## SCHEDULE OF FUNDING PROGRESS

### POST EMPLOYMENT HEALTHCARE BENEFITS

For the Year Ended December 31, 2012

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit Credit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll [(b-a)/c]
12/31/07	\$ -	\$ 2,875,330	\$ 2,875,330	0.0%	\$ 6,848,075	42.0%
12/31/09	\$ -	\$ 3,300,494	\$ 3,300,494	0.0%	\$ 6,848,075	48.2%
12/31/11	\$ -	\$ 3,349,018	\$ 3,349,018	0.0%	\$ 7,484,612	44.7%

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***COMBINING STATEMENTS  
AND SCHEDULES***

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**CITY OF WEST UNIVERSITY PLACE, TEXAS**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE - BUDGET AND ACTUAL**  
**DEBT SERVICE FUND**

For the Year Ended December 31, 2012

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>				
Ad valorem taxes	\$ 7,730,100	\$ 7,730,100	\$ 7,705,438	\$ (24,662)
Investment earnings	2,000	2,000	2,062	62
<b>Total Revenues</b>	7,732,100	7,732,100	7,707,500	(24,600)
<b>Expenditures</b>				
Debt service:				
Principal	5,170,000	5,305,000	5,305,000	-
Interest and fiscal agent fees	3,122,100	3,122,100	3,015,941	106,159
Advance refunding escrow	-	100,000	100,000	-
<b>Total Expenditures</b>	8,292,100	8,527,100	8,420,941	106,159
<b>(Deficiency) of Revenues (Under) Expenditures</b>	(560,000)	(795,000)	(713,441)	81,559
<b>Other Financing Sources (Uses)</b>				
Transfers in	301,850	301,850	301,848	(2)
Debt issued	-	8,555,000	8,555,000	-
Premium on bonds issued	-	282,219	282,219	-
Payment to refunded bond escrow agent	-	(8,676,911)	(8,676,911)	-
<b>Total Other Financing Sources (Uses)</b>	301,850	462,158	462,156	(2)
<b>Net Change in Fund Balance</b>	\$ (258,150)	\$ (332,842)	(251,285)	\$ 81,557
Beginning fund balance			446,094	
<b>Ending Fund Balance</b>			\$ 194,809	

Notes to Supplementary Information:

1. Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

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# **CITY OF WEST UNIVERSITY PLACE, TEXAS**

## **NONMAJOR GOVERNMENTAL FUNDS**

December 31, 2012

### **SPECIAL REVENUE FUNDS**

**Special Revenue Funds** are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

#### **Parks Fund**

This fund is used to account for donations made by citizens for the specific purpose of improving the City's parks.

#### **Friends of West University Parks Fund**

This fund accounts for the financial activity of the Friends of West University Parks. This fund's revenues are restricted to use in improving the City's parks.

#### **Tree Replacement Fund**

This fund is used to account for permits and fines collected to replace trees within the City.

#### **Court Technology Fund**

This fund is used to account for a portion of traffic fines revenue set aside to acquire technology for the municipal court.

#### **METRO Grant Fund**

This fund is used to account for the proceeds of a multi-year transportation grant from METRO.

#### **Emergency Grant Fund**

This fund is used to account for the proceeds for disaster reimbursement.

### **CAPITAL PROJECTS FUNDS**

**Capital Projects Funds** are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets.

#### **Capital Projects Fund**

This fund is used to account for a wide range of construction projects and the acquisition of very costly capital equipment.

#### **Capital Reserve Fund**

This fund is used to hold reserve funds to be spent on capital construction projects in the future.

#### **Infrastructure Replacement Fund**

This fund is used to account for the cost and financing of maintenance projects to improve infrastructure within the City.

#### **Sidewalk Construction Fund**

This fund is used to account for the cost and financing of a major project to improve City sidewalks.

#### **City Hall/Public Safety Expansion Fund**

This fund is used to account for the certificates of obligation designated to expand and remodel the public safety facilities and certain parts of City Hall.

#### **Drainage Improvement Fund**

This fund is used to account for the cost and financing of a major project to improve City drainage.

#### **Recreation Facilities Fund**

This fund is used to account for bonds issued to finance the construction of new recreation facilities.

#### **2010A Certificates of Obligation**

This fund is used to account for bonds issued to finance the construction of the City hall and police department expansion project.

#### **2011 Certificates of Obligation**

This fund is used to account for bonds issued to finance the construction for the College Street Transportation Drainage Project.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)

December 31, 2012

	Special Revenue Funds			
	Parks	Friends of the Parks	Tree Replacement	Court Technology
<b><u>Assets</u></b>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 17,075	\$ 614,865	\$ 96,458	\$ 43,676
Accounts receivable	-	-	-	-
Inventory	-	2,372	-	-
<b>Total Assets</b>	<b>\$ 17,075</b>	<b>\$ 617,237</b>	<b>\$ 96,458</b>	<b>\$ 43,676</b>
<b><u>Liabilities and Fund Balances</u></b>				
Liabilities:				
Accounts payable	\$ 258	\$ -	\$ -	\$ 4,675
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>258</b>	<b>-</b>	<b>-</b>	<b>4,675</b>
Fund balances:				
Nonspendable:				
Inventory	-	2,372	-	-
Restricted for:				
Enabling legislation	-	-	-	39,001
Capital projects	-	-	-	-
City parks	16,817	614,865	-	-
METRO	-	-	-	-
Assigned to:				
Special revenue funds	-	-	96,458	-
Capital projects funds	-	-	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>16,817</b>	<b>617,237</b>	<b>96,458</b>	<b>39,001</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 17,075</b>	<b>\$ 617,237</b>	<b>\$ 96,458</b>	<b>\$ 43,676</b>

Special Revenue Funds		Capital Projects Funds			
METRO Grant	Emergency Grant	Capital Projects	Capital Reserve	Infrastructure Replacement	Sidewalk Construction
\$ 381,055	\$ 71,339	\$ 27,264	\$ 367,070	\$ -	\$ -
-	19,498	-	-	-	-
-	-	-	-	-	-
<u>\$ 381,055</u>	<u>\$ 90,837</u>	<u>\$ 27,264</u>	<u>\$ 367,070</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	110,998	-	-	-	-
-	110,998	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
381,055	-	-	-	-	-
-	-	-	-	-	-
-	-	27,264	367,070	-	-
-	(20,161)	-	-	-	-
<u>381,055</u>	<u>(20,161)</u>	<u>27,264</u>	<u>367,070</u>	<u>-</u>	<u>-</u>
<u>\$ 381,055</u>	<u>\$ 90,837</u>	<u>\$ 27,264</u>	<u>\$ 367,070</u>	<u>\$ -</u>	<u>\$ -</u>

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## COMBINING BALANCE SHEET

### NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)

December 31, 2012

#### Capital Projects Funds

	City Hall/Public Safety Expansion	Drainage Improvement	Recreation Facilities	2010A Certificates of Obligation
<b>Assets</b>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 35,123	\$ 244,674	\$ -	\$ -
Accounts receivable	-	-	-	-
Inventory	-	-	-	-
<b>Total Assets</b>	<b>\$ 35,123</b>	<b>\$ 244,674</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ -	\$ 1,006	\$ -	\$ -
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>-</b>	<b>1,006</b>	<b>-</b>	<b>-</b>
Fund balances:				
Nonspendable:				
Inventory	-	-	-	-
Restricted for:				
Enabling legislation	-	-	-	-
Capital projects	35,123	-	-	-
City parks	-	-	-	-
METRO	-	-	-	-
Assigned to:				
Special revenue funds	-	-	-	-
Capital projects funds	-	243,668	-	-
Unassigned	-	-	-	-
<b>Total Fund Balances</b>	<b>35,123</b>	<b>243,668</b>	<b>-</b>	<b>-</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 35,123</b>	<b>\$ 244,674</b>	<b>\$ -</b>	<b>\$ -</b>

<u>Capital Projects Funds 2011 Certificates of Obligation</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 883,772	\$ 2,782,371
-	19,498
-	2,372
\$ 883,772	\$ 2,804,241
\$ -	\$ 5,939
-	110,998
-	116,937
-	2,372
-	39,001
883,772	918,895
-	631,682
-	381,055
-	96,458
-	638,002
-	(20,161)
883,772	2,687,304
\$ 883,772	\$ 2,804,241

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS (Page 1 of 2)

For the Year Ended December 31, 2012

	Special Revenue Funds			
	Parks	Friends of the Parks	Tree Replacement	Court Technology
<b>Revenues</b>				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ 10,777
Permits, licenses, and fees	-	-	44,863	-
Intergovernmental	-	-	-	-
Contributions	6,138	598,620	-	-
Investment earnings	41	503	202	116
<b>Total Revenues</b>	<b>6,179</b>	<b>599,123</b>	<b>45,065</b>	<b>10,893</b>
<b>Expenditures</b>				
Current:				
General government	3,589	-	-	-
Public service	-	241,538	17,213	-
Debt service:				
Bond issuance costs	-	-	-	-
Capital outlay	-	-	-	15,241
<b>Total Expenditures</b>	<b>3,589</b>	<b>241,538</b>	<b>17,213</b>	<b>15,241</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>2,590</b>	<b>357,585</b>	<b>27,852</b>	<b>(4,348)</b>
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>2,590</b>	<b>357,585</b>	<b>27,852</b>	<b>(4,348)</b>
Beginning fund balances	14,227	259,652	68,606	43,349
<b>Ending Fund Balances</b>	<b>\$ 16,817</b>	<b>\$ 617,237</b>	<b>\$ 96,458</b>	<b>\$ 39,001</b>

