

CITY OF WEST UNIVERSITY PLACE, TEXAS

Comprehensive Annual Financial Report for
the Fiscal Year Ended December 31, 2017



***COMPREHENSIVE
ANNUAL FINANCIAL REPORT***

of the

**CITY OF WEST UNIVERSITY
PLACE, TEXAS**

**For the Year Ended
December 31, 2017**

Officials Issuing Report:

**M. Christopher Peifer
City Manager**

**Marie F. Kalka
Finance Director**

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CITY OF WEST UNIVERSITY PLACE, TEXAS

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December 31, 2017

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INTRODUCTORY SECTION



The City of West University Place

A Neighborhood City

June 15, 2018

The Honorable Mayor, City Council
Members, 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, 2017. This report is published to provide the City Council (the “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 unmodified (“clean”) opinion on the City’s financial statements for the year ended December 31, 2017. 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 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 included within the City’s reporting entity:

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



LOCAL ECONOMY

The City encompasses a two 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 working 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 \$6.4 billion, up 243 percent since 1999. Among reasons for this strength are the City’s convenient proximities 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. The strength and continued diversity of the Metro Houston market area has a positive impact on the City.

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 increase in 2018. Expenditures are expected to remain steady with considerations for the continued competitive pressure on personnel costs and potential continued increases in the cost of employee health benefits.

LONG-TERM FINANCIAL PLANNING AND MAJOR INITIATIVES

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 believes 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 for employees and retirees. For retiree healthcare, at the November 17, 2008 Council meeting, Council adopted a new personnel handbook, with modifications that included elimination of City funded healthcare coverage for employees hired January 1, 2009 and thereafter.

The City has refunded several outstanding debt obligations from 2010 through 2016, resulting in total debt savings of over \$4 million. At the July 10, 2017 Council meeting, the City Council authorized the issuance of General Obligation Refunding Bonds, Series 2017 to refund the outstanding higher interest rate debt for the Permanent Improvement and Refunding Bonds, Series 2009; Permanent Improvement Bonds, Series 2010; and Certificates of Obligation, Series 2010. This refunding will produce an interest cost savings of approximately \$743,000 over the next eleven years.

Capital expenditures are funded through annual allocations from the general fund, the water and sewer fund, or the Congestion Mitigation/Traffic Management agreement funds received from the Metropolitan Transit Authority of Harris County. The allocations are transferred to the capital improvements fund for

general capital projects, to the water and sewer capital reserve fund for water and sewer related projects, or to the transportation/drainage fund for qualifying projects.

General capital projects planned for the 2018 budget include the continuation of the virtual gate project, Westside concrete parking lot, public works maintenance parking lot/wash bay, emergency operations storage building, and completion of the animal control shelter.

Transportation/drainage projects planned for the 2018 budget include the Buffalo Speedway project, Kilmarnock retaining wall replacement, and miscellaneous drainage improvements to improve street drainage, repair damaged storm drains, and remove low spots from roadways.

Additional water and sewer related projects planned in 2018 are sewer inflow and infiltration detection/reduction, Wastewater Treatment Plant Weir replacement, Wastewater Treatment Plant floodwater protection, and water system chlorination upgrades.

These projects are listed specifically in the annual budget for each fiscal year in the capital project funds section.

RELEVANT FINANCIAL POLICIES

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 (the "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.

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, 2016. This was the 33rd 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 and for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,

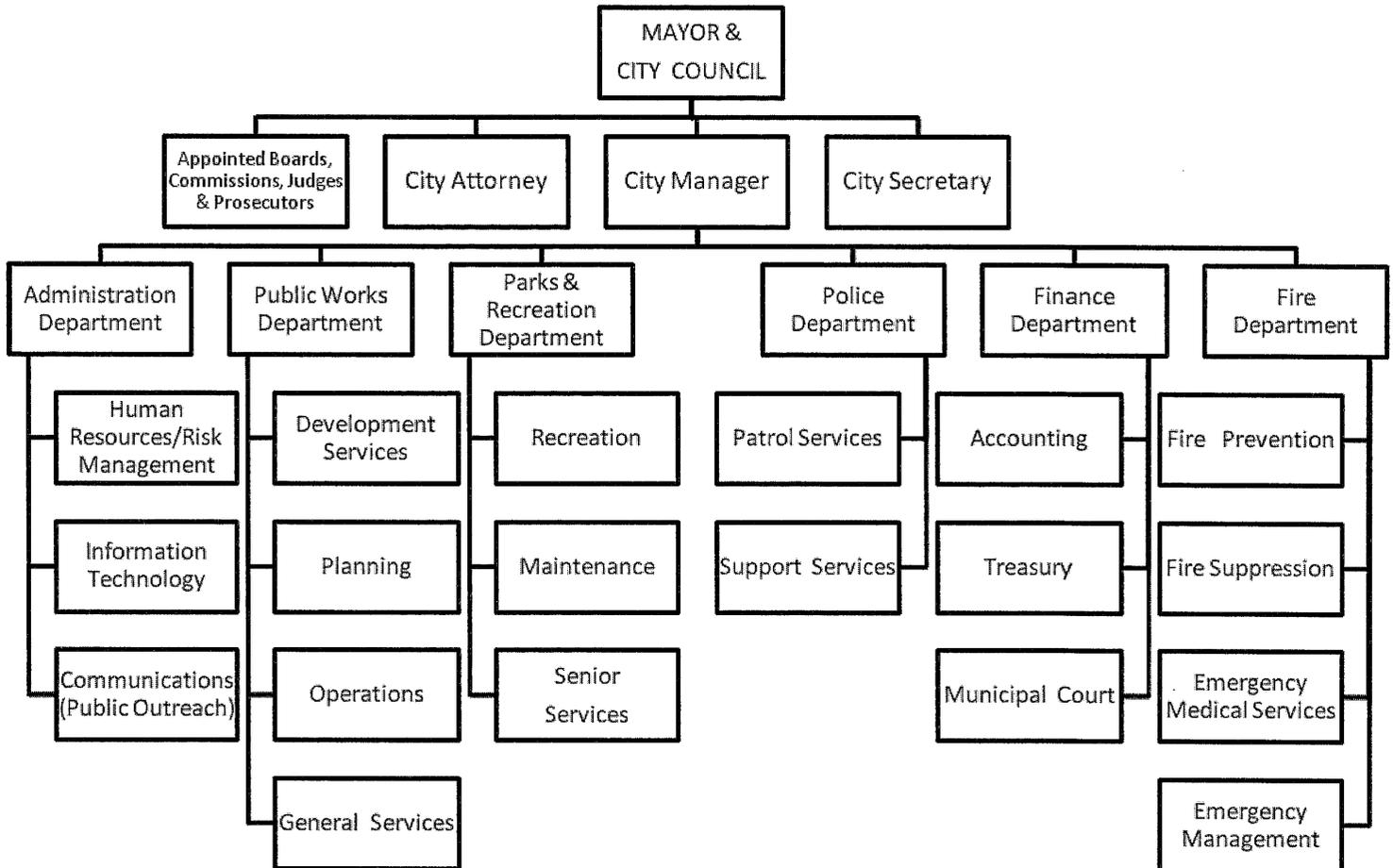
A handwritten signature in cursive script that reads "Marie Kalka".

Marie F. Kalka
Finance Director

CITY OF WEST UNIVERSITY PLACE, TEXAS

ORGANIZATIONAL CHART

December 31, 2017



CITY OF WEST UNIVERSITY PLACE, TEXAS

*CERTIFICATE OF ACHIEVEMENT FOR
EXCELLENCE IN FINANCIAL REPORTING*



Government Finance Officers Association

**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, 2016

Christopher P. Morrill

Executive Director/CEO

CITY OF WEST UNIVERSITY PLACE, TEXAS

PRINCIPAL OFFICIALS

December 31, 2017

<u>City Officials</u>	<u>Elective Position</u>	<u>Term Expires</u>
Susan Sample	Mayor	05/2019
Wayne Franklin	Mayor Pro Tem	05/2019
Mardi Turner	Council Member	05/2019
Kelly Burke	Council Member	05/2019
Bob Higley	Council Member	05/2019

<u>Key Staff</u>	<u>Position</u>
M. Christopher Peifer	City Manager
Thelma Gilliam	City Secretary
Wendy Standorf	Human Resources Director
Alan Petrov	City Attorney
Marie F. Kalka	Finance Director
Robert Loper	Municipal Court Judge
Ken Walker	Police Chief
Aaron Taylor	Fire Chief
Susan White	Parks and Recreation Director
Gary McFarland	Information Technology Director
Dave Beach	Public Works Director

FINANCIAL SECTION



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, 2017, 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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.

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, 2017, 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, schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule 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.

BELT HARRIS PECHACEK, LLLP

Belt Harris Pechacek, LLLP
Certified Public Accountants
Houston, Texas
June 15, 2018

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

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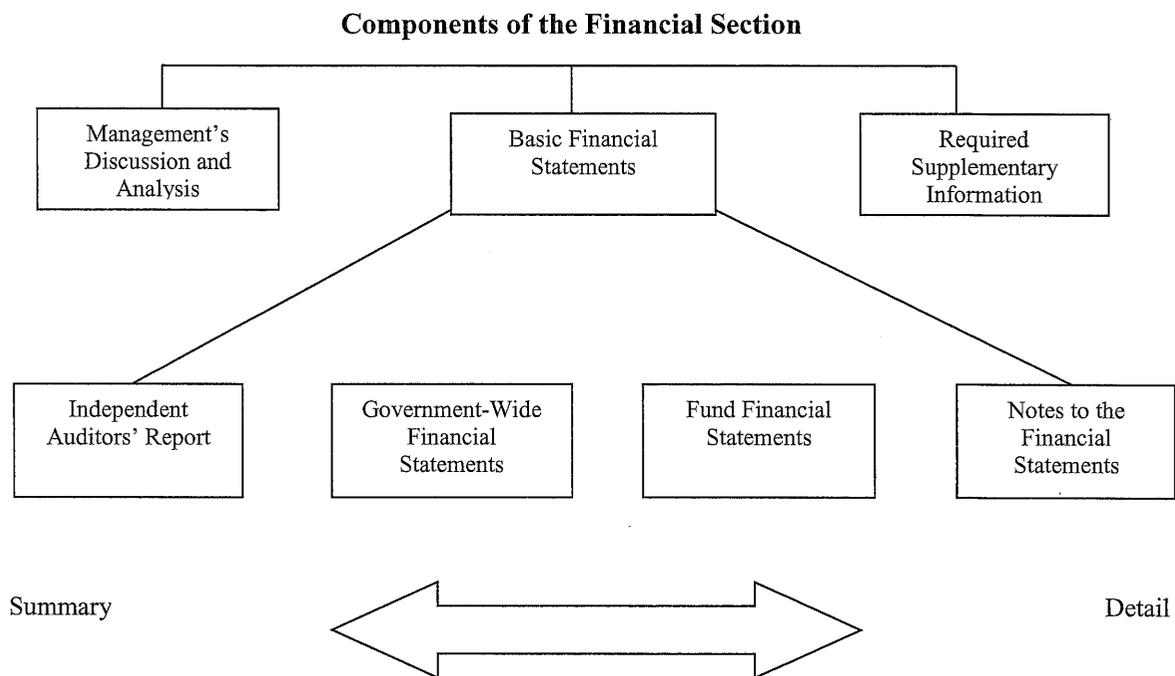
CITY OF WEST UNIVERSITY PLACE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

For the Year Ended December 31, 2017

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, 2017. 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 basic 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 Financial Statements

The government-wide financial 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 costs 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 outflows/inflows 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

CITY OF WEST UNIVERSITY PLACE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2017

deteriorating. Other nonfinancial 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.

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows – 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's financials 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 and solid waste collection, as well as interest payments on debt issued for water and wastewater improvements.

The Friends of West University Parks Fund, although legally separate, functions for all practical purposes as a department of the City and, therefore, has been included as an integral part of the primary government.

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 11 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

CITY OF WEST UNIVERSITY PLACE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2017

balances for the general fund and debt service fund, which are considered to be major funds for reporting purposes.

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 are used to report the same functions presented as business-type activities in the government-wide financial 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 a budgetary comparison schedule for the general fund, schedule of changes in net pension liability and related ratios for the Texas Municipal Retirement System (TMRS), schedule of contributions for TMRS, and schedule of funding progress for other post employment healthcare benefits. RSI can be found after the notes to 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. Assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$82,696,489 as of December 31, 2017. This compares with \$75,636,015 from the prior fiscal year. The largest portion of the City's net position, 83 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, 2017

Statement of Net Position:

The following table reflects the condensed Statement of Net Position:

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 38,826,831	\$ 34,425,081	\$ 3,932,567	\$ 3,912,822	\$ 42,759,398	\$ 38,337,903
Capital assets, net	93,510,336	94,968,043	20,050,471	21,128,592	113,560,807	116,096,635
Total Assets	132,337,167	129,393,124	23,983,038	25,041,414	156,320,205	154,434,538
Deferred charge on refunding	1,592,164	1,389,271	-	-	1,592,164	1,389,271
Deferred outflows - pensions	3,288,175	4,166,855	499,810	633,947	3,787,985	4,800,802
Total Deferred Outflows of Resources	4,880,339	5,556,126	499,810	633,947	5,380,149	6,190,073
Long-term liabilities	55,216,288	62,058,785	1,302,695	1,298,109	56,518,983	63,356,894
Other liabilities	2,347,385	2,010,127	733,018	1,040,740	3,080,403	3,050,867
Total Liabilities	57,563,673	64,068,912	2,035,713	2,338,849	59,599,386	66,407,761
Property taxes	19,289,639	18,580,835	-	-	19,289,639	18,580,835
Deferred inflows - pensions	100,032	-	14,808	-	114,840	-
Total Deferred Inflows of Resources	19,389,671	18,580,835	14,808	-	19,404,479	18,580,835
Net Position:						
Net investment in capital assets	48,398,572	42,663,233	20,050,471	21,128,592	68,449,043	63,791,825
Restricted	3,030,359	2,543,238	-	-	3,030,359	2,543,238
Unrestricted	8,835,231	7,093,032	2,381,856	2,207,920	11,217,087	9,300,952
Total Net Position	\$ 60,264,162	\$ 52,299,503	\$ 22,432,327	\$ 23,336,512	\$ 82,696,489	\$ 75,636,015

A portion of the City's net position, \$3,030,359 or four percent, represents resources that are subject to external restriction on how they may be used. The remaining balance of unrestricted net position, \$11,217,087 or 14 percent, may be used to meet the City's ongoing obligation to citizens and creditors.

The City's total net position increased by \$7,060,474 during the current fiscal year, an increase of nine percent in comparison to the prior year. This included an increase of \$7,964,659 in the governmental activities, which primarily was a result of increases in revenues related to operating and capital grants and contributions, ad valorem taxes, and transfers in from business-type activities. The decrease in business-type activities of \$904,185 is primarily a result of planned and budgeted transfers out to governmental activities.

As of December 31, 2017, the City reported deferred outflows and inflows of resources related to its pension plan of \$3,787,985 and \$114,840, respectively. Deferred outflows showed a decrease of \$1,012,817 and deferred inflows showed an increase of \$114,840 from the prior fiscal year. In addition, the City reported a net pension liability of \$7,413,145, which is part of the \$56,518,983 reported in long-term liabilities.