Special Revenue Funds		Capital Projects Funds			
METRO Grant	Emergency Grant	Capital Projects	Capital Reserve	Infrastructure Replacement	Sidewalk Construction
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
259,000	-	41,048	-	-	-
-	-	-	-	-	-
462	182	324	564	-	3
<u>259,462</u>	<u>182</u>	<u>41,372</u>	<u>564</u>	<u>-</u>	<u>3</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	39,435	7,579	-	-
-	-	39,435	7,579	-	-
<u>259,462</u>	<u>182</u>	<u>1,937</u>	<u>(7,015)</u>	<u>-</u>	<u>3</u>
-	-	-	266,090	-	-
-	-	-	-	(7)	(2,188)
-	-	-	266,090	(7)	(2,188)
259,462	182	1,937	259,075	(7)	(2,185)
121,593	(20,343)	25,327	107,995	7	2,185
<u>\$ 381,055</u>	<u>\$ (20,161)</u>	<u>\$ 27,264</u>	<u>\$ 367,070</u>	<u>\$ -</u>	<u>\$ -</u>

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

NONMAJOR GOVERNMENTAL FUNDS (Page 2 of 2)

For the Year Ended December 31, 2012

	Capital Projects Funds			
	City Hall/Public Safety Expansion	Drainage Improvement	Recreation Facilities	2010A Certificates of Obligation
<b>Revenues</b>				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ -
Permits, licenses, and fees	-	-	-	-
Intergovernmental	-	-	-	-
Contributions	-	-	-	-
Investment earnings	2	824	20	-
<b>Total Revenues</b>	2	824	20	-
<b>Expenditures</b>				
Current:				
General government	-	-	-	-
Public service	-	-	-	-
Debt service:				
Bond issuance costs	-	-	-	-
Capital outlay	70,796	81,611	-	-
<b>Total Expenditures</b>	70,796	81,611	-	-
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(70,794)	(80,787)	20	-
<b>Other Financing Sources (Uses)</b>				
Transfers in	-	-	-	-
Transfers (out)	-	-	(20,108)	(108)
<b>Total Other Financing Sources (Uses)</b>	-	-	(20,108)	(108)
<b>Net Change in Fund Balances</b>	(70,794)	(80,787)	(20,088)	(108)
Beginning fund balances	105,917	324,455	20,088	108
<b>Ending Fund Balances</b>	\$ 35,123	\$ 243,668	\$ -	\$ -

<u>Capital Projects Funds 2011 Certificates of Obligation</u>	<u>Total Nonmajor Governmental Funds</u>
\$ -	\$ 10,777
-	44,863
-	300,048
-	604,758
2,251	5,494
2,251	965,940
-	3,589
-	258,751
-	-
-	214,662
-	477,002
2,251	488,938
-	266,090
-	(22,411)
-	243,679
2,251	732,617
881,521	1,954,687
\$ 883,772	\$ 2,687,304

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

### IN FUND BALANCES - BUDGET AND ACTUAL

#### NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2012

		Parks			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>					
Contributions		\$ -	\$ -	\$ 6,138	\$ 6,138
Investment earnings		-	-	41	41
	<b>Total Revenues</b>	-	-	6,179	6,179
<b><u>Expenditures</u></b>					
General government		5,000	5,000	3,589	1,411
	<b>Total Expenditures</b>	5,000	5,000	3,589	1,411
	<b>Net Change in Fund Balance</b>	\$ (5,000)	\$ (5,000)	2,590	\$ 7,590
	Beginning fund balance			14,227	
	<b>Ending Fund Balance</b>			\$ 16,817	

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

### IN FUND BALANCES - BUDGET AND ACTUAL

#### NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2012

		Tree Replacement			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues</b>					
	Permits, licenses, and fees	\$ 8,000	\$ 8,000	44,863	\$ 36,863
	Investment earnings	-	-	202	202
	<b>Total Revenues</b>	8,000	8,000	45,065	37,065
<b>Expenditures</b>					
	Public services	40,000	40,000	17,213	22,787
	<b>Total Expenditures</b>	40,000	40,000	17,213	22,787
	<b>Net Change in Fund Balance</b>	\$ (32,000)	\$ (32,000)	27,852	\$ 59,852
	Beginning fund balance			68,606	
	<b>Ending Fund Balance</b>			\$ 96,458	

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

### IN FUND BALANCES - BUDGET AND ACTUAL

#### NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2012

		Court Technology			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b><u>Revenues</u></b>					
	Fines and forfeitures	\$ 19,000	\$ 19,000	\$ 10,777	\$ (8,223)
	Investment earnings	-	-	116	116
	<b>Total Revenues</b>	19,000	19,000	10,893	(8,107)
<b><u>Expenditures</u></b>					
	Capital outlay	30,000	30,000	15,241	14,759
	<b>Total Expenditures</b>	30,000	30,000	15,241	14,759
	<b>Net Change in Fund Balance</b>	\$ (11,000)	\$ (11,000)	(4,348)	\$ 6,652
	Beginning fund balance			43,349	
	<b>Ending Fund Balance</b>			\$ 39,001	

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES

### IN FUND BALANCES - BUDGET AND ACTUAL

#### NONMAJOR SPECIAL REVENUE FUNDS

For the Year Ended December 31, 2012

				METRO Grant
				Variance with
				Final Budget
				Positive
				(Negative)
<u>Revenues</u>	Original Budget Amounts	Final Budget Amounts	Actual Amounts	
Intergovernmental	\$ 259,000	\$ 259,000	\$ 259,000	\$ -
Investment earnings	-	-	462	462
<b>Total Revenues</b>	259,000	259,000	259,462	462
<u>Other Financing (Uses)</u>				
Transfers (out)	(380,500)	(380,500)	-	380,500
<b>Total Other Financing (Uses)</b>	(380,500)	(380,500)	-	380,500
<b>Net Change in Fund Balance</b>	\$ (121,500)	\$ (121,500)	259,462	\$ 380,962
Beginning fund balance			121,593	
<b>Ending Fund Balance</b>			\$ 381,055	

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# **CITY OF WEST UNIVERSITY PLACE, TEXAS**

## ***INTERNAL SERVICE FUNDS***

December 31, 2012

### **Vehicle Replacement Fund**

Formerly called Equipment Replacement Fund, this internal service fund is used to account for vehicle replacement and maintenance services to departments or agencies of the City on a cost reimbursement basis.

### **Equipment Replacement Fund**

This internal service fund is used to account for equipment replacement and maintenance services to departments or agencies of the City on a cost reimbursement basis.

### **Healthcare Benefits Fund**

This internal service fund is used to account for the costs associated with health benefits to departments or agencies of the City on a cost reimbursement basis, as well as costs associated with retiring and separating employees.

### **Technology Management Fund**

This internal service fund is used to account for the costs associated with technology management services to departments or agencies of the City on a cost reimbursement basis.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## COMBINING STATEMENT OF NET POSITION

### INTERNAL SERVICE FUNDS

December 31, 2012

	Vehicle* Replacement	Equipment Replacement	Healthcare Benefits	Technology Management
<b><u>Assets</u></b>				
Current assets:				
Equity in pooled cash and investments	\$ 934,883	\$ 60,078	\$ -	\$ 26,034
Receivables	-	-	29,838	-
Prepaid costs	-	-	74,192	13,795
<b>Total Current Assets</b>	934,883	60,078	104,030	39,829
Noncurrent assets:				
Capital assets:				
Machinery and equipment	2,646,381	-	-	-
Less: accumulated depreciation	(1,858,371)	-	-	-
<b>Total Capital Assets (Net of Accumulated Depreciation)</b>	788,010	-	-	-
<b>Total Noncurrent Assets</b>	788,010	-	-	-
<b>Total Assets</b>	1,722,893	60,078	104,030	39,829
<b><u>Liabilities</u></b>				
Current liabilities:				
Accounts payable	67,301	-	16,764	21,469
Due to other funds	-	-	247,720	8,704
<b>Total Current Liabilities</b>	67,301	-	264,484	30,173
<b>Total Liabilities</b>	67,301	-	264,484	30,173
<b><u>Net Position</u></b>				
Net investment in capital assets	788,010	-	-	-
Unrestricted	867,582	60,078	(160,454)	9,656
<b>Total Net Position</b>	\$ 1,655,592	\$ 60,078	\$ (160,454)	\$ 9,656

\*Formerly called Equipment Replacement Fund

**Total  
Internal  
Service Funds**

---

\$ 1,020,995  
29,838  

---

87,987  

---

1,138,820

2,646,381  

---

(1,858,371)  