CITY OF WEST UNIVERSITY PLACE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2017

Statement of Activities:

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

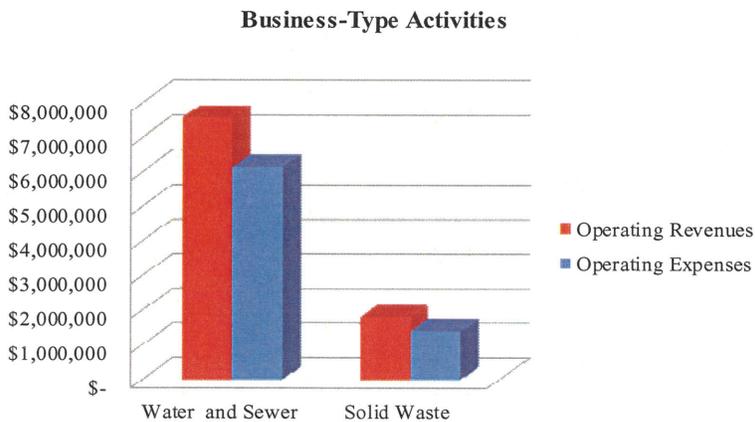
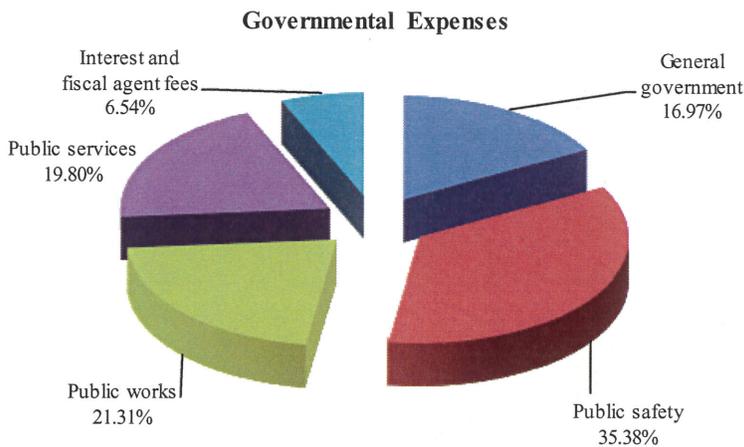
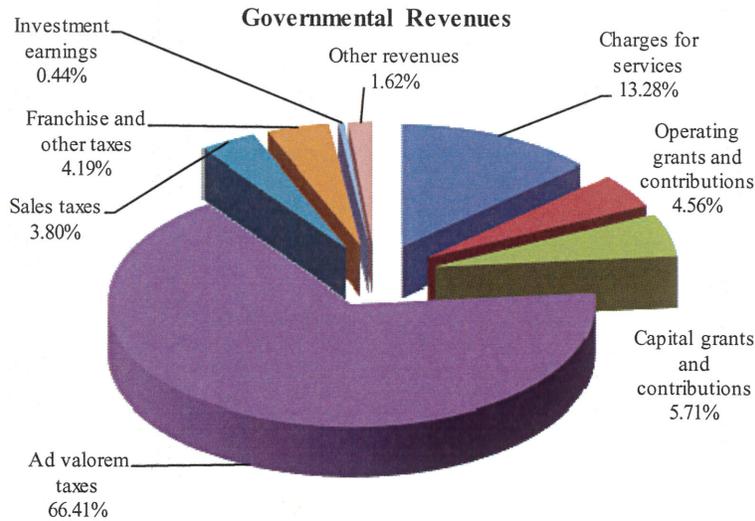
	Governmental Activities		Business-Type Activities		Total Primary Government	
	2017	2016	2017	2016	2017	2016
Revenues						
Program revenues:						
Charges for services	\$ 3,722,210	\$ 3,336,661	\$ 9,326,936	\$ 8,993,660	\$ 13,049,146	\$ 12,330,321
Operating grants and contributions	1,278,517	546,599	-	-	1,278,517	546,599
Capital grants and contributions	1,600,000	579,630	67,892	-	1,667,892	579,630
General revenues:						
Ad valorem taxes	18,614,853	18,106,906	-	-	18,614,853	18,106,906
Sales taxes	1,064,672	1,051,361	-	-	1,064,672	1,051,361
Franchise taxes	1,159,730	1,144,256	-	-	1,159,730	1,144,256
Other taxes	14,330	15,955	-	-	14,330	15,955
Investment earnings	122,556	116,798	17,706	15,397	140,262	132,195
Other revenues	455,033	775,392	-	-	455,033	775,392
Total Revenues	<u>28,031,901</u>	<u>25,673,558</u>	<u>9,412,534</u>	<u>9,009,057</u>	<u>37,444,435</u>	<u>34,682,615</u>
Expenses						
General government	3,880,070	3,871,442	-	-	3,880,070	3,871,442
Public safety	8,090,377	7,563,086	-	-	8,090,377	7,563,086
Public works	4,872,132	4,603,321	-	-	4,872,132	4,603,321
Public services	4,527,049	4,518,987	-	-	4,527,049	4,518,987
Interest and fiscal agent fees on long-term debt	1,496,068	1,767,154	-	-	1,496,068	1,767,154
Water and sewer	-	-	6,125,682	6,582,306	6,125,682	6,582,306
Solid waste	-	-	1,392,583	1,277,986	1,392,583	1,277,986
Total Expenses	<u>22,865,696</u>	<u>22,323,990</u>	<u>7,518,265</u>	<u>7,860,292</u>	<u>30,383,961</u>	<u>30,184,282</u>
Increase in Net Position Before Transfers	5,166,205	3,349,568	1,894,269	1,148,765	7,060,474	4,498,333
Transfers in (out)	<u>2,798,454</u>	<u>(1,337,756)</u>	<u>(2,798,454)</u>	<u>1,337,756</u>	<u>-</u>	<u>-</u>
Change in Net Position	7,964,659	2,011,812	(904,185)	2,486,521	7,060,474	4,498,333
Beginning net position	<u>52,299,503</u>	<u>50,287,691</u>	<u>23,336,512</u>	<u>20,849,991</u>	<u>75,636,015</u>	<u>71,137,682</u>
Ending Net Position	<u>\$ 60,264,162</u>	<u>\$ 52,299,503</u>	<u>\$ 22,432,327</u>	<u>\$ 23,336,512</u>	<u>\$ 82,696,489</u>	<u>\$ 75,636,015</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2017

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



For the year ended December 31, 2017, revenues from governmental activities totaled \$28,031,901, compared with \$25,673,558 in the prior year. This increase of \$2,358,343 occurred primarily as the result of \$731,918

CITY OF WEST UNIVERSITY PLACE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2017

change in operating grants and contributions, \$1,020,370 increase in capital grants and contributions, as well as \$507,947 in additional property tax revenue. Operating grants and contributions increased due to additional contributions received for City parks. Capital grants and contributions increased as a result of donated land that the City received during the fiscal year. Increased property tax valuations throughout the City attributed to the increase in property tax revenue. Transfers in from business-type activities also contributed to the overall increase in net position for governmental activities. The increase was a result of reinstating the reduced portion of the 2016 administrative cost allocation.

For the year ended December 31, 2017, expenses for governmental activities totaled \$22,865,696, an increase of \$541,706 or two percent from last year. The overall increase is primarily due to increases in public safety and public works expenses, which can be attributable to higher costs related to salaries and wages, as well as the change in pension expense.

Charges for services for business-type activities increased \$333,276, which is an increase of four percent. Operating expenses for business-type activities decreased by \$342,027. This decrease is primarily due to a decrease in operating expenses during the year, as well as decreased expenses related to wages and benefits.

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 \$11,599,743. Of this, \$184,871 is nonspendable, \$900,120 is restricted for debt service, \$51,364 is restricted for enabling legislation, \$1,519,691 is restricted for City parks, \$265,774 is restricted for METRO, \$19,948 is restricted for special projects, \$273,462 is restricted for governmental programming, \$119,000 is assigned for City operations, \$259,682 is assigned for tree replacement, and \$2,362,834 is assigned to capital projects funds.

There was an increase in the combined fund balance of \$1,477,280 compared to the prior year. This is largely attributable to increases in revenue from ad valorem taxes and contributions. In addition, expenditures decreased slightly overall for total governmental funds. The increase to transfers in also contributed to this overall change in combined fund balance.

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 \$5,642,997, while total fund balance reached \$6,220,330. 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 34 percent of the total general fund expenditures. The general fund demonstrated an overall increase of \$282,452 primarily due to increases in revenue and other financing sources related to ad valorem taxes, charges for services, other revenues, and transfers in.

The debt service fund has a total fund balance of \$900,120, all of which is restricted for the payment of debt service. Expenditures exceeded revenues by \$1,289,559, with an overall net decrease in fund balance after other funding sources for the year of \$12,598. This decrease in fund balance is primarily due to the net effect transfers

CITY OF WEST UNIVERSITY PLACE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2017

in from the water and sewer fund for its portion of debt related to governmental activities, as well as the issuance of debt.

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.

GENERAL FUND BUDGETARY HIGHLIGHTS

There had been a planned decrease in budgeted fund balance in the amount of \$1,561,772 in the general fund. However, fund balance increased by \$282,452, resulting in a positive variance of \$1,844,224 from actual over budgeted as amended.

Actual general fund revenues were greater than the amended budgeted revenues by \$707,427 during 2017. This net variance includes the positive variances of \$657,921 for charges for services and \$82,834 for other revenues.

Actual expenditures were less than budgeted amounts in total by \$1,134,995 for the fiscal year. This net variance is due to positive variances of \$167,374 for general government, \$564,977 for public safety, \$258,000 for public works, and \$144,644 for public services.

CAPITAL ASSETS

At the end of fiscal year 2017, the City's governmental and business-type activities funds had invested \$93,510,336 and \$20,050,471, respectively, in a variety of capital assets and infrastructure (net of accumulated depreciation). This represents net decreases of \$1,457,707 and \$1,078,121, respectively.

Major capital assets events during the year included the following:

- Donation of land for JEH Park for \$1,500,000
- Purchase of a chiller for City Hall/Fire Department roof for \$74,153
- Purchase of water and sewer fund equipment of \$161,434
- Completion of library renovation of \$93,170
- Construction in progress for various City projects in the amount of \$235,288

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 \$46,140,000. Of this amount, \$40,095,000 was general obligation debt and \$6,045,000 was certificates of obligation debt. During the year, the City had a net decrease in long-term debt of \$6,837,911.

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

CITY OF WEST UNIVERSITY PLACE, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)

For the Year Ended December 31, 2017

Current underlying ratings on debt issues are as follows:

	<u>Standard and Poor's</u>
General obligation bonds	AAA
Certificates of obligation	AAA

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The City Council approved a \$37.94 million operating budget for fiscal year 2018. The budget maintains the property tax rate at \$0.31680 per \$100 of valuation. 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.

The City has carefully monitored the performance of utility services and increased rates as needed for the water and sewer fund. As of January 2016, the water and sewer fund had no direct debt. General obligation refunding bonds were issued in 2010 and 2016 to refund all the outstanding revenue bonds for substantial interest rate savings. Funds are transferred from the water and sewer fund to the debt service fund to cover the annual debt service requirement attributable to these refunded bonds. The adopted fiscal year 2018 budget maintains the 2017 water rates and slightly increases the sewer rates as recommended in the completed 2017 water and sewer rate study.

The strength and continued diversity of the Metro Houston market area has a positive impact on the City. There is almost no vacant and/or undeveloped land in the City, so construction generally involves rebuilding and remodeling. For the immediate future, the rate of growth is expected to remain steady with reconstruction continuing to impact the value of property well into the future, as well as the recapture of value that has been capped at ten percent per year. The City continues to enjoy a stable outlook, with property values at \$6.4 billion, up 243 percent since 1999. Among reasons for this strength are the City's convenient proximities to the Texas Medical Center, downtown Houston, the Rice Village, and Rice University, as well as the Galleria area. 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.

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 Marie F. Kalka, Finance Director, 3800 University Boulevard, West University Place, Texas, 77005; telephone 713.662.5816; or for general City information, visit the City's website at 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, 2017

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<u>Assets</u>			
Cash and equity in pooled cash and investments	\$ 23,974,656	\$ 2,290,429	\$ 26,265,085
Cash with fiscal agent	4,017,206	-	4,017,206
Cash and cash equivalents	861,107	-	861,107
Investments	459,031	-	459,031
Receivables, net of allowances	9,092,772	1,642,138	10,734,910
Inventory	17,044	-	17,044
Prepays	405,015	-	405,015
Capital assets:			
Nondepreciable capital assets	8,064,793	235,789	8,300,582
Depreciable capital assets, net	85,445,543	19,814,682	105,260,225
Total Assets	132,337,167	23,983,038	156,320,205
<u>Deferred Outflows of Resources</u>			
Deferred charge on refunding	1,592,164	-	1,592,164
Deferred outflows - pensions	3,288,175	499,810	3,787,985
Total Deferred Outflows of Resources	4,880,339	499,810	5,380,149
<u>Liabilities</u>			
Accounts payable and accrued liabilities	1,650,348	656,379	2,306,727
Unearned revenue	295,302	76,639	371,941
Accrued interest payable	401,735	-	401,735
Noncurrent liabilities:			
Due within one year	8,854,894	134,431	8,989,325
Due in more than one year	46,361,394	1,168,264	47,529,658
Total Liabilities	57,563,673	2,035,713	59,599,386
<u>Deferred Inflows of Resources</u>			
Property taxes	19,289,639	-	19,289,639
Deferred inflows - pensions	100,032	14,808	114,840
Total Deferred Inflows of Resources	19,389,671	14,808	19,404,479
<u>Net Position</u>			
Net investment in capital assets	48,398,572	20,050,471	68,449,043
Restricted for:			
Debt service	900,120	-	900,120
Enabling legislation	51,364	-	51,364
City parks	1,519,691	-	1,519,691
METRO	265,774	-	265,774
Special projects	19,948	-	19,948
Governmental programming	273,462	-	273,462
Unrestricted	8,835,231	2,381,856	11,217,087
Total Net Position	\$ 60,264,162	\$ 22,432,327	\$ 82,696,489

See Notes to Financial Statements.