---

788,010  

---

788,010  

---

1,926,830

105,534  

---

256,424  

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361,958  

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361,958

788,010  

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776,862

**\$ 1,564,872**

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# CITY OF WEST UNIVERSITY PLACE, TEXAS

## COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2012

	Vehicle* Replacement	Equipment Replacement	Healthcare Benefits	Technology Management
<b><u>Operating Revenues</u></b>				
Charges for sales and services	\$ 438,612	\$ -	\$ 1,907,913	\$ 191,400
<b>Total Operating Revenues</b>	438,612	-	1,907,913	191,400
<b><u>Operating Expenses</u></b>				
Repairs and maintenance	13,089	-	-	47,646
Costs of sales and services	-	-	1,770,270	1,264,755
Depreciation	229,061	-	-	-
<b>Total Operating Expenses</b>	242,150	-	1,770,270	1,312,401
<b>Operating Income (Loss)</b>	196,462	-	137,643	(1,121,001)
<b><u>Nonoperating Revenues (Expenses)</u></b>				
Investment earnings	2,065	78	-	92
Gain on sale of capital assets	427	-	-	-
<b>Total Nonoperating Revenues</b>	2,492	78	-	92
<b>Income (Loss) Before Transfers</b>	198,954	78	137,643	(1,120,909)
Transfers in	2,700	60,000	-	1,093,795
Transfers (out)	-	-	-	(2,700)
<b>Change in Net Position</b>	201,654	60,078	137,643	(29,814)
Beginning net position	1,453,938	-	(298,097)	39,470
<b>Ending Net Position</b>	\$ 1,655,592	\$ 60,078	\$ (160,454)	\$ 9,656

\*Formerly called Equipment Replacement Fund

**Total  
Internal  
Service Funds**

\$ 2,537,925  
2,537,925

60,735  
3,035,025  
229,061  
3,324,821

(786,896)

2,235  
427  
2,662

(784,234)

1,156,495  
(2,700)

369,561

1,195,311

\$ 1,564,872

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## COMBINING STATEMENT OF CASH FLOWS

### INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2012

	Vehicle* Replacement	Equipment Replacement	Healthcare Benefits	Technology Management
<b><u>Cash Flows from Operating Activities</u></b>				
Receipts from customers and users	\$ 447,910	\$ -	\$ 1,878,075	\$ 191,400
Payments to suppliers	48,603	-	(1,878,075)	(1,347,874)
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>496,513</b>	<b>-</b>	<b>-</b>	<b>(1,156,474)</b>
<b><u>Cash Flows from Noncapital Financing Activities</u></b>				
Transfers in	2,700	60,000	-	1,093,795
Transfers (out)	-	-	-	(2,700)
<b>Net Cash Provided by Noncapital Financial Activities</b>	<b>2,700</b>	<b>60,000</b>	<b>-</b>	<b>1,091,095</b>
<b><u>Cash Flows from Capital and Related Financing Activities</u></b>				
Acquisition and construction of capital assets	(258,739)	-	-	-
Proceeds from sale of capital assets	427	-	-	-
<b>Net Cash (Used) by Capital and Related Financing Activities</b>	<b>(258,312)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b><u>Cash Flows from Investing Activities</u></b>				
Interest received	2,065	78	-	92
<b>Net Cash Provided by Investing Activities</b>	<b>2,065</b>	<b>78</b>	<b>-</b>	<b>92</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	242,966	60,078	-	(65,287)
Beginning cash and cash equivalents	691,917	-	-	91,321
<b>Ending Cash and Cash Equivalents</b>	<b>\$ 934,883</b>	<b>\$ 60,078</b>	<b>\$ -</b>	<b>\$ 26,034</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</b>				
Operating income (loss)	\$ 196,462	\$ -	\$ 137,643	\$ (1,121,001)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	229,061	-	-	-
<b>Changes in Operating Assets and Liabilities:</b>				
<b>(Increase) Decrease in Current Assets:</b>				
Receivables	9,298	-	(29,838)	-
Prepaid costs	-	-	(9,888)	(13,795)
<b>Increase (Decrease) in Current Liabilities:</b>				
Accounts payable	61,692	-	640	(21,678)
Due to other funds	-	-	(98,557)	-
<b>Net Cash Provided (Used) by Operating Activities</b>	<b>\$ 496,513</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (1,156,474)</b>

\*Formerly called Equipment Replacement Fund

**Total  
Internal  
Service Funds**

\$ 2,517,385  
(3,177,346)

(659,961)

1,156,495  
(2,700)

1,153,795

(258,739)  
427

(258,312)

2,235  
2,235

237,757  
783,238  
\$ 1,020,995

\$ (786,896)

229,061

(20,540)  
(23,683)

40,654  
(98,557)

\$ (659,961)

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## *STATISTICAL SECTION*

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

<b>Contents</b>	<b>Page</b>
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Financial Trends	108
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*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	120
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*These schedules contain information to help the reader assess the City’s most significant local revenue source, property tax.*

Debt Capacity	130
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*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	140
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*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	144
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*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.*

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## NET POSITION BY COMPONENT

Last Ten Years

(accrual basis of accounting)

	Year			
	2003	2004	2005	2006
<b>Governmental Activities</b>				
Net investment in capital assets	\$ 7,811,571	\$ 8,838,382	\$ 2,285,217	\$ 11,786,607
Restricted	305,496	363,478	8,533,406	3,605,569
Unrestricted	2,139,980	2,435,721	3,003,540	3,976,998
<b>Total Governmental Activities Net Position</b>	<b>\$ 10,257,047</b>	<b>\$ 11,637,581</b>	<b>\$ 13,822,163</b>	<b>\$ 19,369,174</b>
<b>Business-Type Activities</b>				
Net investment in capital assets	\$ 22,140,957	\$ 22,647,508	\$ 21,776,495	\$ 20,924,046
Restricted	1,180,254	1,532,649	622,627	813,673
Unrestricted	(486,050)	(331,015)	894,473	525,387
<b>Total Business-Type Activities Net Position</b>	<b>\$ 22,835,161</b>	<b>\$ 23,849,142</b>	<b>\$ 23,293,595</b>	<b>\$ 22,263,106</b>
<b>Primary Government</b>				
Net investment in capital assets	\$ 29,952,528	\$ 31,485,890	\$ 24,061,712	\$ 32,710,653
Restricted	1,485,750	1,896,127	9,156,033	4,419,242
Unrestricted	1,653,930	2,104,706	3,898,013	4,502,385
<b>Total Primary Government Net Position</b>	<b>\$ 33,092,208</b>	<b>\$ 35,486,723</b>	<b>\$ 37,115,758</b>	<b>\$ 41,632,280</b>

\*Restated balances

Year

2007	2008	2009	2010	2011*	2012
\$ 17,515,320	\$ 24,421,719	\$ 32,145,988	\$ 25,112,652	\$ 30,510,547	\$ 31,464,253
4,491,985	6,470,948	2,466,227	1,977,589	1,315,036	2,165,442
2,566,351	1,910,197	1,262,360	5,341,671	872,283	2,003,449
<u>\$ 24,573,656</u>	<u>\$ 32,802,864</u>	<u>\$ 35,874,575</u>	<u>\$ 32,431,912</u>	<u>\$ 32,697,866</u>	<u>\$ 35,633,144</u>
\$ 19,768,267	\$ 18,512,926	\$ 17,662,268	\$ 22,196,178	\$ 21,612,826	\$ 21,320,705
1,186,557	715,000	745,000	785,000	720,000	645,000
186,418	1,640,695	1,841,953	2,343,524	4,000,276	3,965,913
<u>\$ 21,141,242</u>	<u>\$ 20,868,621</u>	<u>\$ 20,249,221</u>	<u>\$ 25,324,702</u>	<u>\$ 26,333,102</u>	<u>\$ 25,931,618</u>
\$ 37,283,587	\$ 42,934,645	\$ 49,808,256	\$ 47,308,830	\$ 52,123,373	\$ 52,784,958
5,678,542	7,185,948	3,211,227	2,762,589	2,035,036	2,810,442
2,752,769	3,550,892	3,104,313	7,685,195	4,872,559	5,969,362
<u>\$ 45,714,898</u>	<u>\$ 53,671,485</u>	<u>\$ 56,123,796</u>	<u>\$ 57,756,614</u>	<u>\$ 59,030,968</u>	<u>\$ 61,564,762</u>

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## CHANGES IN NET POSITION

Last Ten Years

(accrual basis of accounting)