CITY OF WEST UNIVERSITY PLACE, TEXAS

STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 3,880,070	\$ -	\$ 532,336	\$ -
Public safety	8,090,377	174,386	-	-
Public works	4,872,132	588,353	-	-
Public services	4,527,049	2,959,471	746,181	1,600,000
Interest on long-term debt	1,496,068	-	-	-
Total Governmental Activities	22,865,696	3,722,210	1,278,517	1,600,000
Business-Type Activities				
Water and sewer	6,125,682	7,544,895	-	67,892
Solid waste	1,392,583	1,782,041	-	-
Total Business-Type Activities	7,518,265	9,326,936	-	67,892
Total Primary Government	\$ 30,383,961	\$ 13,049,146	\$ 1,278,517	\$ 1,667,892

General Revenues:

- Ad valorem taxes
- Sales taxes
- Franchise taxes
- Other taxes
- Investment earnings
- Other revenues
- 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

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (3,347,734)	\$ -	\$ (3,347,734)
(7,915,991)	-	(7,915,991)
(4,283,779)	-	(4,283,779)
778,603	-	778,603
(1,496,068)	-	(1,496,068)
<u>(16,264,969)</u>	<u>-</u>	<u>(16,264,969)</u>
-	1,487,105	1,487,105
-	389,458	389,458
-	1,876,563	1,876,563
<u>(16,264,969)</u>	<u>1,876,563</u>	<u>(14,388,406)</u>
18,614,853	-	18,614,853
1,064,672	-	1,064,672
1,159,730	-	1,159,730
14,330	-	14,330
122,556	17,706	140,262
455,033	-	455,033
2,798,454	(2,798,454)	-
<u>24,229,628</u>	<u>(2,780,748)</u>	<u>21,448,880</u>
7,964,659	(904,185)	7,060,474
<u>52,299,503</u>	<u>23,336,512</u>	<u>75,636,015</u>
<u>\$ 60,264,162</u>	<u>\$ 22,432,327</u>	<u>\$ 82,696,489</u>

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CITY OF WEST UNIVERSITY PLACE, TEXAS

BALANCE SHEET

GOVERNMENTAL FUNDS

December 31, 2017

	General	Debt Service	Nonmajor Governmental	Total Governmental Funds
Assets				
Current assets:				
Cash and equity in pooled cash and investments	\$ 11,477,681	\$ 3,830,304	\$ 3,102,764	\$ 18,410,749
Cash with fiscal agent	2,436,394	1,580,812	-	4,017,206
Cash and cash equivalents	-	-	861,107	861,107
Investments	-	-	459,031	459,031
Receivables, net	5,693,668	3,256,866	107,523	9,058,057
Inventory	17,044	-	-	17,044
Prepaid costs	167,827	-	-	167,827
Total Assets	\$ 19,792,614	\$ 8,667,982	\$ 4,530,425	\$ 32,991,021
Liabilities				
Accounts payable and accrued liabilities	\$ 1,405,991	\$ -	\$ 51,132	\$ 1,457,123
Unearned revenue	263,177	-	-	263,177
Total Liabilities	1,669,168	-	51,132	1,720,300
Deferred Inflow of Resources				
Unavailable revenue - property taxes	11,903,116	7,767,862	-	19,670,978
Fund Balances				
Nonspendable:				
Inventory	17,044	-	-	17,044
Prepaid items	167,827	-	-	167,827
Restricted for:				
Debt service	-	900,120	-	900,120
Enabling legislation	-	-	51,364	51,364
City parks	-	-	1,519,691	1,519,691
METRO	-	-	265,774	265,774
Special projects	-	-	19,948	19,948
Governmental programming	273,462	-	-	273,462
Assigned to:				
City operations	119,000	-	-	119,000
Tree replacement	-	-	259,682	259,682
Capital projects funds	-	-	2,362,834	2,362,834
Unassigned:				
General fund	5,642,997	-	-	5,642,997
Total Fund Balances	6,220,330	900,120	4,479,293	11,599,743
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 19,792,614	\$ 8,667,982	\$ 4,530,425	\$ 32,991,021

See Notes to Financial Statements.

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CITY OF WEST UNIVERSITY PLACE, TEXAS
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION

December 31, 2017

Total fund balances for governmental funds \$ 11,599,743

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, nondepreciable	8,064,793	
Capital assets, net depreciable	85,445,543	
		93,510,336

Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. 381,339

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.

Internal service funds' net position	6,219,163	
Capital assets accounted for in capital assets used in governmental activities	(851,590)	
Compensated absences accounted for in long-term liabilities	65,485	
Deferred outflows - pensions accounted for in governmental activities	(144,855)	
Deferred inflows - pensions accounted for in governmental activities	4,935	
Net pension liability accounted for in long-term liabilities	282,419	
Net OPEB obligation accounted for in long-term liabilities	34,903	
		5,610,460

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Accrued interest	(401,735)	
Deferred charge on refunding	1,592,164	
Deferred outflows - pensions	3,288,175	
Deferred inflows - pensions	(100,032)	
Noncurrent liabilities due in one year	(8,854,894)	
Noncurrent liabilities due in more than one year	(46,361,394)	
		(50,837,716)

		(50,837,716)
Net Position of Governmental Activities	\$	60,264,162

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, 2017

	<u>General</u>	<u>Debt Service</u>	<u>Nonmajor Governmental</u>	<u>Total Governmental Funds</u>
Revenues				
Ad valorem taxes	\$ 10,897,253	\$ 7,696,744	\$ -	\$ 18,593,997
Sales taxes	1,064,672	-	-	1,064,672
Franchise taxes	1,159,730	-	-	1,159,730
Other taxes	14,330	-	-	14,330
Permits, licenses, and fees	542,903	-	45,450	588,353
Fines and forfeitures	164,384	-	10,002	174,386
Charges for services	2,959,471	-	-	2,959,471
Intergovernmental	-	-	532,336	532,336
Contributions	-	-	746,181	746,181
Investment earnings	43,227	7,215	29,718	80,160
Other revenues	441,874	-	-	441,874
Total Revenues	<u>17,287,844</u>	<u>7,703,959</u>	<u>1,363,687</u>	<u>26,355,490</u>
Expenditures				
Current:				
General government	3,426,621	-	73,399	3,500,020
Public safety	8,072,917	-	-	8,072,917
Public works	3,014,800	-	209,884	3,224,684
Public services	3,597,756	-	272,719	3,870,475
Capital outlay	-	-	100,259	100,259
Debt service:				
Principal	-	7,485,000	-	7,485,000
Interest and fiscal agent fees	-	1,426,468	-	1,426,468
Bond issuance costs	-	82,050	-	82,050
Total Expenditures	<u>18,112,094</u>	<u>8,993,518</u>	<u>656,261</u>	<u>27,761,873</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(824,250)</u>	<u>(1,289,559)</u>	<u>707,426</u>	<u>(1,406,383)</u>
Other Financing Sources (Uses)				
Transfers in	1,604,900	1,193,554	1,200,000	3,998,454
Transfers (out)	(500,000)	-	(700,000)	(1,200,000)
Sale of capital assets	1,802	-	-	1,802
Debt issued	-	9,965,000	-	9,965,000
Payment to refunded bond escrow agent	-	(9,881,593)	-	(9,881,593)
Total Other Financing Sources	<u>1,106,702</u>	<u>1,276,961</u>	<u>500,000</u>	<u>2,883,663</u>
Net Change in Fund Balances	282,452	(12,598)	1,207,426	1,477,280
Beginning fund balances	5,937,878	912,718	3,271,867	10,122,463
Ending Fund Balances	<u>\$ 6,220,330</u>	<u>\$ 900,120</u>	<u>\$ 4,479,293</u>	<u>\$ 11,599,743</u>

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, 2017

Net changes in fund balances - total governmental funds \$ 1,477,280

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 outlay	1,976,417
Depreciation expense	(3,292,699)

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 premiums, discounts, and similar items when debt is first issued; whereas, these amounts are deferred and amortized in the Statement of Activities.

Principal payments	7,485,000
Amortization of premium	225,153
Change in deferred charge on refunding	202,893
Bonds issued	(9,965,000)
Payment to refund bonds	9,245,000
Change in accrued interest	220,997

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds.	20,856
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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.

Compensated absences	(46,649)
OPEB obligation	(60,086)
Change in net pension liability	(26,136)
Change in deferred outflows - pensions	(840,739)
Change in deferred inflows - pensions	(95,097)

Internal service funds are used by management to charge the costs of certain capital assets to individual funds. The net revenue is reported with governmental activities.	<u>1,437,469</u>
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Change in Net Position of Governmental Activities	<u><u>\$ 7,964,659</u></u>
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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, 2017

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Solid Waste	Total Enterprise Funds	Activities Internal Service
Assets				
Current assets:				
Cash and equity in pooled cash and investments	\$ 1,750,355	\$ 540,074	\$ 2,290,429	\$ 5,563,907
Accounts receivable, net	1,308,636	333,502	1,642,138	34,715
Prepaid costs	-	-	-	237,188
Total Current Assets	3,058,991	873,576	3,932,567	5,835,810
Noncurrent assets:				
Capital assets:				
Land	193,875	-	193,875	-
Construction in progress	41,914	-	41,914	-
Buildings and improvements	459,625	-	459,625	-
Machinery and equipment	2,278,208	-	2,278,208	3,038,817
Water and sewer systems	56,437,682	-	56,437,682	-
Less: accumulated depreciation	(39,360,833)	-	(39,360,833)	(2,187,227)
Total Capital Assets, Net of Accumulated Depreciation	20,050,471	-	20,050,471	851,590
Total Noncurrent Assets	20,050,471	-	20,050,471	851,590
Total Assets	\$ 23,109,462	\$ 873,576	\$ 23,983,038	\$ 6,687,400

CITY OF WEST UNIVERSITY PLACE, TEXAS

STATEMENT OF NET POSITION (Page 2 of 2)

PROPRIETARY FUNDS

December 31, 2017

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Solid Waste	Total Enterprise Funds	Activities Internal Service
<u>Deferred Outflows of Resources</u>				
Deferred outflows - pensions	\$ 371,676	\$ 128,134	\$ 499,810	\$ 144,855
Total Deferred Outflows of Resources	371,676	128,134	499,810	144,855
<u>Liabilities</u>				
Current liabilities:				
Accounts payable and accrued liabilities	544,725	111,654	656,379	193,225
Unearned revenue	57,328	19,311	76,639	32,125
Compensated absences	115,650	18,781	134,431	-
Total Current Liabilities	717,703	149,746	867,449	225,350
Noncurrent liabilities:				
Compensated absences	12,850	2,087	14,937	65,485
Net pension liability	727,540	251,270	978,810	282,419
Net OPEB obligation	122,162	52,355	174,517	34,903
Total Noncurrent Liabilities	862,552	305,712	1,168,264	382,807
Total Liabilities	1,580,255	455,458	2,035,713	608,157
<u>Deferred Inflows of Resources</u>				
	11,184	3,624	14,808	4,935
Total Deferred Inflows of Resources	11,184	3,624	14,808	4,935
<u>Net Position</u>				
Net investment in capital assets	20,050,471	-	20,050,471	851,590
Unrestricted	1,839,228	542,628	2,381,856	5,367,573
Total Net Position	\$ 21,889,699	\$ 542,628	\$ 22,432,327	\$ 6,219,163

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, 2017

	<u>Business-Type Activities - Enterprise Funds</u>			<u>Governmental</u>
	<u>Water and Sewer</u>	<u>Solid Waste</u>	<u>Total Enterprise Funds</u>	<u>Activities Internal Service</u>
<u>Operating Revenues</u>				
Charges for sales and services	\$ 7,544,895	\$ 1,729,284	\$ 9,274,179	\$ 5,410,005
Other revenues	-	52,757	52,757	16,471
Total Operating Revenues	<u>7,544,895</u>	<u>1,782,041</u>	<u>9,326,936</u>	<u>5,426,476</u>
<u>Operating Expenses</u>				
Costs of sales and services	2,888,364	863,621	3,751,985	3,142,455
Personnel	1,371,391	528,962	1,900,353	601,387
Repairs and maintenance	-	-	-	83,340
Depreciation	1,865,927	-	1,865,927	215,578
Total Operating Expenses	<u>6,125,682</u>	<u>1,392,583</u>	<u>7,518,265</u>	<u>4,042,760</u>
Operating Income	<u>1,419,213</u>	<u>389,458</u>	<u>1,808,671</u>	<u>1,383,716</u>
<u>Nonoperating Revenues (Expenses)</u>				
Investment earnings	14,414	3,292	17,706	42,396
Gain on sale of capital assets	-	-	-	11,357
Total Nonoperating Revenues	<u>14,414</u>	<u>3,292</u>	<u>17,706</u>	<u>53,753</u>
Income Before Contributions and Transfers	1,433,627	392,750	1,826,377	1,437,469
<u>Contributions and Transfers</u>				
Capital contributions	67,892	-	67,892	-
Transfers (out)	(2,739,054)	(59,400)	(2,798,454)	-
Change in Net Position	(1,237,535)	333,350	(904,185)	1,437,469
Beginning net position	23,127,234	209,278	23,336,512	4,781,694
Ending Net Position	<u>\$ 21,889,699</u>	<u>\$ 542,628</u>	<u>\$ 22,432,327</u>	<u>\$ 6,219,163</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, 2017

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Solid Waste	Total Enterprise Funds	Activities Internal Service
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ 7,340,188	\$ 1,754,257	\$ 9,094,445	\$ 2,502,486
Receipts from interfund charges for services	-	-	-	2,921,400
Payments to suppliers	(3,242,368)	(817,339)	(4,059,707)	(3,254,642)
Payments to employees	(1,264,460)	(482,362)	(1,746,822)	(543,726)
Net Cash Provided by Operating Activities	2,833,360	454,556	3,287,916	1,625,518
<u>Cash Flows from Noncapital Financing Activities</u>				
Transfers (out)	(2,739,054)	(59,400)	(2,798,454)	-
Net Cash (Used) by Noncapital Financing Activities	(2,739,054)	(59,400)	(2,798,454)	-
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition, disposal, and construction of capital assets	(719,914)	-	(719,914)	(74,153)
Proceeds from sale of capital assets	-	-	-	11,357
Net Cash (Used) by Capital and Related Financing Activities	(719,914)	-	(719,914)	(62,796)
<u>Cash Flows from Investing Activities</u>				
Interest received	14,414	3,292	17,706	42,396
Net Cash Provided by Investing Activities	14,414	3,292	17,706	42,396
Net Increase (Decrease) in Cash and Equity in Pooled Cash and Investments	(611,194)	398,448	(212,746)	1,605,118
Beginning cash and equity in pooled cash and investments	2,361,549	141,626	2,503,175	3,958,789
Ending Cash and Equity in Pooled Cash and Investments	\$ 1,750,355	\$ 540,074	\$ 2,290,429	\$ 5,563,907

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, 2017

	Business-Type Activities - Enterprise Funds			Governmental
	Water and Sewer	Solid Waste	Total Enterprise Funds	Internal Service
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities				
Operating income	\$ 1,419,213	\$ 389,458	\$ 1,808,671	\$ 1,383,716
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	1,865,927	-	1,865,927	215,578
Changes in Operating Assets and Liabilities:				
(Increase) decrease in assets:				
Accounts receivable	(204,707)	(27,784)	(232,491)	(34,715)
Prepaid costs	-	-	-	(9,886)
Deferred outflows - pensions	99,499	34,638	134,137	37,941
Increase (decrease) in liabilities:				
Accounts payable and accrued liabilities	(411,332)	26,971	(384,361)	(18,961)
Unearned revenue	57,328	19,311	76,639	32,125
Compensated absences	(15,588)	3,587	(12,001)	10,926
Net pension liability	3,074	996	4,070	1,356
Net OPEB obligation	8,762	3,755	12,517	2,503
Deferred inflows - pensions	11,184	3,624	14,808	4,935
Net Cash Provided by Operating Activities	\$ 2,833,360	\$ 454,556	\$ 3,287,916	\$ 1,625,518
Noncash investing, capital, and financing activities:				
Contributions of capital assets	\$ 67,892	\$ -	\$ 67,892	\$ -

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, 2017

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. A Mayor and four Council members are elected by voters of the City at large for two-year terms.

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 component unit listed below, 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.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

The operations 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.

The City reports the following governmental funds:

The *general fund* is used to account for and report all financial resources not accounted for and reported 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 and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest on all 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 and report proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. 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, 2017

The *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. 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 and report 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 and solid waste funds 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 primary 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, 2017

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 equivalents 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 and investments."

2. Investments

Investments, except for certain investment pools and commercial paper, are reported at fair value. The investment pool operates in accordance with appropriate state laws and regulations and is reported at amortized cost. Investments in nonparticipating interest earning contracts, such as certificates of deposit, are reported at cost.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

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
- Certificates of deposit that meet certain criteria
- 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 acquisition 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.