	Year			
	2003	2004	2005	2006
<b>Expenses</b>				
Governmental activities				
General government	\$ 2,070,377	\$ 2,405,983	\$ 2,594,417	\$ 2,706,514
Public safety	4,816,966	4,826,905	5,109,968	5,187,464
Public works	2,554,406	2,587,621	3,073,735	2,654,368
Public services	1,148,718	1,368,549	1,840,117	1,874,113
Interest and fiscal agent fees on long-term debt	3,820,949	3,377,944	3,501,076	2,984,308
<b>Total Governmental Activities Expenses</b>	<u>14,411,416</u>	<u>14,567,002</u>	<u>16,119,313</u>	<u>15,406,767</u>
Business-type activities				
Water and sewer	4,567,117	4,844,930	5,083,562	5,084,326
Solid waste	798,759	676,448	850,366	844,754
<b>Total Business-Type Activities Expenses</b>	<u>5,365,876</u>	<u>5,521,378</u>	<u>5,933,928</u>	<u>5,929,080</u>
<b>Total Expenses</b>	<u>\$ 19,777,292</u>	<u>\$ 20,088,380</u>	<u>\$ 22,053,241</u>	<u>\$ 21,335,847</u>
<b>Program Revenues</b>				
Governmental activities				
Charges for services				
General government	\$ 428,859	\$ 551,379	\$ 1,530,847	\$ 1,260,376
Public safety	710,560	530,266	186,844	267,609
Public services	651,351	696,804	597,910	580,297
Operating grants and contributions	236,989	342,450	16,915	259,000
Capital grants and contributions	261,976	1,270,704	370,864	-
<b>Total Governmental Activities Program Revenues</b>	<u>2,289,735</u>	<u>3,391,603</u>	<u>2,703,380</u>	<u>2,367,282</u>
Business-type activities				
Charges for services				
Water and sewer	3,106,875	4,201,687	5,084,828	4,795,073
Solid waste	1,048,171	1,103,485	926,132	944,897
<b>Total Business-Type Activities Program Revenues</b>	<u>4,155,046</u>	<u>5,305,172</u>	<u>6,010,960</u>	<u>5,739,970</u>
<b>Total Program Revenues</b>	<u>\$ 6,444,781</u>	<u>\$ 8,696,775</u>	<u>\$ 8,714,340</u>	<u>\$ 8,107,252</u>
<b>Net (Expense)/Revenue</b>				
Governmental activities	\$ (12,121,681)	\$ (11,175,399)	\$ (13,415,933)	\$ (13,039,485)
Business-type activities	(1,210,830)	(216,206)	77,032	(189,110)
<b>Total Net Expense</b>	<u>\$ (13,332,511)</u>	<u>\$ (11,391,605)</u>	<u>\$ (13,338,901)</u>	<u>\$ (13,228,595)</u>

Year					
2007	2008	2009	2010	2011	2012
\$ 4,552,568	\$ 2,387,061	\$ 2,841,391	\$ 3,150,380	\$ 2,785,502	\$ 3,208,930
4,904,003	5,593,513	6,217,723	6,287,887	5,870,061	6,211,784
3,288,626	2,925,781	4,046,079	4,549,951	5,176,660	4,240,301
1,972,400	3,894,834	4,421,189	2,734,441	3,858,501	4,158,008
3,169,545	3,195,884	2,860,685	3,453,311	3,351,762	2,633,700
<u>17,887,142</u>	<u>17,997,073</u>	<u>20,387,067</u>	<u>20,175,970</u>	<u>21,042,486</u>	<u>20,452,723</u>
5,297,894	5,752,744	5,686,180	5,415,974	6,927,509	6,409,131
918,984	996,582	1,161,724	1,111,560	1,322,082	1,427,997
6,216,878	6,749,326	6,847,904	6,527,534	8,249,591	7,837,128
<u>\$ 24,104,020</u>	<u>\$ 24,746,399</u>	<u>\$ 27,234,971</u>	<u>\$ 26,703,504</u>	<u>\$ 29,292,077</u>	<u>\$ 28,289,851</u>
\$ 3,523,007	\$ -	\$ -	\$ -	\$ -	\$ -
196,070	817,411	525,650	734,150	743,486	818,182
580,869	1,402,881	4,237,581	1,656,098	1,785,518	2,160,728
843,941	1,675,641	360,310	263,780	259,000	300,048
-	5,291,500	134,821	369,316	360,741	604,758
<u>5,143,887</u>	<u>9,187,433</u>	<u>5,258,362</u>	<u>3,023,344</u>	<u>3,148,745</u>	<u>3,883,716</u>
4,702,577	5,912,369	6,151,138	5,917,931	8,986,444	7,777,386
930,705	1,452,975	1,096,652	1,486,413	1,787,636	1,512,079
5,633,282	7,365,344	7,247,790	7,404,344	10,774,080	9,289,465
<u>\$ 10,777,169</u>	<u>\$ 16,552,777</u>	<u>\$ 12,506,152</u>	<u>\$ 10,427,688</u>	<u>\$ 13,922,825</u>	<u>\$ 13,173,181</u>
\$ (12,743,255)	\$ (8,809,640)	\$ (15,128,705)	\$ (17,152,626)	\$ (17,893,741)	\$ (16,569,007)
(583,596)	616,018	399,886	876,810	2,524,489	1,452,337
<u>\$ (13,326,851)</u>	<u>\$ (8,193,622)</u>	<u>\$ (14,728,819)</u>	<u>\$ (16,275,816)</u>	<u>\$ (15,369,252)</u>	<u>\$ (15,116,670)</u>

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## CHANGES IN NET POSITION (Continued)

Last Ten Years  
(accrual basis of accounting)

	Year			
	2003	2004	2005	2006
<b>General Revenues and Other Changes in Net Position</b>				
Governmental activities				
Taxes				
Ad valorem taxes, levied for general purposes	\$ 4,765,758	\$ 5,134,667	\$ 5,337,999	\$ 5,888,180
Ad valorem taxes, levied for debt service	6,011,109	6,536,129	6,794,959	6,748,355
Sales taxes	758,947	683,572	745,716	1,028,946
Franchise and local taxes	873,649	872,221	913,998	1,000,930
Other taxes	18,343	16,021	15,460	14,795
Contributions	-	-	268,081	326,656
Investment earnings	515,414	338,969	458,208	695,749
Other revenues	159,582	197,645	222,044	1,828,944
Gain (loss) on sale of capital assets	-	-	(25,950)	-
(Loss) on sale of asset held for resale	-	-	-	-
Transfers	(2,914,442)	(1,223,291)	870,000	1,053,941
<b>Total Governmental Activities</b>	<u>10,188,360</u>	<u>12,555,933</u>	<u>15,600,515</u>	<u>18,586,496</u>
Business-type activities				
Investment earnings	10,280	6,896	21,374	72,757
Other revenues	-	-	216,047	139,805
Transfers	2,914,442	1,223,291	(870,000)	(1,053,941)
<b>Total Business-Type Activities</b>	<u>2,924,722</u>	<u>1,230,187</u>	<u>(632,579)</u>	<u>(841,379)</u>
<b>Total Primary Government</b>	<u>\$ 13,113,082</u>	<u>\$ 13,786,120</u>	<u>\$ 14,967,936</u>	<u>\$ 17,745,117</u>
<b>Change in Net Position</b>				
Governmental activities	\$ (1,933,321)	\$ 1,380,534	\$ 2,184,582	\$ 5,547,011
Business-type activities	1,713,892	1,013,981	(555,547)	(1,030,489)
<b>Total Change in Net Position</b>	<u>\$ (219,429)</u>	<u>\$ 2,394,515</u>	<u>\$ 1,629,035</u>	<u>\$ 4,516,522</u>

		Year									
		2007	2008	2009	2010	2011	2012				
\$	6,219,953	\$	6,487,224	\$	7,319,407	\$	8,004,202	\$	7,962,210	\$	7,527,047
	6,738,071		6,300,879		6,756,375		7,098,065		7,360,224		7,713,377
	1,026,948		1,042,096		946,726		1,050,079		997,318		1,003,897
	933,834		1,312,260		1,162,420		1,207,429		1,148,390		1,142,265
	15,010		15,643		12,485		11,144		8,994		9,685
	891,760		257,869		306,410		-		-		-
	622,787		394,218		210,481		73,035		33,333		27,270
	254,997		288,659		446,112		424,381		347,242		286,619
	-		-		-		32,466		10,686		427
	-		-		-		-		-		(68,150)
	940,000		940,000		1,040,000		(4,190,838)		1,517,223		1,861,848
	<u>17,643,360</u>		<u>17,038,848</u>		<u>18,200,416</u>		<u>13,709,963</u>		<u>19,385,620</u>		<u>19,504,285</u>
	39,173		51,361		20,715		7,833		8,369		8,027
	362,559		-		-		-		-		-
	<u>(940,000)</u>		<u>(940,000)</u>		<u>(1,040,000)</u>		<u>4,190,838</u>		<u>(1,517,223)</u>		<u>(1,861,848)</u>
	<u>(538,268)</u>		<u>(888,639)</u>		<u>(1,019,285)</u>		<u>4,198,671</u>		<u>(1,508,854)</u>		<u>(1,853,821)</u>
\$	<u>17,105,092</u>	\$	<u>16,150,209</u>	\$	<u>17,181,131</u>	\$	<u>17,908,634</u>	\$	<u>17,876,766</u>	\$	<u>17,650,464</u>
\$	4,900,105	\$	8,229,208	\$	3,071,711	\$	(3,442,663)	\$	1,491,879	\$	2,935,278
	<u>(1,121,864)</u>		<u>(272,621)</u>		<u>(619,399)</u>		<u>5,075,481</u>		<u>1,015,635</u>		<u>(401,484)</u>
\$	<u>3,778,241</u>	\$	<u>7,956,587</u>	\$	<u>2,452,312</u>	\$	<u>1,632,818</u>	\$	<u>2,507,514</u>	\$	<u>2,533,794</u>

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES

Last Ten Years  
(accrual basis of accounting)

Function	Year			
	2003	2004	2005	2006
Property	\$ 11,481,442	\$ 11,670,796	\$ 12,132,958	\$ 12,636,535
Sales	777,290	667,552	730,156	1,028,946
Franchise fee	873,649	872,221	913,998	1,000,930
Other taxes	159,582	16,020	15,460	14,795
	<u>\$ 13,291,963</u>	<u>\$ 13,226,589</u>	<u>\$ 13,792,572</u>	<u>\$ 14,681,206</u>

Year						Change
2007	2008	2009	2010	2011	2012	2011-2012
\$ 12,958,024	\$ 12,788,103	\$ 13,462,911	\$ 15,102,267	\$ 15,322,434	\$ 15,240,424	-0.5%
1,026,948	1,042,096	11,553,199	1,050,079	997,318	1,003,897	0.7%
933,834	1,312,260	1,659,737	1,207,429	1,148,390	1,142,265	-0.5%
15,010	15,643	2,400	11,144	8,994	9,685	7.7%
<u>\$ 14,933,816</u>	<u>\$ 15,158,102</u>	<u>\$ 26,678,247</u>	<u>\$ 17,370,919</u>	<u>\$ 17,477,136</u>	<u>\$ 17,396,271</u>	-0.5%

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last Ten Years

	Year			
	2003	2004	2005	2006
<b>General Fund</b>				
Reserved	\$ 2,148,781	\$ 2,098,916	\$ 15,504	\$ 15,516
Unreserved	841,381	936,365	3,357,537	4,187,536
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total General Fund</b>	<u>\$ 2,990,162</u>	<u>\$ 3,035,281</u>	<u>\$ 3,373,041</u>	<u>\$ 4,203,052</u>
<b>All Other Governmental Funds</b>				
Reserved	\$ 656,903	\$ 782,534	\$ 998,780	\$ 1,658,449
Unreserved, reported in:				
Capital project funds	19,412,415	9,106,291	6,852,781	1,545,312
Special revenue funds	139,427	233,004	683,698	1,484,935
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
<b>Total All Other Governmental Funds</b>	<u>\$ 20,208,745</u>	<u>\$ 10,121,829</u>	<u>\$ 8,535,259</u>	<u>\$ 4,688,696</u>

(1) GASB Statement No. 54 requirement for statistical data is ten years with retroactive implementation encouraged; only two fiscal years are available at this time. The City chose not to restate 2003 to 2010.

Year					
2007	2008	2009	2010	2011	2012
\$ 429,437	\$ 430,797	\$ 444,508	\$ 561,038	\$ -	\$ -
2,457,227	3,580,317	2,736,833	3,107,736	-	-
-	-	-	-	130,265	134,564
-	-	-	-	410,238	-
-	-	-	-	-	210,000
-	-	-	-	3,538,757	3,919,273
<u>\$ 2,886,664</u>	<u>\$ 4,011,114</u>	<u>\$ 3,181,341</u>	<u>\$ 3,668,774</u>	<u>\$ 4,079,260</u>	<u>\$ 4,263,837</u>
\$ 2,067,501	\$ 2,745,745	\$ 1,388,198	\$ 1,639,115	\$ -	\$ -
178,493	3,219,460	1,035,760	4,128,598	-	-
2,883,727	281,814	240,926	(20,470)	-	-
-	-	-	-	2,372	2,372
-	-	-	-	1,890,177	2,165,442
-	-	-	-	528,575	734,460
-	-	-	-	(20,343)	(20,161)
<u>\$ 5,129,721</u>	<u>\$ 6,247,019</u>	<u>\$ 2,664,884</u>	<u>\$ 5,747,243</u>	<u>\$ 2,400,781</u>	<u>\$ 2,882,113</u>

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## CHANGES IN FUND BALANCE, GOVERNMENTAL FUNDS

Last Ten Years

	Year			
	2003	2004	2005	2006
<b>Revenues</b>				
Taxes	\$ 12,416,216	\$ 13,263,355	\$ 13,803,975	\$ 14,658,182
Permits, licenses, and fees	444,886	577,164	597,910	580,297
Fines and forfeitures	243,931	193,322	186,844	267,609
Charges for services	1,086,952	974,549	1,165,967	1,260,376
Intergovernmental	307,784	1,392,662	387,779	259,000
Contributions	-	-	268,081	326,656
Investment earnings	511,267	336,967	457,078	688,893
Other revenues	387,897	451,551	212,924	1,814,311
<b>Total Revenues</b>	<u>15,398,933</u>	<u>17,189,570</u>	<u>17,080,558</u>	<u>19,855,324</u>
<b>Expenditures</b>				
General government	1,952,308	2,211,183	2,268,862	2,381,154
Public safety	4,701,684	4,616,019	4,769,582	5,028,528
Public works	1,631,434	1,642,867	1,582,592	1,557,955
Public service	1,015,026	1,255,857	1,579,982	1,712,208
Capital outlay	13,107,808	11,882,057	2,569,023	6,840,403
Debt service				
Principal	2,295,000	2,685,000	2,900,000	3,375,000
Interest	3,808,650	3,775,384	3,669,628	3,319,913
Bond issuance costs	-	-	-	-
Advance refunding escrow	-	-	-	-
<b>Total Expenditures</b>	<u>28,511,910</u>	<u>28,068,367</u>	<u>19,339,669</u>	<u>24,215,161</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	(13,112,977)	(10,878,797)	(2,259,111)	(4,359,837)
<b>Other Financing Sources (Uses)</b>				
Transfers in	631,000	837,000	1,139,000	1,540,713
Transfers out	-	-	(269,000)	(670,713)
Issuance of debt	9,918,331	-	25,075,000	473,285
Premium on debt issued	-	-	1,793,024	-
Payment to refunded bond escrow agent	-	-	(26,751,058)	-
Sale of capital assets	-	-	23,335	-
<b>Total Other Financing Sources</b>	<u>10,549,331</u>	<u>837,000</u>	<u>1,010,301</u>	<u>1,343,285</u>
<b>Net Change in Fund Balances</b>	<u>\$ (2,563,646)</u>	<u>\$ (10,041,797)</u>	<u>\$ (1,248,810)</u>	<u>\$ (3,016,552)</u>
Debt service as a percentage of noncapital expenditures	39.62%	39.91%	39.17%	38.53%

		Year									
		2007	2008	2009	2010	2011	2012				
\$	14,681,206	\$	15,471,664	\$	16,197,413	\$	17,362,337	\$	17,469,999	\$	17,380,393
	580,869		495,127		351,120		461,419		467,123		609,037
	196,070		322,284		174,530		272,731		276,363		209,145
	1,381,586		1,402,881		1,186,941		1,656,098		1,785,518		2,160,728
	843,941		6,967,141		495,131		263,780		259,000		300,048
	891,760		257,869		306,410		369,316		360,741		604,758
	602,593		379,164		205,371		71,447		31,575		25,035
	250,408		265,397		430,180		394,071		347,242		218,469
	<u>19,428,433</u>		<u>25,561,527</u>		<u>19,347,096</u>		<u>20,851,199</u>		<u>20,997,561</u>		<u>21,507,613</u>
	2,312,853		2,329,591		2,638,596		2,919,174		2,678,292		2,427,755
	4,931,044		5,242,522		6,091,415		5,956,779		5,492,793		5,615,673
	1,927,231		1,935,450		2,167,936		2,586,314		2,504,438		2,628,156
	1,785,093		3,869,698		3,803,862		2,127,336		2,336,591		2,402,878
	3,738,838		4,113,991		13,290,611		10,645,694		4,244,191		214,662
	3,612,472		3,780,922		3,969,515		3,903,250		4,671,167		5,305,000
	3,188,875		2,987,603		2,848,046		3,214,201		3,437,756		3,015,941
	-		-		226,636		419,931		141,802		-
	-		-		-		-		-		100,000
	<u>21,496,406</u>		<u>24,259,777</u>		<u>35,036,617</u>		<u>31,772,679</u>		<u>25,507,030</u>		<u>21,710,065</u>
	(2,067,973)		1,301,750		(15,689,521)		(10,921,480)		(4,509,469)		(202,452)
	4,931,336		4,618,732		4,065,742		2,017,451		3,090,405		2,127,938
	(3,991,336)		(3,678,732)		(3,075,742)		(1,350,702)		(2,542,851)		(1,419,885)
	-		-		13,035,000		24,630,000		5,700,000		8,555,000
	-		-		283,639		859,692		191,134		282,219
	-		-		(3,022,444)		(11,546,886)		(4,868,423)		(8,676,911)
	-		-		-		32,466		3,228		-
	<u>940,000</u>		<u>940,000</u>		<u>11,286,195</u>		<u>14,642,021</u>		<u>1,573,493</u>		<u>868,361</u>
\$	<u>(1,127,973)</u>	\$	<u>2,241,750</u>	\$	<u>(4,403,326)</u>	\$	<u>3,720,541</u>	\$	<u>(2,935,976)</u>	\$	<u>665,909</u>
	38.30%		33.60%		31.35%		33.69%		38.14%		39.18%