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	10 to 50 years
Improvements	5 to 50 years
Machinery and equipment	3 to 30 years
Water and sewer system	5 to 60 years
Infrastructure	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*

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

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 has five items that qualify for reporting in this category on 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. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience and changes in actuarial assumptions of the City's defined benefit pension plan. These amounts are deferred and amortized over the average of the expected service lives of pension plan members. Deferred charges have also been recognized as a result of the difference between the projected and actual investment earnings on the pension plan assets. This amount is deferred and amortized over a period of five years. A deferred charge has been recognized for employer pension plan contributions that were made subsequent to the measurement date through the end of the City's fiscal year. This amount is deferred and recognized as a reduction to the net pension liability during the measurement period in which the contributions were made.

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 one item that qualifies for reporting in this category on the government-wide Statement of Net Position. Deferred charges have been recognized as a result of differences between the actuarial expectations and the actual economic experience of the City's defined benefit pension plan. This amount is deferred and amortized over the average of the expected service lives of pension plan members. 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 maximum amount of hours that can be carried from one year to the next is dependent on the number of years of service that the employee has with the City.

Length of Service (Months)	Maximum Vacation Leave Accrual
1-48	160 hours
49-144	240 hours
145-240	320 hours
More than 240	400 hours

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

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

financial resources are maintained separately and represent a reconciling item between the fund and government-wide presentations.

7. Long-Term Obligations

In 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 are deferred and amortized over the life of the bonds using the straight-line 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,

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

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

Amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact are classified as nonspendable fund balance. Amounts that are externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions are classified as restricted.

The committed fund balance classification includes amounts that can be used only for 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, by resolution, 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. The general fund is the only fund that reports a positive unassigned fund balance. All other operating fund reserves will be maintained at ten percent of the estimated revenue for the current annual budget and will be reported as restricted, committed, or assigned. 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 retirees. Spouses and dependents are eligible for continued coverage at the retirees' expense.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

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, 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.

13. Pensions

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's fiduciary net position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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 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.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

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 project length budgets. 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, 2017. 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/security 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.

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

As of December 31, 2017, the City had the following investments:

<u>Investment Types</u>	<u>Value</u>	<u>Weighted Average Maturity (Years)</u>
U.S. agencies	\$ 10,928,338	0.85
TexPool	13,682,240	0.09
Corporation's certificates of deposit	459,031	0.02
Total	\$ 25,069,609	
Portfolio weighted average maturity		0.42

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application*, provides a framework for measuring fair value, which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs other than quoted prices within Level 1 that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

Fair value is measured in a manner consistent with one of the three approaches: market approach, cost approach, and the income approach. The valuation methodology used is based upon whichever technique is the most appropriate and provides the best representation of fair value for that particular asset or liability. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or groups of assets and liabilities. The cost approach reflects the amount that would be required to replace the present service capacity of an asset. The income approach converts future amounts, such as cash flows, to a single current (discounted) amount.

As of December 31, 2017, the City had the following recurring fair value measurements:

	December 31, 2017	Fair Value Measurements Using Significant Other Observable Inputs (Level 1)
Investments by Fair Value Level		
<u>U.S. Government Agency Bonds/Notes</u>		
Federal Home Loan Bank	\$ 4,978,508	\$ 4,978,508
Federal Home Loan Mortgage Corporation	1,990,810	1,990,810
Federal Farm Credit Bank	2,975,480	2,975,480
Federal National Mortgage Association Notes	983,540	983,540
Total	\$ 10,928,338	\$ 10,928,338

U.S. government agency bonds and notes are classified in Level 1 of the fair value hierarchy and are valued using the market approach.

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 "AAAm". United States agency investments must be issued in the United States and carry a rating of "AAA" or "AAAm" as provided by two of the top nationally recognized rating agencies. As of December 31, 2017, the City's investment in TexPool was rated "AAAm" and the City's investment in United States agencies was rated between "AA+" and "AAA" 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, 2017 consist of a variety of bonds and discount notes issued by the Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, and the Federal Farm Credit Bank. These investments were rated not less than "Aaa" by Moody's and not less than "AA+" by 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. The City's investment policy requires funds on deposit at the depository bank to be collateralized by securities. As of December 31, 2017, fair values of pledged securities and FDIC coverage exceeded bank balances for the City. The Corporation's fair values of pledged securities and FDIC coverage did not exceed bank balances. The Friends of West University Parks Fund was under collateralized by \$352,710.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

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 individuals who do not have a business relationship with TexPool. The advisory board members review the investment policy and management fee structure. Finally, Standard & Poor's rates 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 is an external investment pool measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, the investment pool must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity, and diversification requirements within TexPool. TexPool transacts at a net asset value of \$1.00 per share, has weighted average maturities of 60 days or less, and weighted average lives of 120 days or less. Investments held are highly rated by nationally recognized statistical rating organizations, have no more than five percent of portfolio with one issuer (excluding U.S. government securities), and can meet reasonably foreseeable redemptions. TexPool has a redemption notice period of one day and may redeem daily. TexPool's authority may only impose restrictions on redemptions in the event of a general suspension of trading on major securities markets, general banking moratorium, or national state of emergency that affects TexPool's liquidity.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

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, the internal services funds in the aggregate, and the enterprise funds, including the applicable allowances for uncollectible accounts:

	General	Debt Service	Nonmajor Governmental	Internal Service	Water and Sewer	Solid Waste
Ad valorem taxes	\$ 4,950,261	\$ 3,256,866	\$ -	\$ -	\$ -	\$ -
Other taxes	352,882	-	-	-	-	-
Accounts	119,865	-	-	-	1,426,516	348,031
Intergovernmental	263,177	-	107,523	32,125	57,328	19,311
Other	9,276	-	-	2,590	8,722	667
Less allowance	(1,793)	-	-	-	(183,930)	(34,507)
	<u>\$ 5,693,668</u>	<u>\$ 3,256,866</u>	<u>\$ 107,523</u>	<u>\$ 34,715</u>	<u>\$ 1,308,636</u>	<u>\$ 333,502</u>

C. Capital Assets

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

	Primary Government			
	Beginning Balance	Increases	(Decreases)	
Governmental Activities:				
Capital assets not being depreciated:				
Land	\$ 6,298,042	\$ 1,500,000	\$ -	\$ 7,798,042
Construction in progress	227,998	235,288	(196,535)	266,751
Total capital assets not being depreciated	<u>6,526,040</u>	<u>1,735,288</u>	<u>(196,535)</u>	<u>8,064,793</u>
Other capital assets:				
Buildings and improvements	57,633,250	420,705	-	58,053,955
Machinery and equipment	8,210,968	91,112	(27,689)	8,274,391
Infrastructure	66,633,784	-	-	66,633,784
Total other capital assets	<u>132,478,002</u>	<u>511,817</u>	<u>(27,689)</u>	<u>132,962,130</u>
Less accumulated depreciation for:				
Buildings and improvements	(16,292,407)	(1,804,389)	-	(18,096,796)
Machinery and equipment	(6,769,033)	(371,212)	27,689	(7,112,556)
Infrastructure	(20,974,559)	(1,332,676)	-	(22,307,235)
Total accumulated depreciation	<u>(44,035,999)</u>	<u>(3,508,277)</u>	<u>27,689</u>	<u>(47,516,587)</u>
Other capital assets, net	<u>88,442,003</u>	<u>(2,996,460)</u>	<u>-</u>	<u>85,445,543</u>
Governmental Activities Capital Assets, Net	<u>\$ 94,968,043</u>	<u>\$ (1,261,172)</u>	<u>\$ (196,535)</u>	<u>93,510,336</u>
			Less associated debt	(46,703,928)
			Plus deferred charge on refunding	1,592,164
			Net Investment in Capital Assets	<u>\$ 48,398,572</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

All capital assets constructed or paid for with funds of the component unit 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	\$	477,958
Public safety		22,348
Public works		1,890,975
Public service		901,418
Capital assets held by the City's internal service fund		<u>215,578</u>
Total Governmental Activities Depreciation Expense	\$	<u>3,508,277</u>

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

	Primary Government			
	Beginning Balance	Increases	(Decreases)/ Reclassifications	Ending Balance
Business-Type Activities:				
Capital assets not being depreciated:				
Land	\$ 193,875	\$ -	\$ -	\$ 193,875
Construction in progress	<u>396,420</u>	<u>41,914</u>	<u>(396,420)</u>	<u>41,914</u>
Total capital assets not being depreciated	<u>590,295</u>	<u>41,914</u>	<u>(396,420)</u>	<u>235,789</u>
Other capital assets:				
Buildings and improvements	459,625	-	-	459,625
Water and sewer systems	55,809,838	980,878	(353,034)	56,437,682
Machinery and equipment	<u>2,116,774</u>	<u>161,434</u>	<u>-</u>	<u>2,278,208</u>
Total other capital assets	<u>58,386,237</u>	<u>1,142,312</u>	<u>(353,034)</u>	<u>59,175,515</u>
Less accumulated depreciation for:				
Buildings and improvements	(437,175)	(18,385)	-	(455,560)
Water and sewer systems	(36,395,321)	(1,740,987)	353,034	(37,783,274)
Machinery and equipment	<u>(1,015,444)</u>	<u>(106,555)</u>	<u>-</u>	<u>(1,121,999)</u>
Total accumulated depreciation	<u>(37,847,940)</u>	<u>(1,865,927)</u>	<u>353,034</u>	<u>(39,360,833)</u>
Other capital assets, net	<u>20,538,297</u>	<u>(723,615)</u>	<u>-</u>	<u>19,814,682</u>
Business-Type Activities Capital Assets, Net	<u>\$ 21,128,592</u>	<u>\$ (681,701)</u>	<u>\$ (396,420)</u>	<u>20,050,471</u>

Depreciation was charged to business-type functions as follows:

Water and sewer	\$	1,865,927
Total Business-Type Activities Depreciation Expense	\$	<u>1,865,927</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

D. Long-Term Debt

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

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Governmental Activities:					
Bonds, notes and other payables:					
General obligation bonds	\$ 42,740,000	\$ 9,965,000	\$ 12,610,000	\$ 40,095,000 **	\$ 7,500,000
Certificates of obligation	10,165,000	-	4,120,000	6,045,000 **	270,000
Unamortized premiums and/or discounts	789,081	-	225,153	563,928 **	-
	<u>53,694,081</u>	<u>9,965,000</u>	<u>16,955,153</u>	<u>46,703,928</u>	<u>7,770,000</u>
Other liabilities:					
Compensated absences	1,147,863	1,090,652	1,033,077	1,205,438	1,084,894
Net pension liability	6,406,843	27,492	-	6,434,335	-
Net OPEB obligation	809,998	62,589	-	872,587	-
	<u>8,364,704</u>	<u>1,180,733</u>	<u>1,033,077</u>	<u>8,364,704</u>	<u>1,084,894</u>
Total Governmental Activities	<u>\$ 62,058,785</u>	<u>\$ 11,145,733</u>	<u>\$ 17,988,230</u>	<u>\$ 55,216,288</u>	<u>\$ 8,854,894</u>
				<u>Long-term debt due in more than one year</u>	<u>\$ 46,361,394</u>
				**Debt associated with governmental activities capital assets	<u>\$ 46,703,928</u>
	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
Business-Type Activities:					
Other liabilities:					
Compensated absences	\$ 161,369	\$ 133,231	\$ 145,232	\$ 149,368	\$ 134,431
Net pension liability	974,740	4,070	-	978,810	-
Net OPEB obligation	162,000	12,517	-	174,517	-
	<u>1,298,109</u>	<u>149,818</u>	<u>145,232</u>	<u>1,302,695</u>	<u>134,431</u>
Total Business-Type Activities	<u>\$ 1,298,109</u>	<u>\$ 149,818</u>	<u>\$ 145,232</u>	<u>\$ 1,302,695</u>	<u>\$ 134,431</u>
				<u>Long-term debt due in more than one year</u>	<u>\$ 1,168,264</u>

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 liability, and net other post employment benefits (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.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

Advanced Refunding

The City issued \$9,965,000 of general obligation refunding bonds, series 2017 to provide resources to purchase direct obligations of the United States of America, of which \$9,881,593 was placed in an irrevocable trust for the purpose of generating resources for a portion of future debt service payments of outstanding long-term debt issues in permanent improvement and refunding bonds, series 2009; permanent improvement bonds, series 2010; and certificates of obligation, series 2010. As a result, the refunded portion of these bonds is considered to be defeased and the pro-rata portion of the liability has been removed from the applicable governmental columns in the Statement of Net Position. The reacquisition price was less than the net carrying amount of the old debt by \$540,980. This amount is being netted against the new debt and amortized over the life of the new debt, which is equal to the life of the old debt. This debt refunding resulted in an economic gain of \$920,328 and a reduction of \$1,031,720 in future debt service payments. At December 31, 2017, \$3,595,000 of outstanding permanent improvement and refunding bonds, series 2009; \$2,375,000 of outstanding permanent improvement bonds, series 2010; and \$3,275,000 of outstanding certificates of obligation, series 2010 were considered defeased relating to the 2017 refunding.

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

Description	Interest Rates	Balance
<u>Governmental Activities</u>		
General Obligation Bonds		
Permanent improvement		
Series 2010	2.00-4.00%	\$ 2,310,000
Permanent improvement and refunding		
Series 2009	2.50-4.50%	4,525,000
Series 2010	2.00-4.00%	4,880,000
Series 2011	2.00-3.00%	1,215,000
Series 2012	2.00%	6,425,000
Series 2013	0.34-1.75%	8,805,000
General obligation refunding		
Series 2016	1.45%	1,970,000
Series 2017	2.01%	9,965,000
Total General Obligation Bonds		40,095,000
Certificates of Obligation		
Series 2009	2.50-4.50%	1,020,000
Series 2010	2.00-4.00%	3,120,000
Series 2010A	1.00-4.00%	1,115,000
Series 2011	2.00-2.25%	790,000
Total Certificates of Obligation		6,045,000
Total Governmental Activities Long-Term Debt		\$ 46,140,000

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

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

Year Ending Dec 31	Governmental Activities		
	Principal	Interest	Total
2018	\$ 7,770,000	\$ 1,063,783	\$ 8,833,783
2019	7,910,000	920,492	8,830,492
2020	8,060,000	750,016	8,810,016
2021	3,475,000	604,956	4,079,956
2022	3,445,000	488,966	3,933,966
2023-2027	12,785,000	1,157,171	13,942,171
2028	2,695,000	32,699	2,727,699
Total	\$ 46,140,000	\$ 5,018,083	\$ 51,158,083

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 Transfers

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

Transfer Out	Transfer In	Amounts
General	Nonmajor	\$ 500,000
Nonmajor	Nonmajor	700,000
Water and sewer	Debt service	1,193,554
Water and sewer	General	1,545,500
Solid waste	General	59,400
		<u>\$ 3,998,454</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

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. Transfers to the debt service fund are used to move revenues from the water and sewer fund with collection authorization as debt service principal and interest payments become due.

F. Leases

The City is the lessor of approximately 1.0874 acres of its land to Goode Cook, Inc. (the "Company"). This lease agreement (the "Lease") is an operating lease with fixed minimum rental payments with annually adjusted rates. The Lease expires July 31, 2022; however, at any time after July 31, 2016, the City may terminate the Lease by giving the Company a minimum of nine months' written notice. Rental income is earned from leasing this parcel of land to the Company.

Minimum guaranteed income on all City noncancelable operating leases is as follows:

Year Ending Dec 31	Annual Base Rent
2018	\$ 79,657
2019	82,051
2020	84,517
2021	87,055
2022	51,660
Total	<u>\$ 384,940</u>

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 that exceeded coverage amounts for the past three years.

B. 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 that may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

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.

C. Pension Plan

Texas Municipal Retirement System

Plan Description

The City participates as one of 872 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the "TMRS Act") as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of TMRS with a six-member Board of Trustees (the "Board"). Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmr.com.

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

Benefits Provided

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

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

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:

	2017	2016
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)	70% of CPI Repeating	70% of CPI Repeating

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

Employees Covered by Benefit Terms

At the December 31, 2016 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	105
Inactive employees entitled to, but not yet receiving, benefits	86
Active employees	117
Total	<u>308</u>

Contributions

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

Employees for the City were required to contribute seven percent of their annual gross earnings during the fiscal year. The contribution rate for the City was 12.83 percent and 13.55 percent in calendar years 2016 and 2017, respectively. The City's contributions to TMRS for the fiscal year ended December 31, 2017 were \$1,255,853, which were equal to the required contributions.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2016 and the Total Pension Liability (TPL) used to calculate the NPL was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The TPL in the December 31, 2016 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.50% per year
Overall payroll growth	3.00% per year
Investment rate of return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment, with male rates multiplied by 109 percent and female rates multiplied by 103 percent. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements. For disabled annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109 percent and female rates multiplied by 103 percent with a three-year set-forward for both males and females. In addition, a three percent minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the three percent floor.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

Actuarial assumptions used in the December 31, 2016 valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the EAN actuarial cost method. Assumptions are reviewed annually. Plan assets are managed on a total return basis with an emphasis on both capital appreciation, as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return (Arithmetic)</u>
Domestic Equity	17.50%	4.55%
International Equity	17.50%	6.35%
Core Fixed Income	10.00%	1.00%
Non-Core Fixed Income	20.00%	4.15%
Real Return	10.00%	4.15%
Real Estate	10.00%	4.75%
Absolute Return	10.00%	4.00%
Private Equity	5.00%	7.75%
Total	100.00%	

Discount Rate

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

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

Changes in the NPL

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) - (B)
Changes for the year:			
Service cost	\$ 1,441,040	\$ -	\$ 1,441,040
Interest	3,051,656	-	3,051,656
Changes in benefit terms	-	-	-
Difference between expected and actual experience	(154,304)	-	(154,304)
Changes in assumptions	-	-	-
Contributions - employer	-	1,139,861	(1,139,861)
Contributions - employee	-	621,904	(621,904)
Net investment income	-	2,575,734	(2,575,734)
Benefit payments, including refunds of employee contributions	(2,039,745)	(2,039,745)	-
Administrative expense	-	(29,101)	29,101
Other changes	-	(1,568)	1,568
Net Changes	<u>2,298,647</u>	<u>2,267,085</u>	<u>31,562</u>
Balance at December 31, 2015	45,509,078	38,127,495	7,381,583
Balance at December 31, 2016	<u><u>\$ 47,807,725</u></u>	<u><u>\$ 40,394,580</u></u>	<u><u>\$ 7,413,145</u></u>

Sensitivity of the NPL to Changes in the Discount Rate

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

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's Net Pension Liability	<u>\$ 13,874,453</u>	<u>\$ 7,413,145</u>	<u>\$ 2,075,893</u>

Pension Plan Fiduciary Net Position

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

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

For the fiscal year ended December 31, 2017, the City recognized net pension expense of \$2,415,070.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

As of December 31, 2017, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 326,553	\$ 114,840
Changes in actuarial assumptions	429,476	-
Difference between projected and actual investment earnings	1,776,103	-
Contributions subsequent to the measurement date	1,255,853	-
Total	\$ 3,787,985	\$ 114,840

\$1,255,853 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction of the NPL for the fiscal year ending December 31, 2018. Other amounts reported as deferred outflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended December 31:	Pension Expense
2018	\$ 1,082,313
2019	842,745
2020	492,659
2021	(425)
2022	-
Thereafter	-
Total	\$ 2,417,292

D. Other Post Employment Benefits

1. 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 by the City for at least ten years immediately preceding the date of retirement, the employee may continue to be covered through the City’s Plan.

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

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 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. The 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 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 Benefits (OPEB) cost (expense) is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of accrual that, if paid on an ongoing basis, is projected to cover the normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The annual OPEB cost for the fiscal year ending December 31, 2017 is as follows:

Annual required contribution	\$	280,784
Interest on net OPEB obligation		43,740
Adjustment to annual required contribution		(58,369)
Annual OPEB cost (expense)		266,155
Contributions made		(191,049)
Increase in net OPEB obligation		75,106
Net OPEB obligation-beginning of year		971,998
Net OPEB obligation-end of year		\$ 1,047,104

The City’s annual OPEB cost, the amount contributed by the City, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for fiscal year ending December 31, 2017 and the two preceding fiscal years are as follows:

Fiscal Year	Annual OPEB Cost	Employer Amount Contributed	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation	
				Beginning	Ending
2015	\$ 267,936	\$ 228,676	85.30%	\$ 853,653	\$ 892,913
2016	\$ 267,345	\$ 188,260	70.42%	\$ 892,913	\$ 971,998
2017	\$ 266,155	\$ 191,049	71.78%	\$ 971,998	\$ 1,047,104

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

Funded Status

As of December 31, 2014, the most recent actuarial valuation date, the City's Plan was zero percent funded with an estimated actuarial accrued liability exceeding actuarial assets by \$2,633,126. The annual covered payroll as of that date was \$7,803,300, and the ratio of the unfunded actuarial accrued liability to annual covered payroll was 33.7 percent.

Actuarial Methods and Assumptions

The Projected Unit Credit Cost method is used to calculate the GASB ARC for the City's Plan. Using the Plan benefits, the present health premiums and a set of actuarial assumptions, the anticipated future payments are projected. The actuarial costs method then provides for a systematic funding for these anticipated payments. The yearly ARC is computed to cover the cost of benefits being earned by covered members as well as to amortize a portion of the unfunded accrued liability.

Projections of health benefits are based on the Plan as understood by the City and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and its employees to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

Significant methods and assumptions were as follows:

Actuarial Cost Method	Projected unit credit
Amortization Method	Level dollar
Amortization Period	30 year, open amortization
Investment Rate of Return	4.50%, net of expenses
Inflation rate	3.00% per year
Healthcare Cost Trend Rate	Initial rate of 7.25% declining to an ultimate rate of 4.50% after 14 years

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status and the ARC of the City's Plan are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress, presented as RSI, provides multi-year trend information that shows whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

2. TMRS Supplemental Death Benefits Fund

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

CITY OF WEST UNIVERSITY PLACE, TEXAS

NOTES TO FINANCIAL STATEMENTS (Continued)

For the Year Ended December 31, 2017

period preceding the month of death); retired employees are insured for \$7,500; this coverage is an "Other Post Employment Benefit," or OPEB. For the year ended December 31, 2017, 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 contributions to the TMRS SDBF for the years ended December 31, 2017, 2016, and 2015 were \$4,634, \$4,442, and \$3,507, respectively, which equaled the required contributions each year.

The City's contribution rates for the past three years are shown below:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Annual Req. Contrib. (Rate)	0.05%	0.05%	0.04%
Actual Contribution Made (Rate)	0.05%	0.05%	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, 2017

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Taxes:				
Ad valorem	\$ 10,956,827	\$ 10,956,827	\$ 10,897,253	\$ (59,574)
Sales	1,115,300	1,115,300	1,064,672	(50,628)
Franchise	1,149,700	1,149,700	1,159,730	10,030
Other	16,500	16,500	14,330	(2,170)
Permits, licenses, and fees	498,200	498,200	542,903	44,703
Fines and forfeitures	118,300	118,300	164,384	46,084
Charges for services	2,301,550	2,301,550	2,959,471	657,921
Investment earnings	65,000	65,000	43,227	(21,773)
Other revenues	354,646	359,040	441,874	82,834
Total Revenues	<u>16,576,023</u>	<u>16,580,417</u>	<u>17,287,844</u>	<u>707,427</u>
Expenditures				
General government:				
Administration	1,319,365	1,319,365	1,209,075	110,290
Finance	2,274,630	2,274,630	2,217,546	57,084
Total general government expenditures	<u>3,593,995</u>	<u>3,593,995</u>	<u>3,426,621</u>	<u>167,374</u>
Public safety:				
Police	5,079,150	5,079,150	4,575,579	503,571
Fire	3,554,350	3,558,744	3,497,338	61,406
Total public safety expenditures	<u>8,633,500</u>	<u>8,637,894</u>	<u>8,072,917</u>	<u>564,977</u>
Public works	3,272,800	3,272,800	3,014,800	258,000
Public service	3,742,400	3,742,400	3,597,756	144,644
Total Expenditures	<u>19,242,695</u>	<u>19,247,089</u>	<u>18,112,094</u>	<u>1,134,995</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(2,666,672)</u>	<u>(2,666,672)</u>	<u>(824,250)</u>	<u>1,842,422</u>
Other Financing Sources (Uses)				
Transfers in	1,604,900	1,604,900	1,604,900	-
Transfers (out)	(500,000)	(500,000)	(500,000)	-
Sale of capital asset	-	-	1,802	1,802
Total Other Financing Sources	<u>1,104,900</u>	<u>1,104,900</u>	<u>1,106,702</u>	<u>1,802</u>
Net Change in Fund Balance	<u>\$ (1,561,772)</u>	<u>\$ (1,561,772)</u>	282,452	<u>\$ 1,844,224</u>
Beginning fund balance			<u>5,937,878</u>	
Ending Fund Balance			<u>\$ 6,220,330</u>	

Notes to Required Supplementary Information:

- 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 CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
TEXAS MUNICIPAL RETIREMENT SYSTEM
For the Year Ended December 31, 2017

	Measurement Year*		
	2014	2015	2016
Total Pension Liability			
Service cost	\$ 1,163,400	\$ 1,417,162	\$ 1,441,040
Interest (on the total pension liability)	2,744,057	2,907,623	3,051,656
Changes in benefit terms	-	-	-
Difference between expected and actual experience	440,869	485,089	(154,304)
Changes in assumptions	-	946,917	-
Benefit payments, including refunds of employee contributions	(2,123,925)	(2,153,197)	(2,039,745)
Net Change in Total Pension Liability	<u>2,224,401</u>	<u>3,603,594</u>	<u>2,298,647</u>
Beginning total pension liability	39,681,083	41,905,484	45,509,078
Ending Total Pension Liability	<u><u>\$ 41,905,484</u></u>	<u><u>\$ 45,509,078</u></u>	<u><u>\$ 47,807,725</u></u>
Plan Fiduciary Net Position			
Contributions - employer	\$ 799,153	\$ 1,046,460	\$ 1,139,861
Contributions - employee	550,058	614,567	621,904
Net investment income	2,131,607	56,952	2,575,734
Benefit payments, including refunds of employee contributions	(2,123,925)	(2,153,197)	(2,039,745)
Administrative expense	(22,258)	(34,692)	(29,101)
Other	(1,830)	(1,713)	(1,568)
Net Change in Plan Fiduciary Net Position	<u>1,332,805</u>	<u>(471,623)</u>	<u>2,267,085</u>
Beginning plan fiduciary net position	37,266,313	38,599,118	38,127,495
Ending Plan Fiduciary Net Position	<u><u>\$ 38,599,118</u></u>	<u><u>\$ 38,127,495</u></u>	<u><u>\$ 40,394,580</u></u>
Net Pension Liability	<u><u>\$ 3,306,366</u></u>	<u><u>\$ 7,381,583</u></u>	<u><u>\$ 7,413,145</u></u>
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	92.11%	83.78%	84.49%
Covered Employee Payroll	\$ 7,803,300	\$ 8,767,969	\$ 8,884,334
Net Pension Liability as a Percentage of Covered Employee Payroll	42.37%	84.19%	83.44%

*Only three years of information is currently available. The City will build this schedule over the next seven-year period.

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CITY OF WEST UNIVERSITY PLACE, TEXAS

SCHEDULE OF CONTRIBUTIONS

TEXAS MUNICIPAL RETIREMENT SYSTEM

For the Year Ended December 31, 2017

	Fiscal Year*			
	2014	2015	2016	2017
Actuarially determined contribution	\$ 799,153	\$ 1,045,142	\$ 1,139,862	\$ 1,255,853
Contributions in relation to the actuarially determined contribution	(799,153)	(1,045,142)	(1,139,862)	(1,255,853)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
 Covered employee payroll	 \$ 7,803,300	 \$ 8,767,969	 \$ 8,884,334	 \$ 9,268,285
 Contributions as a percentage of covered employee payroll	 10.24%	 11.92%	 12.83%	 13.55%

*Only four years of information is currently available. The City will build this schedule over the next six-year period.

Notes to Required Supplementary Information:

1. Valuation Date:

Actuarially determined contribution rates are calculated as of December 31 and become effective in January, 13 months later.

2. Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	29 years
Asset valuation method	10 year smoothed market; 15% soft corridor
Inflation	2.5%
Salary increases	3.50% to 10.5% including inflation
Investment rate of return	6.75%
Retirement age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014.
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

3. Other Information:

There were no benefit changes during the year.

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CITY OF WEST UNIVERSITY PLACE, TEXAS

SCHEDULE OF FUNDING PROGRESS

POST EMPLOYMENT HEALTHCARE BENEFITS

For the Year Ended December 31, 2017

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%	\$ 7,764,719	43.1%
12/31/14	\$ -	\$ 2,633,126	\$ 2,633,126	0.0%	\$ 7,803,300	33.7%

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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, 2017

	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Ad valorem taxes	\$ 7,758,715	\$ 7,758,715	\$ 7,696,744	\$ (61,971)
Investment earnings	2,500	2,500	7,215	4,715
Total Revenues	<u>7,761,215</u>	<u>7,761,215</u>	<u>7,703,959</u>	<u>(57,256)</u>
Expenditures				
Debt service:				
Principal	7,485,000	7,485,000	7,485,000	-
Interest and fiscal agent fees	1,438,718	1,438,718	1,426,468	12,250
Bond issuance costs	-	83,407	82,050	1,357
Total Expenditures	<u>8,923,718</u>	<u>9,007,125</u>	<u>8,993,518</u>	<u>13,607</u>
(Deficiency) of Revenues (Under) Expenditures	<u>(1,162,503)</u>	<u>(1,245,910)</u>	<u>(1,289,559)</u>	<u>(43,649)</u>
Other Financing Sources (Uses)				
Transfers in	1,193,554	1,193,554	1,193,554	-
Debt issued	-	9,965,000	9,965,000	-
Payment to refunded bond escrow agent	-	(9,881,593)	(9,881,593)	-
Total Other Financing Sources	<u>1,193,554</u>	<u>1,276,961</u>	<u>1,276,961</u>	<u>-</u>
Net Change in Fund Balance	<u>\$ 31,051</u>	<u>\$ 31,051</u>	(12,598)	<u>\$ (43,649)</u>
Beginning fund balance			<u>912,718</u>	
Ending Fund Balance			<u>\$ 900,120</u>	

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CITY OF WEST UNIVERSITY PLACE, TEXAS

NONMAJOR GOVERNMENTAL FUNDS

December 31, 2017

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned 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 is used to account 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/Security Fund

This fund is used to account for a portion of traffic fines revenue set aside to acquire technology and provide security 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.