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES

Last Ten Years

(modified accrual basis of accounting)

Function	Year			
	2003	2004	2005	2006
Ad valorem	\$ 11,481,442	\$ 11,691,541	\$ 12,128,801	\$ 12,613,511
Sales	758,987	683,573	745,716	1,028,946
Franchise fee	873,649	872,221	913,998	1,000,930
Other taxes	18,303	16,020	15,460	14,796
	<u>\$ 13,132,381</u>	<u>13,263,355</u>	<u>\$ 13,803,975</u>	<u>\$ 14,658,183</u>

Year						Change
2007	2008	2009	2010	2011	2012	2011-2012
\$ 12,958,024	\$ 13,101,665	\$ 14,067,200	\$ 15,093,685	\$ 15,315,297	\$ 15,224,546	-0.6%
1,026,948	1,042,096	946,726	1,050,079	997,318	1,003,897	0.7%
933,834	1,312,260	1,162,420	1,207,429	1,148,390	1,142,265	-0.5%
15,010	15,643	12,485	11,144	8,994	9,685	7.7%
<u>\$ 14,933,816</u>	<u>\$ 15,471,664</u>	<u>\$ 16,188,831</u>	<u>\$ 17,362,337</u>	<u>\$ 17,469,999</u>	<u>\$ 17,380,393</u>	-0.5%

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

	Year			
	2003	2004	2005	2006
Residential Property	\$ 2,544,734,110	\$ 2,680,629,150	\$ 2,816,526,599	\$ 3,032,378,632
Commercial Property	52,571,420	56,271,940	79,232,269	200,638,039
<b>Less: Tax Exempt Property</b>	(79,831,440)	(80,402,800)	(128,158,556)	(238,088,255)
<b>Total Taxable Assessed Value (1)</b>	\$ 2,517,474,090	\$ 2,656,498,290	\$ 2,767,600,312	\$ 2,994,928,416
<b>Total Direct Tax Rate</b>	0.42000	0.43000	0.44670	0.43000

Source: Harris County Certified / Uncertified Tax Roll

(1) Property is assessed at actual value; therefore, the assessed values are equal to actual value.  
Tax rates are per \$100 of assessed value.

Year					
2007	2008	2009	2010	2011	2012
\$ 3,518,127,265	\$ 3,835,791,345	\$ 4,287,201,794	\$ 4,173,451,521	\$ 4,106,994,971	\$ 4,335,656,103
111,498,007	129,077,944	125,992,897	203,444,929	278,070,080	205,183,728
<u>(133,439,938)</u>	<u>(216,954,373)</u>	<u>(158,978,494)</u>	<u>(296,685,633)</u>	<u>(325,525,373)</u>	<u>(323,044,475)</u>
<u>\$ 3,496,185,334</u>	<u>\$ 3,747,914,916</u>	<u>\$ 4,254,216,197</u>	<u>\$ 4,080,210,817</u>	<u>\$ 4,059,539,678</u>	<u>\$ 4,217,795,356</u>
0.36600	0.35900	0.35875	0.37411	0.37411	0.37411

**CITY OF WEST UNIVERSITY PLACE, TEXAS**  
**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**  
 Last Ten Years

	Year			
	2003	2004	2005	2006
City of West University Place by fund:				
General	\$ 0.19670	\$ 0.20000	\$ 0.20100	\$ 0.19200
Debt service	0.25000	0.24000	0.22900	0.21000
<b>Total Direct Rates</b>	<b>\$ 0.44670</b>	<b>\$ 0.44000</b>	<b>\$ 0.43000</b>	<b>\$ 0.40200</b>
Houston Independent School District	\$ 1.58000	\$ 1.58000	\$ 1.62000	\$ 1.47570
Harris County	0.38810	0.38800	0.39986	0.40239
Harris County Flood Control District	0.04170	0.04170	0.03322	0.03241
Port of Houston Authority	0.01990	0.02000	0.01474	0.01302
Harris County Hospital District	0.19020	0.19020	0.19216	0.19216
Harris County Department of Education	-	-	0.00629	0.00629
Houston Community College	0.08133	0.09598	0.09577	0.09518
<b>Total Direct and Overlapping Rates (1)</b>	<b>\$ 2.74793</b>	<b>\$ 2.75588</b>	<b>\$ 2.79204</b>	<b>\$ 2.61915</b>

Tax rates per \$100 of assessed valuation  
 Source: Harris County Appraisal District

(1) Overlapping rates are those of local and county governments that apply within the City of West University Place.

Year					
2007	2008	2009	2010	2011	2012
\$ 0.18600	\$ 0.18600	\$ 0.18893	\$ 0.19443	\$ 0.18475	\$ 0.19125
0.18000	0.17300	0.16982	0.17968	0.18936	0.18286
<u>\$ 0.36600</u>	<u>\$ 0.35900</u>	<u>\$ 0.35875</u>	<u>\$ 0.37411</u>	<u>\$ 0.37411</u>	<u>\$ 0.37411</u>
\$ 1.15670	\$ 1.15670	\$ 1.15670	\$ 1.15670	\$ 1.15670	\$ 1.15670
0.39239	0.38923	0.39224	0.38805	0.39117	0.40021
0.03106	0.03086	0.02922	0.29230	0.02809	0.02809
0.01437	0.01773	0.01636	0.02054	0.01856	0.01952
0.19216	0.19216	0.19216	0.19216	0.19216	0.18216
0.00585	0.00584	0.00605	0.00658	0.00658	0.00662
0.09243	0.09243	0.09222	0.09222	0.09722	0.09717
<u>\$ 2.25096</u>	<u>\$ 2.24395</u>	<u>\$ 2.24370</u>	<u>\$ 2.52266</u>	<u>\$ 2.26459</u>	<u>\$ 2.26458</u>

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# CITY OF WEST UNIVERSITY PLACE, TEXAS

## PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	2012			2003		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
AT&T	\$ 10,486,185	1	0.25%	\$ -	n/a	-
Southwestern Bell	-	n/a	-	21,606,830	1	0.86%
U West Marketplace Assoc	6,898,301	2	0.16%	-	n/a	-
Houston Lighting & Power	-	n/a	-	4,487,230	2	0.18%
Vincere Village Place LLC	5,024,085	3	0.12%	-	n/a	-
Bellaire Shopping Center	-	n/a	-	3,943,040	3	0.16%
Centerpoint Energy Inc	4,953,780	4	0.12%	-	n/a	-
5650 Kirby Partnership	-	n/a	-	3,775,690	4	0.15%
5177 Builders Ltd	4,523,657	5	0.11%	-	n/a	-
Frank & Lillian Orson	-	n/a	-	2,460,100	5	0.10%
Craig A & Patricia Biggio	3,940,000	6	0.09%	2,331,900	8	0.09%
James L. Salners	-	n/a	-	2,435,900	6	0.10%
James M & Donna P Donnell	3,823,302	7	0.09%	-	n/a	-
Brian & Carol Kirshon	-	n/a	-	2,348,700	7	0.09%
Kenneth & Kimberly Alo	3,763,854	8	0.09%	-	n/a	-
Edmund P III & Kathryn L Segner	3,643,949	9	0.09%	-	n/a	-
James & Karen Gerstner	-	n/a	-	2,262,700	9	0.09%
Charles & Kimberly Yates	3,562,556	10	0.08%	-	n/a	-
SBC Advanced Solutions	-	n/a	-	2,099,369	10	0.08%
Subtotal	\$ 50,619,669		1.20%	\$ 47,751,459		1.90%
Other Taxpayers	4,167,175,687		98.80%	2,469,722,631		98.10%
<b>Total</b>	<b>\$ 4,217,795,356</b>		<b>100.00%</b>	<b>\$ 2,517,474,090</b>		<b>100.00%</b>

Source: Harris County Tax Assessor-Collector's records.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

	Year			
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Tax levy	\$ 10,680,077	\$ 11,581,528	\$ 12,192,921	\$ 12,621,201
Current tax collected	\$ 10,629,260	\$ 11,516,657	\$ 12,124,169	\$ 12,539,957
Percent of current tax collections	99.52%	99.44%	99.44%	99.36%
Delinquent tax collections	<u>\$ 45,503</u>	<u>\$ 53,913</u>	<u>\$ 50,981</u>	<u>\$ 57,821</u>
Total tax collections	<u>\$ 10,674,763</u>	<u>\$ 11,570,570</u>	<u>\$ 12,175,150</u>	<u>\$ 12,597,778</u>
Total collections as a percentage of current levy	99.95%	99.91%	99.85%	99.81%
Outstanding delinquent taxes	\$ 5,314	\$ 10,958	\$ 17,771	\$ 23,423
Outstanding delinquent taxes as percentage of current levy	0.05%	0.09%	0.15%	0.19%