Drainage Improvement Fund

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

CITY OF WEST UNIVERSITY PLACE, TEXAS

COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS

December 31, 2017

	Special Revenue Funds			
	Parks	Friends of the Parks	Tree Replacement	Court Technology/ Security
<u>Assets</u>				
Current assets:				
Cash and equity in pooled cash and investments	\$ 210,382	\$ -	\$ 259,682	\$ 51,364
Cash and cash equivalents	-	861,107	-	-
Investments	-	459,031	-	-
Accounts receivable	-	-	-	-
Total Assets	\$ 210,382	\$ 1,320,138	\$ 259,682	\$ 51,364
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 10,829	\$ -	\$ -	\$ -
Total Liabilities	10,829	-	-	-
Fund balances:				
Restricted for:				
Enabling legislation	-	-	-	51,364
City parks	199,553	1,320,138	-	-
METRO	-	-	-	-
Special projects	-	-	-	-
Assigned to:				
Tree replacement	-	-	259,682	-
Capital projects funds	-	-	-	-
Total Fund Balances	199,553	1,320,138	259,682	51,364
Total Liabilities and Fund Balances	\$ 210,382	\$ 1,320,138	\$ 259,682	\$ 51,364

Special Revenue Funds		Capital Projects Funds			Total Nonmajor Governmental Funds
METRO Grant	Emergency Grant	Capital Projects	Capital Reserve	Drainage Improvement	
\$ 158,251	\$ 19,948	\$ 221,049	\$ 652,573	\$ 1,529,515	\$ 3,102,764
-	-	-	-	-	861,107
-	-	-	-	-	459,031
107,523	-	-	-	-	107,523
<u>\$ 265,774</u>	<u>\$ 19,948</u>	<u>\$ 221,049</u>	<u>\$ 652,573</u>	<u>\$ 1,529,515</u>	<u>\$ 4,530,425</u>
\$ -	\$ -	\$ 32	\$ -	\$ 40,271	\$ 51,132
-	-	32	-	40,271	51,132
-	-	-	-	-	51,364
-	-	-	-	-	1,519,691
265,774	-	-	-	-	265,774
-	19,948	-	-	-	19,948
-	-	-	-	-	259,682
-	-	221,017	652,573	1,489,244	2,362,834
265,774	19,948	221,017	652,573	1,489,244	4,479,293
<u>\$ 265,774</u>	<u>\$ 19,948</u>	<u>\$ 221,049</u>	<u>\$ 652,573</u>	<u>\$ 1,529,515</u>	<u>\$ 4,530,425</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2017

	Special Revenue Funds			
	Parks	Friends of the Parks	Tree Replacement	Court Technology/ Security
Revenues				
Fines and forfeitures	\$ -	\$ -	\$ -	\$ 10,002
Permits, licenses, and fees	-	-	45,450	-
Intergovernmental	-	-	-	-
Contributions	226,514	519,667	-	-
Investment earnings	1,746	5,621	2,127	444
Total Revenues	228,260	525,288	47,577	10,446
Expenditures				
Current:				
General government	68,823	-	-	4,576
Public works	-	-	-	-
Public services	-	260,049	12,670	-
Capital outlay	-	-	-	-
Total Expenditures	68,823	260,049	12,670	4,576
Excess (Deficiency) of Revenues Over (Under) Expenditures	159,437	265,239	34,907	5,870
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
Net Change in Fund Balances	159,437	265,239	34,907	5,870
Beginning fund balances	40,116	1,054,899	224,775	45,494
Ending Fund Balances	\$ 199,553	\$ 1,320,138	\$ 259,682	\$ 51,364

Special Revenue Funds		Capital Projects Funds			Total Nonmajor Governmental Funds
METRO Grant	Emergency Grant	Capital Projects	Capital Reserve	Drainage Improvement	
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,002
-	-	-	-	-	45,450
532,336	-	-	-	-	532,336
-	-	-	-	-	746,181
1,361	174	1,389	4,568	12,288	29,718
<u>533,697</u>	<u>174</u>	<u>1,389</u>	<u>4,568</u>	<u>12,288</u>	<u>1,363,687</u>
-	-	-	-	-	73,399
-	-	-	-	209,884	209,884
-	-	-	-	-	272,719
-	-	100,259	-	-	100,259
-	-	100,259	-	209,884	656,261
<u>533,697</u>	<u>174</u>	<u>(98,870)</u>	<u>4,568</u>	<u>(197,596)</u>	<u>707,426</u>
-	-	200,000	500,000	500,000	1,200,000
<u>(500,000)</u>	<u>-</u>	<u>-</u>	<u>(200,000)</u>	<u>-</u>	<u>(700,000)</u>
<u>(500,000)</u>	<u>-</u>	<u>200,000</u>	<u>300,000</u>	<u>500,000</u>	<u>500,000</u>
33,697	174	101,130	304,568	302,404	1,207,426
<u>232,077</u>	<u>19,774</u>	<u>119,887</u>	<u>348,005</u>	<u>1,186,840</u>	<u>3,271,867</u>
<u>\$ 265,774</u>	<u>\$ 19,948</u>	<u>\$ 221,017</u>	<u>\$ 652,573</u>	<u>\$ 1,489,244</u>	<u>\$ 4,479,293</u>

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, 2017

		Parks			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
	Contributions	\$ 236,500	\$ 236,500	\$ 226,514	\$ (9,986)
	Investment earnings	-	-	1,746	1,746
	Other revenues	350,000	350,000	-	(350,000)
	Total Revenues	586,500	586,500	228,260	(358,240)
Expenditures					
	General government	567,500	567,500	68,823	498,677
	Total Expenditures	567,500	567,500	68,823	498,677
	Net Change in Fund Balance	\$ 19,000	\$ 19,000	159,437	\$ 140,437
	Beginning fund balance			40,116	
	Ending Fund Balance			\$ 199,553	

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, 2017

	Tree Replacement			
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Permits, licenses, and fees	\$ 30,000	\$ 30,000	45,450	\$ 15,450
Investment earnings	-	-	2,127	2,127
Total Revenues	30,000	30,000	47,577	17,577
Expenditures				
Public services	30,000	30,000	12,670	17,330
Total Expenditures	30,000	30,000	12,670	17,330
Net Change in Fund Balance	\$ -	\$ -	34,907	\$ 34,907
Beginning fund balance			224,775	
Ending Fund Balance			\$ 259,682	

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, 2017

		Court Technology/Security			
		Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues					
	Fines and forfeitures	\$ 7,500	\$ 7,500	\$ 10,002	\$ 2,502
	Investment earnings	-	-	444	444
	Total Revenues	7,500	7,500	10,446	2,946
Expenditures					
	General government	15,000	15,000	4,576	10,424
	Total Expenditures	15,000	15,000	4,576	10,424
	Net Change in Fund Balance	\$ (7,500)	\$ (7,500)	5,870	\$ 13,370
	Beginning fund balance			45,494	
	Ending Fund Balance			\$ 51,364	

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, 2017

	METRO Grant			
	Original Budget Amounts	Final Budget Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues				
Intergovernmental	\$ 500,000	\$ 500,000	\$ 532,336	\$ 32,336
Investment earnings	300	300	1,361	1,061
Total Revenues	500,300	500,300	533,697	33,397
Other Financing Sources (Uses)				
Transfers (out)	(500,000)	(500,000)	(500,000)	-
Total Other Financing (Uses)	(500,000)	(500,000)	(500,000)	-
Net Change in Fund Balance	\$ 300	\$ 300	33,697	\$ 33,397
Beginning fund balance			232,077	
Ending Fund Balance			\$ 265,774	

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CITY OF WEST UNIVERSITY PLACE, TEXAS

INTERNAL SERVICE FUNDS

December 31, 2017

Vehicle Replacement Fund

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

Technology Management Fund

This internal service fund is used to account for and report 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, 2017

	Vehicle Replacement	Equipment Replacement	Healthcare Benefits	Technology Management
<u>Assets</u>				
Current assets:				
Equity in pooled cash and investments	\$ 2,257,238	\$ 1,904,630	\$ 1,065,445	\$ 336,594
Receivables	-	2,568	22	32,125
Prepaid costs	-	-	223,606	13,582
Total Current Assets	2,257,238	1,907,198	1,289,073	382,301
Noncurrent assets:				
Capital assets:				
Machinery and equipment	2,826,855	211,962	-	-
Less: accumulated depreciation	(2,155,958)	(31,269)	-	-
Total Capital Assets (Net of Accumulated Depreciation)	670,897	180,693	-	-
Total Noncurrent Assets	670,897	180,693	-	-
Total Assets	2,928,135	2,087,891	1,289,073	382,301
<u>Deferred Outflows of Resources</u>				
Deferred outflows - pensions	-	-	-	144,855
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	5,277	74,153	21,302	92,493
Unearned revenue	-	-	-	32,125
Total Current Liabilities	5,277	74,153	21,302	124,618
Noncurrent liabilities:				
Compensated absences	-	-	-	65,485
Net pension liability	-	-	-	282,419
Net OPEB obligation	-	-	-	34,903
Total Noncurrent Liabilities	-	-	-	382,807
Total Liabilities	5,277	74,153	21,302	507,425
<u>Deferred Inflows of Resources</u>				
Deferred inflows - pensions	-	-	-	4,935
<u>Net Position</u>				
Net investment in capital assets	670,897	180,693	-	-
Unrestricted	2,251,961	1,833,045	1,267,771	14,796
Total Net Position	\$ 2,922,858	\$ 2,013,738	\$ 1,267,771	\$ 14,796

**Total
Internal
Service Funds**

\$ 5,563,907
34,715
237,188
5,835,810

3,038,817
(2,187,227)

851,590
851,590
6,687,400

144,855

193,225
32,125
225,350

65,485
282,419
34,903
382,807
608,157

4,935

851,590
5,367,573

\$ 6,219,163

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, 2017

	Vehicle Replacement	Equipment Replacement	Healthcare Benefits	Technology Management
<u>Operating Revenues</u>				
Charges for sales and services	\$ 599,300	\$ 851,700	\$ 2,488,605	\$ 1,470,400
Other revenues	-	13,311	-	3,160
Total Operating Revenues	599,300	865,011	2,488,605	1,473,560
<u>Operating Expenses</u>				
Repairs and maintenance	37,457	12,596	-	33,287
Costs of sales and services	-	-	2,315,156	827,299
Personnel	-	-	-	601,387
Depreciation	198,090	17,488	-	-
Total Operating Expenses	235,547	30,084	2,315,156	1,461,973
Operating Income	363,753	834,927	173,449	11,587
<u>Nonoperating Revenues (Expenses)</u>				
Investment earnings	17,618	13,450	8,146	3,182
Gain on sale of capital assets	10,850	507	-	-
Total Nonoperating Revenues	28,468	13,957	8,146	3,182
Change in Net Position	392,221	848,884	181,595	14,769
Beginning net position	2,530,637	1,164,854	1,086,176	27
Ending Net Position	\$ 2,922,858	\$ 2,013,738	\$ 1,267,771	\$ 14,796

**Total
Internal
Service Funds**

\$ 5,410,005
16,471
5,426,476

83,340
3,142,455
601,387
215,578
4,042,760

1,383,716

42,396
11,357
53,753

1,437,469
4,781,694

\$ 6,219,163

CITY OF WEST UNIVERSITY PLACE, TEXAS

COMBINING STATEMENT OF CASH FLOWS

INTERNAL SERVICE FUNDS

For the Year Ended December 31, 2017

	Vehicle Replacement	Equipment Replacement	Healthcare Benefits	Technology Management
<u>Cash Flows from Operating Activities</u>				
Receipts from customers and users	\$ -	\$ 10,743	\$ 2,488,583	\$ 3,160
Receipts from interfund charges for services	599,300	851,700	-	1,470,400
Payments to suppliers	(32,180)	61,557	(2,386,184)	(897,835)
Payments to employees	-	-	-	(543,726)
Net Cash Provided by Operating Activities	567,120	924,000	102,399	31,999
<u>Cash Flows from Capital and Related Financing Activities</u>				
Acquisition, disposal, and construction of capital assets	-	(74,153)	-	-
Proceeds from sale of capital assets	10,850	507	-	-
Net Cash Provided (Used) by Capital and Related Financing Activities	10,850	(73,646)	-	-
<u>Cash Flows from Investing Activities</u>				
Interest received	17,618	13,450	8,146	3,182
Net Cash Provided by Investing Activities	17,618	13,450	8,146	3,182
Net Increase in Equity in Pooled Cash and Investments	595,588	863,804	110,545	35,181
Beginning equity in pooled cash and investments	1,661,650	1,040,826	954,900	301,413
Ending Equity in Pooled Cash and Investments	\$ 2,257,238	\$ 1,904,630	\$ 1,065,445	\$ 336,594
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Operating income	\$ 363,753	\$ 834,927	\$ 173,449	\$ 11,587
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation	198,090	17,488	-	-
Changes in Operating Assets and Liabilities:				
(Increase) decrease in assets:				
Receivables	-	(2,568)	(22)	(32,125)
Prepaid costs	-	-	3,696	(13,582)
Deferred outflows - pensions	-	-	-	37,941
Increase (decrease) in liabilities:				
Accounts payable	5,277	74,153	(74,724)	(23,667)
Unearned revenue	-	-	-	32,125
Compensated absences	-	-	-	10,926
Net pension liability	-	-	-	1,356
Net OPEB obligation	-	-	-	2,503
Deferred inflows - pensions	-	-	-	4,935
Net Cash Provided by Operating Activities	\$ 567,120	\$ 924,000	\$ 102,399	\$ 31,999

**Total
Internal
Service Funds**

\$ 2,502,486
 2,921,400
 (3,254,642)
 (543,726)

1,625,518

(74,153)
 11,357

(62,796)

42,396
 42,396

1,605,118
 3,958,789

\$ 5,563,907

\$ 1,383,716

215,578

(34,715)
 (9,886)
 37,941

(18,961)
 32,125
 10,926
 1,356
 2,503
 4,935

\$ 1,625,518

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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.

Contents	Page
Financial Trends	106
<i>These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.</i>	
Revenue Capacity	118
<i>These schedules contain information to help the reader assess the City's most significant local revenue source, property tax.</i>	
Debt Capacity	128
<i>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.</i>	
Demographic and Economic Information	138
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.</i>	
Operating Information	142
<i>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.</i>	

CITY OF WEST UNIVERSITY PLACE, TEXAS

NET POSITION BY COMPONENT

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011*
Governmental Activities				
Net investment in capital assets	\$ 24,421,719	\$ 32,145,988	\$ 25,112,652	\$ 30,510,547
Restricted	6,470,948	2,466,227	1,977,589	1,315,036
Unrestricted	1,910,197	1,262,360	5,341,671	872,283
Total Governmental Activities Net Position	\$ 32,802,864	\$ 35,874,575	\$ 32,431,912	\$ 32,697,866
 Business-Type Activities				
Net investment in capital assets	\$ 18,512,926	\$ 17,662,268	\$ 22,196,178	\$ 21,612,826
Restricted	715,000	745,000	785,000	720,000
Unrestricted	1,640,695	1,841,953	2,343,524	4,000,276
Total Business-Type Activities Net Position	\$ 20,868,621	\$ 20,249,221	\$ 25,324,702	\$ 26,333,102
 Primary Government				
Net investment in capital assets	\$ 42,934,645	\$ 49,808,256	\$ 47,308,830	\$ 52,123,373
Restricted	7,185,948	3,211,227	2,762,589	2,035,036
Unrestricted	3,550,892	3,104,313	7,685,195	4,872,559
Total Primary Government Net Position	\$ 53,671,485	\$ 56,123,796	\$ 57,756,614	\$ 59,030,968

*Restated balances

Fiscal Year

<u>2012*</u>	<u>2013</u>	<u>2014</u>	<u>2015*</u>	<u>2016</u>	<u>2017</u>
\$ 31,464,253	\$ 34,881,486	\$ 38,347,094	\$ 41,205,468	\$ 42,663,233	\$ 48,398,572
2,260,764	2,197,619	1,580,648	2,246,833	2,543,238	3,030,359
1,987,281	2,782,110	4,384,210	6,835,390	7,093,032	8,835,231
<u>\$ 35,712,298</u>	<u>\$ 39,861,215</u>	<u>\$ 44,311,952</u>	<u>\$ 50,287,691</u>	<u>\$ 52,299,503</u>	<u>\$ 60,264,162</u>
\$ 21,320,705	\$ 20,285,944	\$ 20,173,279	\$ 19,314,692	\$ 21,128,592	\$ 20,050,471
645,000	675,000	695,000	725,000	-	-
3,965,913	4,634,652	3,029,424	810,299	2,207,920	2,381,856
<u>\$ 25,931,618</u>	<u>\$ 25,595,596</u>	<u>\$ 23,897,703</u>	<u>\$ 20,849,991</u>	<u>\$ 23,336,512</u>	<u>\$ 22,432,327</u>
\$ 52,784,958	\$ 55,167,430	\$ 58,520,373	\$ 60,520,160	\$ 63,791,825	\$ 68,449,043
2,905,764	2,872,619	2,275,648	2,971,833	2,543,238	3,030,359
5,953,194	7,416,762	7,413,634	7,645,689	9,300,952	11,217,087
<u>\$ 61,643,916</u>	<u>\$ 65,456,811</u>	<u>\$ 68,209,655</u>	<u>\$ 71,137,682</u>	<u>\$ 75,636,015</u>	<u>\$ 82,696,489</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS

CHANGES IN NET POSITION

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
Expenses				
Governmental activities				
General government	\$ 2,387,061	\$ 2,841,391	\$ 3,150,380	\$ 2,785,502
Public safety	5,593,513	6,217,723	6,287,887	5,870,061
Public works	2,925,781	4,046,079	4,549,951	5,176,660
Public services	3,894,834	4,421,189	2,734,441	3,858,501
Interest and fiscal agent fees on long-term debt	3,195,884	2,860,685	3,453,311	3,351,762
Total Governmental Activities Expenses	<u>17,997,073</u>	<u>20,387,067</u>	<u>20,175,970</u>	<u>21,042,486</u>
Business-type activities				
Water and sewer	5,752,744	5,686,180	5,415,974	6,927,509
Solid waste	996,582	1,161,724	1,111,560	1,322,082
Total Business-Type Activities Expenses	<u>6,749,326</u>	<u>6,847,904</u>	<u>6,527,534</u>	<u>8,249,591</u>
Total Expenses	<u>\$ 24,746,399</u>	<u>\$ 27,234,971</u>	<u>\$ 26,703,504</u>	<u>\$ 29,292,077</u>
Program Revenues				
Governmental activities				
Charges for services				
Public safety	\$ 817,411	\$ 525,650	\$ 734,150	\$ 743,486
Public works	-	-	-	-
Public services	1,402,881	4,237,581	1,656,098	1,785,518
Operating grants and contributions	1,675,641	360,310	263,780	259,000
Capital grants and contributions	5,291,500	134,821	369,316	360,741
Total Governmental Activities Program Revenues	<u>9,187,433</u>	<u>5,258,362</u>	<u>3,023,344</u>	<u>3,148,745</u>
Business-type activities				
Charges for services				
Water and sewer	5,912,369	6,151,138	5,917,931	8,986,444
Solid waste	1,452,975	1,096,652	1,486,413	1,787,636
Capital grants and contributions	-	-	-	-
Total Business-Type Activities Program Revenues	<u>7,365,344</u>	<u>7,247,790</u>	<u>7,404,344</u>	<u>10,774,080</u>
Total Program Revenues	<u>\$ 16,552,777</u>	<u>\$ 12,506,152</u>	<u>\$ 10,427,688</u>	<u>\$ 13,922,825</u>
Net (Expense)/Revenue				
Governmental activities	\$ (8,809,640)	\$ (15,128,705)	\$ (17,152,626)	\$ (17,893,741)
Business-type activities	616,018	399,886	876,810	2,524,489
Total Net Expense	<u>\$ (8,193,622)</u>	<u>\$ (14,728,819)</u>	<u>\$ (16,275,816)</u>	<u>\$ (15,369,252)</u>

Fiscal Year

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 3,208,930	\$ 3,049,656	\$ 3,811,192	\$ 3,948,145	\$ 3,871,442	\$ 3,880,070
6,211,784	6,515,194	6,176,586	6,773,509	7,563,086	8,090,377
4,240,301	3,944,561	3,693,099	4,009,850	4,603,321	4,872,132
4,158,008	4,433,865	4,741,209	4,560,152	4,518,987	4,527,049
2,633,700	2,178,324	1,986,301	1,765,809	1,767,154	1,496,068
<u>20,452,723</u>	<u>20,121,600</u>	<u>20,408,387</u>	<u>21,057,465</u>	<u>22,323,990</u>	<u>22,865,696</u>
6,409,131	6,092,231	6,918,092	8,150,632	6,582,306	6,125,682
1,427,997	1,376,583	1,225,806	1,221,960	1,277,986	1,392,583
7,837,128	7,468,814	8,143,898	9,372,592	7,860,292	7,518,265
<u>\$ 28,289,851</u>	<u>\$ 27,590,414</u>	<u>\$ 28,552,285</u>	<u>\$ 30,430,057</u>	<u>\$ 30,184,282</u>	<u>\$ 30,383,961</u>
\$ 818,182	\$ 1,009,760	\$ 187,347	\$ 198,840	\$ 142,624	\$ 174,386
-	-	711,155	665,089	555,453	588,353
2,160,728	2,264,753	2,448,489	2,607,192	2,638,584	2,959,471
300,048	259,000	145,819	558,668	546,599	1,278,517
604,758	454,115	647,940	554,244	579,630	1,600,000
<u>3,883,716</u>	<u>3,987,628</u>	<u>4,140,750</u>	<u>4,584,033</u>	<u>4,462,890</u>	<u>6,600,727</u>
7,777,386	7,623,233	6,868,133	6,986,297	7,172,469	7,544,895
1,512,079	1,443,125	1,513,870	1,411,699	1,821,191	1,782,041
-	-	-	-	-	67,892
<u>9,289,465</u>	<u>9,066,358</u>	<u>8,382,003</u>	<u>8,397,996</u>	<u>8,993,660</u>	<u>9,394,828</u>
<u>\$ 13,173,181</u>	<u>\$ 13,053,986</u>	<u>\$ 12,522,753</u>	<u>\$ 12,982,029</u>	<u>\$ 13,456,550</u>	<u>\$ 15,995,555</u>
\$ (16,569,007)	\$ (16,133,972)	\$ (16,267,637)	\$ (16,473,432)	\$ (17,861,100)	\$ (16,264,969)
1,452,337	1,597,544	238,105	(974,596)	1,133,368	1,876,563
<u>\$ (15,116,670)</u>	<u>\$ (14,536,428)</u>	<u>\$ (16,029,532)</u>	<u>\$ (17,448,028)</u>	<u>\$ (16,727,732)</u>	<u>\$ (14,388,406)</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS

CHANGES IN NET POSITION (Continued)

Last Ten Years

(accrual basis of accounting)

	Fiscal Year			
	2008	2009	2010	2011
General Revenues and Other Changes in Net Position				
Governmental activities				
Taxes				
Ad valorem taxes, levied for general purposes	\$ 6,487,224	\$ 7,319,407	\$ 8,004,202	\$ 7,962,210
Ad valorem taxes, levied for debt service	6,300,879	6,756,375	7,098,065	7,360,224
Sales taxes	1,042,096	946,726	1,050,079	997,318
Franchise and local taxes	1,312,260	1,162,420	1,207,429	1,148,390
Other taxes	15,643	12,485	11,144	8,994
Contributions	257,869	306,410	-	-
Investment earnings	394,218	210,481	73,035	33,333
Other revenues	288,659	446,112	424,381	347,242
Gain on sale of capital assets	-	-	32,466	10,686
Loss on sale of asset held for resale	-	-	-	-
Transfers	940,000	1,040,000	(4,190,838)	1,517,223
Total Governmental Activities	<u>17,038,848</u>	<u>18,200,416</u>	<u>13,709,963</u>	<u>19,385,620</u>
Business-type activities				
Investment earnings	51,361	20,715	7,833	8,369
Gain on disposal of capital assets	-	-	-	-
Transfers	(940,000)	(1,040,000)	4,190,838	(1,517,223)
Total Business-Type Activities	<u>(888,639)</u>	<u>(1,019,285)</u>	<u>4,198,671</u>	<u>(1,508,854)</u>
Total Primary Government	<u>\$ 16,150,209</u>	<u>\$ 17,181,131</u>	<u>\$ 17,908,634</u>	<u>\$ 17,876,766</u>
Change in Net Position				
Governmental activities	\$ 8,229,208	\$ 3,071,711	\$ (3,442,663)	\$ 1,491,879
Business-type activities	(272,621)	(619,399)	5,075,481	1,015,635
Total Change in Net Position	<u>\$ 7,956,587</u>	<u>\$ 2,452,312</u>	<u>\$ 1,632,818</u>	<u>\$ 2,507,514</u>

Fiscal Year

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$	7,527,047	\$ 8,087,360	\$ 8,605,582	\$ 9,360,277	\$ 9,994,947	\$ 10,907,681
	7,713,377	7,733,658	7,791,467	8,144,274	8,111,959	7,707,172
	1,003,897	957,658	1,051,890	1,117,336	1,051,361	1,064,672
	1,142,265	1,170,448	1,214,227	1,204,795	1,144,256	1,159,730
	9,685	11,546	15,713	17,625	15,955	14,330
	-	-	-	-	-	-
	27,270	35,087	60,784	89,970	116,798	122,556
	286,619	320,123	503,889	398,199	735,113	455,033
	427	23,909	21,354	24,076	40,279	-
	(68,150)	-	-	-	-	-
	<u>1,861,848</u>	<u>1,943,100</u>	<u>1,740,504</u>	<u>1,943,800</u>	<u>(1,337,756)</u>	<u>2,798,454</u>
	<u>19,504,285</u>	<u>20,282,889</u>	<u>21,005,410</u>	<u>22,300,352</u>	<u>19,872,912</u>	<u>24,229,628</u>
	8,027	9,534	17,823	15,515	15,397	17,706
	-	-	-	3,988	-	-
	<u>(1,861,848)</u>	<u>(1,943,100)</u>	<u>(1,740,504)</u>	<u>(1,943,800)</u>	<u>1,337,756</u>	<u>(2,798,454)</u>
	<u>(1,853,821)</u>	<u>(1,933,566)</u>	<u>(1,722,681)</u>	<u>(1,924,297)</u>	<u>1,353,153</u>	<u>(2,780,748)</u>
\$	<u>17,650,464</u>	<u>\$ 18,349,323</u>	<u>\$ 19,282,729</u>	<u>\$ 20,376,055</u>	<u>\$ 21,226,065</u>	<u>\$ 21,448,880</u>
\$	2,935,278	\$ 4,148,917	\$ 4,737,773	\$ 5,826,920	\$ 2,011,812	\$ 7,964,659
	(401,484)	(336,022)	(1,484,576)	(2,898,893)	2,486,521	(904,185)
\$	<u>2,533,794</u>	<u>\$ 3,812,895</u>	<u>\$ 3,253,197</u>	<u>\$ 2,928,027</u>	<u>\$ 4,498,333</u>	<u>\$ 7,060,474</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS

TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES

Last Ten Years
(accrual basis of accounting)

Function	Fiscal Year			
	2008	2009	2010	2011
Property	\$ 12,788,103	\$ 13,462,911	\$ 15,102,267	\$ 15,322,434
Sales	1,042,096	11,553,199	1,050,079	997,318
Franchise	1,312,260	1,659,737	1,207,429	1,148,390
Other taxes	15,643	2,400	11,144	8,994
	<u>\$ 15,158,102</u>	<u>\$ 26,678,247</u>	<u>\$ 17,370,919</u>	<u>\$ 17,477,136</u>

Fiscal Year						Change
2012	2013	2014	2015	2016	2017	2016-2017
\$ 15,240,424	\$ 15,821,018	\$ 16,397,049	\$ 17,504,551	\$ 18,106,906	\$ 18,614,853	2.8%
1,003,897	957,658	1,051,890	1,117,336	1,051,361	1,064,672	1.3%
1,142,265	1,170,448	1,214,227	1,204,795	1,144,256	1,159,730	1.4%
9,685	11,546	15,713	17,625	15,955	14,330	-10.2%
<u>\$ 17,396,271</u>	<u>\$ 17,960,670</u>	<u>\$ 18,678,879</u>	<u>\$ 19,844,307</u>	<u>\$ 20,318,478</u>	<u>\$ 20,853,585</u>	2.6%

CITY OF WEST UNIVERSITY PLACE, TEXAS

FUND BALANCES, GOVERNMENTAL FUNDS (1)

Last Ten Years

	Fiscal Year			
	2008	2009	2010	2011
General Fund				
Reserved	\$ 430,797	\$ 444,508	\$ 561,038	\$ -
Unreserved	3,580,317	2,736,833	3,107,736	-
Nonspendable	-	-	-	130,265
Restricted	-	-	-	410,238
Assigned	-	-	-	-
Unassigned	-	-	-	3,538,757
Total General Fund	\$ 4,011,114	\$ 3,181,341	\$ 3,668,774	\$ 4,079,260
All Other Governmental Funds				
Reserved	\$ 2,745,745	\$ 1,388,198	\$ 1,639,115	\$ -
Unreserved, reported in:				
Capital project funds	3,219,460	1,035,760	4,128,598	-
Special revenue funds	281,814	240,926	(20,470)	-
Nonspendable	-	-	-	2,372
Restricted	-	-	-	1,890,177
Assigned	-	-	-	528,575
Unassigned	-	-	-	(20,343)
Total All Other Governmental Funds	\$ 6,247,019	\$ 2,664,884	\$ 5,747,243	\$ 2,400,781

(1) GASB Statement No. 54 requirement for statistical data is ten years with retroactive implementation encouraged; only seven fiscal years are available at this time. The City chose not to restate 2008 to 2010.