Year					
2007	2008	2009	2010	2011	2012
\$ 12,890,583	\$ 13,951,979	\$ 15,031,309	\$ 15,265,103	\$ 15,193,428	\$ 15,778,014
\$ 11,944,071	\$ 13,928,931	\$ 14,979,583	\$ 15,057,751	\$ 15,261,682	\$ 15,193,135
92.66%	99.83%	99.66%	98.64%	100.45%	96.29%
\$ 28,776	\$ 28,776	\$ 54,926	\$ 34,256	\$ 42,841	\$ 31,077
<u>\$ 11,972,847</u>	<u>\$ 13,957,707</u>	<u>\$ 15,034,509</u>	<u>\$ 15,092,007</u>	<u>\$ 15,304,523</u>	<u>\$ 15,224,212</u>
92.88%	100.04%	100.02%	98.87%	100.73%	96.49%
\$ 35,850	\$ 81,139	\$ 190,853	\$ 202,537	\$ 206,571	\$ 222,473
0.28%	0.58%	1.27%	1.33%	1.36%	1.41%

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	Year			
	2003	2004	2005	2006
<b>Governmental Activities:</b>				
General obligation bonds	\$ 64,715,000	\$ 62,120,000	\$ 59,095,000	\$ 55,945,000
Certificates of obligation	13,140,000	13,050,000	12,855,000	12,630,000
Capital leases	-	-	-	473,285
<b>Subtotal</b>	<b>\$ 77,855,000</b>	<b>\$ 75,170,000</b>	<b>\$ 71,950,000</b>	<b>\$ 69,048,285</b>
<b>Business-Type Activities:</b>				
Revenue bonds	15,995,000	15,455,000	15,255,000	14,580,000
<b>Total Primary Government</b>	<b>\$ 93,850,000</b>	<b>\$ 90,625,000</b>	<b>\$ 87,205,000</b>	<b>\$ 83,628,285</b>
<b>Personal Income (1)</b>	-	-	-	-
<b>Debt as a Percentage Of Personal Income (1)</b>	-	-	-	-
<b>Population</b>	14,211	14,211	14,211	14,211
<b>Debt Per Capita</b>	<b>\$ 6,604</b>	<b>\$ 6,377</b>	<b>\$ 6,136</b>	<b>\$ 5,885</b>

(1) Personal income data is not available.

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Year

2007	2008	2009	2010	2011	2012
\$ 52,670,000	\$ 49,235,000	\$ 54,380,000	\$ 61,205,000	\$ 57,015,000	\$ 60,875,000
12,380,000	12,125,000	13,140,000	21,335,000	21,915,000	12,925,000
385,823	294,896	200,381	102,131	-	-
<u>\$ 65,435,823</u>	<u>\$ 61,654,896</u>	<u>\$ 67,720,381</u>	<u>\$ 82,642,131</u>	<u>\$ 78,930,000</u>	<u>\$ 73,800,000</u>
13,915,000	13,225,000	12,510,000	6,610,000	5,825,000	\$ 5,105,000
<u>\$ 79,350,823</u>	<u>\$ 74,879,896</u>	<u>\$ 80,230,381</u>	<u>\$ 89,252,131</u>	<u>\$ 84,755,000</u>	<u>\$ 78,905,000</u>
-	-	-	-	-	-
-	-	-	-	-	-
14,211	14,211	14,211	14,787	14,787	15,109
<u>\$ 5,584</u>	<u>\$ 5,269</u>	<u>\$ 5,646</u>	<u>\$ 6,036</u>	<u>\$ 5,732</u>	<u>\$ 5,222</u>

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## RATIO OF NET BONDED DEBT TO ASSESSED VALUE, NET BONDED DEBT PER CAPITA, AND ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

	Year			
	2003	2004	2005	2006
<b>Net Taxable Assessed Value</b>				
All property	\$ 2,517,474,090	\$ 2,656,498,290	\$ 2,767,600,312	\$ 2,994,928,416
<b>Net Bonded Debt</b>				
Gross bonded debt	\$ 76,705,000	\$ 75,170,000	\$ 71,950,000	\$ 68,575,000
Less debt service funds	(656,144)	(782,534)	(1,169,072)	(1,169,072)
<b>Net Bonded Debt</b>	<b>\$ 76,048,856</b>	<b>\$ 74,387,466</b>	<b>\$ 70,780,928</b>	<b>\$ 67,405,928</b>
<b>Ratio of Net Bonded Debt To Assessed Value</b>	3.02%	2.80%	2.56%	2.25%
<b>Population</b>	14,211	14,211	14,211	14,211
<b>Net Bonded Debt Per Capita</b>	<b>\$ 5,351</b>	<b>\$ 5,234</b>	<b>\$ 4,981</b>	<b>\$ 4,743</b>

Year					
2007	2008	2009	2010	2011	2012
\$ 3,496,185,334	\$ 3,747,914,916	\$ 4,254,216,197	\$ 4,080,210,817	\$ 4,059,539,678	\$ 4,217,795,356
\$ 65,050,000 (1,208,268)	\$ 61,360,000 (975,765)	\$ 67,520,000 (954,687)	\$ 61,205,000 (992,033)	\$ 57,015,000 (446,094)	\$ 60,875,000 (194,809)
<u>\$ 63,841,732</u>	<u>\$ 60,384,235</u>	<u>\$ 66,565,313</u>	<u>\$ 60,212,967</u>	<u>\$ 56,568,906</u>	<u>\$ 60,680,191</u>
1.83%	1.61%	1.56%	1.50%	1.39%	1.44%
14,211	14,211	14,211	14,787	14,787	15,109
<u>\$ 4,492</u>	<u>\$ 4,249</u>	<u>\$ 4,684</u>	<u>\$ 4,300</u>	<u>\$ 3,826</u>	<u>\$ 4,016</u>

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# CITY OF WEST UNIVERSITY PLACE, TEXAS

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2012

	Net Bonded Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
<b>Debt Repaid with Property Taxes</b>			
<b>Governmental Unit</b>			
Harris County	\$ 2,345,417,190	1.45%	\$ 34,008,549
Harris County Dept of Education	7,795,000	1.45%	113,028
Harris County Flood Control District	96,470,000	1.45%	1,398,815
Harris County Toll Road	479,630,000	1.45%	6,954,635
Houston Community College	285,310,000	3.18%	9,072,858
Houston ISD	2,198,183,577	3.76%	82,651,702
Port of Houston Authority	731,969,397	1.45%	10,613,556
Subtotal, overlapping debt	\$ 6,144,775,164		\$ 144,813,144
<b>City Direct Debt</b>	\$ 73,800,000	100.00%	73,800,000
	<b>Total Direct and Overlapping Debt</b>		<b>\$ 218,613,144</b>

Source: Municipal Advisory Council of Texas

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## LEGAL DEBT MARGIN INFORMATION

Last Ten Years

	Year			
	2003	2004	2005	2006
Debt limit	\$ 124,448,664	\$ 125,873,705	\$ 144,787,943	\$ 153,627,947
Total net debt applicable to limit	76,048,856	74,387,466	70,953,073	67,405,928
Legal debt margin	\$ 48,399,808	\$ 51,486,239	\$ 73,834,870	\$ 86,222,019
Total net debt applicable to the limit as a percentage of debt limit	61.11%	59.10%	49.00%	43.88%

### Legal Debt Margin Calculation for Fiscal Year 2012

Assessed value	\$ 4,217,795,356
Debt limit (5% of assessed value)	210,889,768
Debt applicable to limit:	
General obligation bonds	73,800,000
Less: amount set aside for repayment of general obligation debt	(194,809)
Total net debt applicable to limit	73,605,191
Legal debt margin	\$ 137,284,577

Note: The City's Home Rule Charter (1983), Section 7.07 limits all bonded debt to no more than five percent of the assessed valuation.

Year					
2007	2008	2009	2010	2011	2012
\$ 174,809,267	\$ 194,317,845	\$ 212,710,810	\$ 204,010,541	\$ 202,976,984	\$ 210,889,768
<u>63,841,732</u>	<u>64,074,235</u>	<u>60,212,967</u>	<u>60,212,967</u>	<u>56,568,906</u>	<u>73,605,191</u>
<u>\$ 110,967,535</u>	<u>\$ 130,243,610</u>	<u>\$ 152,497,843</u>	<u>\$ 143,797,574</u>	<u>\$ 146,408,078</u>	<u>\$ 137,284,577</u>
36.52%	32.97%	28.31%	29.51%	27.87%	34.90%

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## PLEDGED-REVENUE COVERAGE

Last Ten Years

	Year			
	2003	2004	2005	2006
Gross Revenues (1)	\$ 3,106,875	\$ 4,204,407	\$ 5,098,008	\$ 4,842,481
Operating Expenses (2)	2,359,745	2,565,022	2,780,664	2,737,998
Net Revenues Available for Debt Service	\$ 747,130	\$ 1,639,385	\$ 2,317,344	\$ 2,104,483
Debt Service Requirements (3)				
Principal	\$ 510,000	\$ 540,000	\$ 565,000	\$ 675,000
Interest	765,160	740,339	714,225	597,295
Total	\$ 1,275,160	\$ 1,280,339	\$ 1,279,225	\$ 1,272,295
Coverage	0.59	1.28	1.81	1.65

(1) Total revenues including interest, excluding tap fees

(2) Total operating expenses less depreciation

(3) Includes revenue bonds only

Year					
2007	2008	2009	2010	2011	2012
\$ 4,702,577	\$ 5,912,369	\$ 6,151,138	\$ 5,917,931	\$ 8,986,455	\$ 7,777,386
<u>4,673,933</u>	<u>5,114,579</u>	<u>5,141,913</u>	<u>5,003,479</u>	<u>4,802,445</u>	<u>4,293,010</u>
<u>\$ 28,644</u>	<u>\$ 797,790</u>	<u>\$ 1,009,225</u>	<u>\$ 914,452</u>	<u>\$ 4,184,010</u>	<u>\$ 3,484,376</u>
\$ 690,000	\$ 715,000	\$ 745,000	\$ 785,000	\$ 720,000	\$ 645,000
601,873	577,813	523,446	255,154	225,323	198,585
<u>\$ 1,291,873</u>	<u>\$ 1,292,813</u>	<u>\$ 1,268,446</u>	<u>\$ 1,040,154</u>	<u>\$ 945,323</u>	<u>\$ 843,585</u>
0.02	0.62	0.80	0.88	4.43	4.13

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## DEMOGRAPHIC AND ECONOMIC STATISTICS

Last Ten Years

Fiscal Year Ended Dec 31	Population (1)	Personal Income (4)	Per Capita Personal Income (5)	Median Age	School Enrollment (2)	Unemployment Rate (3) (6)
2003	14,211	-	-	39.30	915	1.06%
2004	14,211	-	-	39.30	951	4.60%
2005	14,211	-	-	39.30	972	N/A
2006	14,211	-	-	39.30	981	N/A
2007	14,211	-	-	39.30	981	N/A
2008	14,211	-	-	39.30	980	N/A
2009	14,211	-	-	39.30	1,272	N/A
2010	14,787	-	-	39.30	1,165	N/A
2011	14,787	-	-	39.30	1,215	N/A
2012	15,109	-	-	41.40	1,225	N/A

Data sources:

- (1) Bureau of the Census
- (2) The school enrollment reflects enrollment in schools located within the City limits.
- (3) Texas Workforce Commission
- (4) Personal income data are not available.
- (5) Per Capita Personal Income data not available.
- (6) Beginning 2005 and after, cities with population under 25,000 do not have unemployment information available.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## PRINCIPAL EMPLOYERS <sup>(2) (3)</sup>

Current Year <sup>(1)</sup> and Six Years Ago

Employer	2012 Rank	2006 Rank
AT&T	1	N/A
West University Elementary School	2	2
City of West University Place	3	3
Southwestern Bell	N/A	1

Note: The residents of the City of West University Place are primarily employed outside of the City limits.

(1) The requirement is for the current year and nine years ago, only the current year and six years ago are available at this time.

(2) The number of employees of each of the employers is currently unavailable.

(3) The percentage of total employment is currently unavailable.

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**CITY OF WEST UNIVERSITY PLACE, TEXAS**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION**  
 Last Ten Years

	Year									
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>General Fund:</b>										
Administration	4	4	4.5	4	4	4	5	5	5	5
Finance	9	9	9	8	8	8	7	7	6	6
Police Department	35	35	34	32	32	32	32	32	32	35
Fire Department	23	24	24.5	25	24	24	24	24	24	23
Public Works	23	21	21	21	20	19	19	21	20	20
Parks & Recreation	6	8	8	8	10	10	10	11	11	11
<b>General Fund Total</b>	100	101	101	98	98	97	97	100	98	100
<b>Enterprise Fund:</b>										
Water	14	14	14	14	14	12	12	12	14	14
Solid Waste	10	10	7	7	7	7	7	7	8	8
<b>Enterprise Fund Total</b>	24	24	21	21	21	19	19	19	22	22
<b>Internal Service Fund:</b>										
Administration	-	-	-	-	2	3	3	3	3	3
<b>Internal Service Fund Total</b>	-	-	-	-	2	3	3	3	3	3
<b>Total City Positions</b>	<u>124</u>	<u>125</u>	<u>122</u>	<u>119</u>	<u>121</u>	<u>119</u>	<u>119</u>	<u>122</u>	<u>123</u>	<u>125</u>

**Notes:**

Around 20-35 temporary and seasonal employees are hired during the summer months as camp counselors, pool personnel and front desk. This count is not reflected above.

Around 6 contract personnel are used year round to augment solid waste crews. This count is not reflected above.

On-call firefighters (9) are not included.

School crossing guards (8) are not included.

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## OPERATING INDICATORS BY FUNCTION

Last Ten Years

Function/Program	Year			
	2003	2004	2005	2006
<b>Police</b>				
Arrests	145	321	366	432
Accident reports	186	139	138	123
Citations	5,235	3,675	3,583	3,581
Offense reports	804	1,018	1,027	1,040
Calls for service	10,896	11,353	13,688	25,790
<b>Fire</b>				
Emergency responses	447	659	624	686
Average response time	2:30	3:08	3:08	3:06
Fire incidents	650	655	776	740
<b>Water</b>				
New accounts	879	915	760	860
Source:				
Water	80	80	80	80
Sewer	20	20	20	20
Average daily consumption (millions of gallons)	2.17	2.17	2.28	2.15
Number of million gallons of surface water pumped	696.69	674.71	735.62	687.97
Number of million gallons of well water pumped	174.10	117.39	101.46	87.84
Total consumption (millions of gallons)	870.80	792.09	837.08	784.50
Peak daily consumption (millions of gallons)	5.99	5.99	8.64	4.98
<b>Sewer</b>				
Average daily sewage treatment (millions of gallons)	1.35	1.42	1.27	1.36
Total consumption (millions of gallons)	-	-	452.62	495.25
Peak daily consumption (millions of gallons)	4.69	5.12	4.68	6.71

Source: Various City departments

Year					
2007	2008	2009	2010	2011	2012
287	230	342	325	294	231
116	137	137	99	121	142
2,940	2,411	2,479	4,830	3,379	2,260
794	650	823	669	583	609
36,260	22,367	27,029	29,148	25,964	24,844
698	644	489	581	660	659
4:29	4:24	4:00	3:49	4:25	4:45
840	857	673	774	765	734
854	744	724	724	678	669
80	80	80	80	80	80
20	20	20	20	20	20
1.89	2.16	2.36	2.22	2.79	2.38
569.34	690.74	400.44	357.42	658.80	530.06
120.30	99.09	461.41	452.95	359.55	335.24
689.65	789.83	861.85	810.37	1,018.34	869.48
4.30	6.27	5.62	4.34	5.10	4.89
1.43	1.16	1.21	1.25	1.10	1.18
523.06	421.32	448.57	455.02	402.36	430.12
5.31	3.43	4.32	4.63	2.66	4.85

# CITY OF WEST UNIVERSITY PLACE, TEXAS

## CAPITAL ASSET STATISTICS BY FUNCTION

Last Ten Years

Function/Program	Year			
	2003	2004	2005	2006
<b>Police</b>				
Stations	1	1	1	1
Patrol units	9	9	7	7
Fire stations	1	1	1	1
<b>Other public works</b>				
Streets (miles - centerlines)	43	43	43	43
Streetlights	690	690	690	690
<b>Parks and recreation</b>				
Parks	9	9	9	9
Parks acreage	12.6	12.6	12.6	12.6
Swimming pools	2	2	2	2
Baseball / softball diamonds	5	6	6	6
Tennis courts	5	5	5	5
Racquetball/handball courts	2	2	2	2
Gymnasiums	1	1	1	1
Basketball courts	2	2	2	2
<b>Water</b>				
Water mains (miles)	40	40	40	40
Fire hydrants	324	357	357	357
Storage capacity (millions of gallons)	3.65	3.65	3.65	3.65
<b>Sewer</b>				
Sanitary sewers (miles)	40	40	40	40
Storm sewers (miles)	32	32	32	32
Open ditch / creek / canal drainage (miles)	1.32	1.32	1.32	1.32
Treatment capacity (millions of gallons)	2	2	2	2

Source: Various City departments

Year					
2007	2008	2009	2010	2011	2012
1	1	1	1	1	1
7	7	7	7	7	7
1	1	1	1	1	1
43	43	43	43	43	43
747	690	1,694	1,694	1,687	1,687
9	9	9	9	9	9
12.6	12.6	14.0	14.0	13.7	13.7
2	2	2	2	2	2
6	6	6	6	6	7
5	5	5	5	5	5
2	2	2	2	2	2
1	1	0	0	0	0
2	2	2	2	2	2
40	40	40	40	40	40
357	357	357	357	357	357
3.65	3.65	3.65	3.65	3.65	3.65
40	40	40	40	40	40
32	32	32	32	32	32
1.32	1.32	1.32	1.32	1.32	1.32
2	2	2	2	2	2

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