*Restated balances

Fiscal Year

<u>2012*</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
134,564	157,515	170,933	171,887	180,188	184,871
95,322	127,437	163,999	202,862	239,760	273,462
210,000	210,000	210,000	210,000	210,000	119,000
3,823,951	4,181,880	5,351,558	6,539,935	5,307,930	5,642,997
<u>\$ 4,263,837</u>	<u>\$ 4,676,832</u>	<u>\$ 5,896,490</u>	<u>\$ 7,124,684</u>	<u>\$ 5,937,878</u>	<u>\$ 6,220,330</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
2,372	2,372	2,372	2,372	1,600	-
2,244,596	2,070,182	1,416,649	2,086,904	2,303,478	2,756,897
734,460	1,215,634	900,045	1,241,519	1,879,507	2,622,516
(20,161)	(19,982)	-	-	-	-
<u>\$ 2,961,267</u>	<u>\$ 3,268,206</u>	<u>\$ 2,319,066</u>	<u>\$ 3,330,795</u>	<u>\$ 4,184,585</u>	<u>\$ 5,379,413</u>

CITY OF WEST UNIVERSITY PLACE, TEXAS

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS

Last Ten Years

	Fiscal Year			
	2008	2009	2010	2011
Revenues				
Taxes	\$ 15,471,664	\$ 16,197,413	\$ 17,362,337	\$ 17,469,999
Permits, licenses, and fees	495,127	351,120	461,419	467,123
Fines and forfeitures	322,284	174,530	272,731	276,363
Charges for services	1,402,881	1,186,941	1,656,098	1,785,518
Intergovernmental	6,967,141	495,131	263,780	259,000
Contributions	257,869	306,410	369,316	360,741
Investment earnings	379,164	205,371	71,447	31,575
Other revenues	265,397	430,180	394,071	347,242
Total Revenues	<u>25,561,527</u>	<u>19,347,096</u>	<u>20,851,199</u>	<u>20,997,561</u>
Expenditures				
General government	2,329,591	2,638,596	2,919,174	2,678,292
Public safety	5,242,522	6,091,415	5,956,779	5,492,793
Public works	1,935,450	2,167,936	2,586,314	2,504,438
Public services	3,869,698	3,803,862	2,127,336	2,336,591
Capital outlay	4,113,991	13,290,611	10,645,694	4,244,191
Debt service				
Principal	3,780,922	3,969,515	3,903,250	4,671,167
Interest	2,987,603	2,848,046	3,214,201	3,437,756
Bond issuance costs	-	226,636	419,931	141,802
Payment to refunded bond escrow agent	-	-	-	-
Advance refunding escrow	-	-	-	-
Total Expenditures	<u>24,259,777</u>	<u>35,036,617</u>	<u>31,772,679</u>	<u>25,507,030</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,301,750	(15,689,521)	(10,921,480)	(4,509,469)
Other Financing Sources (Uses)				
Transfers in	4,618,732	4,065,742	2,017,451	3,090,405
Transfers out	(3,678,732)	(3,075,742)	(1,350,702)	(2,542,851)
Issuance of debt	-	13,035,000	24,630,000	5,700,000
Premium on debt issued	-	283,639	859,692	191,134
Payment to refunded bond escrow agent	-	(3,022,444)	(11,546,886)	(4,868,423)
Sale of capital assets	-	-	32,466	3,228
Total Other Financing Sources	<u>940,000</u>	<u>11,286,195</u>	<u>14,642,021</u>	<u>1,573,493</u>
Net Change in Fund Balances	<u>\$ 2,241,750</u>	<u>\$ (4,403,326)</u>	<u>\$ 3,720,541</u>	<u>\$ (2,935,976)</u>
Debt service as a percentage of noncapital expenditures	33.60%	31.35%	33.69%	38.14%

Fiscal Year

2012	2013	2014	2015	2016	2017
\$ 17,380,393	\$ 17,934,252	\$ 18,668,734	\$ 19,797,518	\$ 20,263,796	\$ 20,832,729
609,037	796,562	711,155	665,089	555,453	588,353
209,145	213,198	187,347	198,840	142,624	174,386
2,160,728	2,264,753	2,448,489	2,607,192	2,638,584	2,959,471
300,048	259,000	145,819	558,668	546,599	532,336
604,758	454,115	647,940	554,244	579,630	746,181
25,035	31,760	55,079	81,707	101,841	80,160
218,469	320,123	503,889	398,199	735,113	441,874
<u>21,507,613</u>	<u>22,273,763</u>	<u>23,368,452</u>	<u>24,861,457</u>	<u>25,563,640</u>	<u>26,355,490</u>
2,427,755	2,582,560	3,298,890	3,495,513	3,458,898	3,500,020
5,615,673	6,617,056	6,271,557	7,012,054	7,626,200	8,072,917
2,628,156	2,596,798	2,262,843	2,473,106	3,023,532	3,224,684
2,402,878	3,043,191	3,219,455	3,237,909	4,231,959	3,870,475
214,662	209,284	1,886,749	236,947	332,992	100,259
5,305,000	5,605,000	6,190,000	6,420,000	7,370,000	7,485,000
3,015,941	2,320,806	1,906,944	1,690,655	1,544,984	1,426,468
-	217,067	-	-	43,923	82,050
-	-	-	-	71,785	-
100,000	350,000	-	-	30,903	-
<u>21,710,065</u>	<u>23,541,762</u>	<u>25,036,438</u>	<u>24,566,184</u>	<u>27,735,176</u>	<u>27,761,873</u>
(202,452)	(1,267,999)	(1,667,986)	295,273	(2,171,536)	(1,406,383)
2,127,938	2,789,897	2,964,128	2,539,463	3,033,063	3,998,454
(1,419,885)	(1,010,591)	(1,025,624)	(595,663)	(4,370,819)	(1,200,000)
8,555,000	16,360,000	-	-	3,170,000	9,965,000
282,219	-	-	-	-	-
(8,676,911)	(16,151,373)	-	-	-	(9,881,593)
-	-	-	850	6,276	1,802
<u>868,361</u>	<u>1,987,933</u>	<u>1,938,504</u>	<u>1,944,650</u>	<u>1,838,520</u>	<u>2,883,663</u>
<u>\$ 665,909</u>	<u>\$ 719,934</u>	<u>\$ 270,518</u>	<u>\$ 2,239,923</u>	<u>\$ (333,016)</u>	<u>\$ 1,477,280</u>
38.71%	33.97%	34.88%	33.16%	33.02%	34.56%

CITY OF WEST UNIVERSITY PLACE, TEXAS

TAX REVENUES BY SOURCE, GOVERNMENTAL ACTIVITIES

Last Ten Years

(modified accrual basis of accounting)

Function	Fiscal Year			
	2008	2009	2010	2011
Ad valorem	\$ 13,101,665	\$ 14,067,200	\$ 15,093,685	\$ 15,315,297
Sales	1,042,096	946,726	1,050,079	997,318
Franchise	1,312,260	1,162,420	1,207,429	1,148,390
Other taxes	15,643	12,485	11,144	8,994
	<u>\$ 15,471,664</u>	<u>\$ 16,188,831</u>	<u>\$ 17,362,337</u>	<u>\$ 17,469,999</u>

Fiscal Year						Change
2012	2013	2014	2015	2016	2017	2016-2017
\$ 15,224,546	\$ 15,794,600	\$ 16,386,904	\$ 17,457,762	\$ 18,052,224	\$ 18,593,997	3.0%
1,003,897	957,658	1,051,890	1,117,336	1,051,361	1,064,672	1.3%
1,142,265	1,170,448	1,214,227	1,204,795	1,144,256	1,159,730	1.4%
9,685	11,546	15,713	17,625	15,955	14,330	-10.2%
<u>\$ 17,380,393</u>	<u>\$ 17,934,252</u>	<u>\$ 18,668,734</u>	<u>\$ 19,797,518</u>	<u>\$ 20,263,796</u>	<u>\$ 20,832,729</u>	2.8%

CITY OF WEST UNIVERSITY PLACE, TEXAS
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Years

	Fiscal Year (2)			
	2008	2009	2010	2011
Residential Property	\$ 3,518,127,265	\$ 3,835,791,345	\$ 4,287,201,794	\$ 4,173,451,521
Commercial Property	111,498,007	129,077,944	125,992,897	203,444,929
Less: Tax Exempt Property	<u>(133,439,938)</u>	<u>(216,954,373)</u>	<u>(158,978,494)</u>	<u>(296,685,633)</u>
Total Taxable Assessed Value (1)	<u><u>\$ 3,496,185,334</u></u>	<u><u>\$ 3,747,914,916</u></u>	<u><u>\$ 4,254,216,197</u></u>	<u><u>\$ 4,080,210,817</u></u>
Total Direct Tax Rate	\$ 0.36600	\$ 0.35900	\$ 0.35875	\$ 0.37411

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.

(2) Tax information was adjusted during fiscal year 2014 to reflect tax year assessed valuations.

Fiscal Year (2)

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 4,106,994,971	\$ 4,335,656,103	\$ 4,497,103,352	\$ 4,943,195,212	\$ 5,578,375,329	\$ 5,880,687,603
278,070,080	205,183,728	219,273,264	259,878,387	314,619,442	305,286,953
<u>(325,525,373)</u>	<u>(323,044,475)</u>	<u>(340,252,719)</u>	<u>(386,360,932)</u>	<u>(449,141,214)</u>	<u>(434,734,202)</u>
<u>\$ 4,059,539,678</u>	<u>\$ 4,217,795,356</u>	<u>\$ 4,376,123,897</u>	<u>\$ 4,816,712,667</u>	<u>\$ 5,443,853,557</u>	<u>\$ 5,751,240,354</u>
\$ 0.37411	\$ 0.37411	\$ 0.37400	\$ 0.36179	\$ 0.33179	\$ 0.31680

CITY OF WEST UNIVERSITY PLACE, TEXAS
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

	Fiscal Year (2)			
	2008	2009	2010	2011
City of West University Place by fund:				
General	\$ 0.18600	\$ 0.18600	\$ 0.18893	\$ 0.19443
Debt service	0.18000	0.17300	0.16982	0.17968
Total Direct Rates	<u>\$ 0.36600</u>	<u>\$ 0.35900</u>	<u>\$ 0.35875</u>	<u>\$ 0.37411</u>
Houston Independent School District	\$ 1.15670	\$ 1.15670	\$ 1.15670	\$ 1.15670
Harris County	0.39239	0.38923	0.39224	0.38805
Harris County Flood Control District	0.03106	0.03086	0.02922	0.29230
Port of Houston Authority	0.01437	0.01773	0.01636	0.02054
Harris County Hospital District	0.19216	0.19216	0.19216	0.19216
Harris County Department of Education	0.00585	0.00584	0.00605	0.00658
Houston Community College	0.09243	0.09243	0.09222	0.09222
Total Direct and Overlapping Rates (1)	<u>\$ 2.25096</u>	<u>\$ 2.24395</u>	<u>\$ 2.24370</u>	<u>\$ 2.52266</u>

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.
(2) Tax information was adjusted during fiscal year 2014 to reflect tax year assessed valuations.

Fiscal Year (2)

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 0.18475	\$ 0.19125	\$ 0.19631	\$ 0.19356	\$ 0.18321	\$ 0.18557
0.18936	0.18286	0.17769	0.16823	0.14858	0.13123
<u>\$ 0.37411</u>	<u>\$ 0.37411</u>	<u>\$ 0.37400</u>	<u>\$ 0.36179</u>	<u>\$ 0.33179</u>	<u>\$ 0.31680</u>
\$ 1.15670	\$ 1.15670	\$ 1.18670	\$ 1.19670	\$ 1.19670	\$ 1.20670
0.39117	0.40021	0.41455	0.41731	0.41923	0.41656
0.02809	0.02809	0.02827	0.02736	0.02733	0.02829
0.01856	0.01952	0.01716	0.01531	0.01342	0.01334
0.19216	0.18216	0.17000	0.17000	0.17000	0.17179
0.00658	0.00662	0.00636	0.00600	0.00542	0.00520
0.09722	0.09717	0.09717	0.10689	0.10194	0.10026
<u>\$ 2.26459</u>	<u>\$ 2.26458</u>	<u>\$ 2.29421</u>	<u>\$ 2.30136</u>	<u>\$ 2.26583</u>	<u>\$ 2.25894</u>

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CITY OF WEST UNIVERSITY PLACE, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

Current Year and Nine Years Ago

Property Taxpayer	Fiscal Year					
	2017			2008		
	Taxable Assessed Value	Rank	% of Taxable Assessed Value	Taxable Assessed Value	Rank	% of Taxable Assessed Value
U West Marketplace Assoc	\$ 11,689,814	1	0.20%	\$ 6,334,230	2	0.18%
Southwestern Bell	10,024,188	2	0.17%	13,184,298	1	0.38%
Retail Fund I Houston Rice	7,936,515	3	0.14%	-	n/a	-
Webster Properties LP	6,167,415	4	0.11%	-	n/a	-
Centerpoint Energy Inc	5,986,280	5	0.10%	5,571,520	3	0.16%
Craig A & Patricia Biggio	5,384,500	6	0.09%	2,896,666	9	0.08%
Eric & Shanna Bass	5,200,000	7	0.09%	-	n/a	-
David E Harvey, Jr.	5,109,000	8	0.09%	-	n/a	-
Douglas L & Sarah L Foshee	5,050,000	9	0.09%	-	n/a	-
Stewart & Julie Baker	4,979,019	10	0.09%	-	n/a	-
5650 Kirby Partnership	-	n/a	-	4,733,451	4	0.14%
Bardwell Building Co.	-	n/a	-	4,534,528	5	0.13%
Gohel Gautam	-	n/a	-	3,614,786	6	0.10%
Kenneth & Kimberly Alo	-	n/a	-	3,525,500	7	0.10%
Brick M & Lisa F Diemer	-	n/a	-	3,161,019	8	0.09%
Jeffrey W VanGundy	-	n/a	-	2,755,283	10	0.08%
Subtotal	67,526,731		1.17%	50,311,281		1.44%
Other Taxpayers	5,683,713,623		98.83%	3,445,874,053		98.56%
Total	\$ 5,751,240,354		100.00%	\$ 3,496,185,334		100.00%

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

CITY OF WEST UNIVERSITY PLACE, TEXAS
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Years

	Fiscal Year			
	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Tax levy	\$ 12,890,583	\$ 13,951,979	\$ 15,031,309	\$ 15,265,103
Current tax collected	\$ 12,869,047	\$ 13,895,039	\$ 14,977,921	\$ 15,197,463
Percentage of current tax collections	99.83%	99.59%	99.64%	99.56%
Delinquent tax collections	<u>\$ 6,176</u>	<u>\$ 39,387</u>	<u>\$ 32,309</u>	<u>\$ 44,483</u>
Total tax collections	<u>\$ 12,875,223</u>	<u>\$ 13,934,426</u>	<u>\$ 15,010,230</u>	<u>\$ 15,241,946</u>
Total collections as a percentage of current levy	99.88%	99.87%	99.86%	99.85%
Outstanding delinquent taxes	\$ 15,360	\$ 17,553	\$ 21,079	\$ 23,157
Outstanding delinquent taxes as percentage of current levy	0.12%	0.13%	0.14%	0.15%

Fiscal Year

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 15,193,428	\$ 15,778,014	\$ 16,365,976	\$ 17,426,385	\$ 18,062,162	\$ 18,580,835
\$ 15,123,562	\$ 15,705,681	\$ 16,287,801	\$ 17,335,980	\$ 17,969,764	\$ 18,493,310
99.54%	99.54%	99.52%	99.48%	99.49%	99.53%
\$ 41,552	\$ 43,760	\$ 49,518	\$ 50,582	\$ 34,530	\$ -
<u>\$ 15,165,114</u>	<u>\$ 15,749,441</u>	<u>\$ 16,337,319</u>	<u>\$ 17,386,562</u>	<u>\$ 18,004,294</u>	<u>\$ 18,493,310</u>
99.81%	99.82%	99.82%	99.77%	99.68%	99.53%
\$ 28,314	\$ 28,573	\$ 28,657	\$ 39,823	\$ 57,868	\$ 87,525
0.19%	0.18%	0.18%	0.23%	0.32%	0.47%

CITY OF WEST UNIVERSITY PLACE, TEXAS

RATIOS OF OUTSTANDING DEBT BY TYPE

Last Ten Years

	Fiscal Year			
	2008	2009	2010	2011
Governmental Activities:				
General obligation bonds	\$ 49,555,442	\$ 54,795,999	\$ 61,763,373	\$ 57,530,495
Certificates of obligation	12,125,000	13,140,776	21,643,463	22,218,433
Capital leases	294,897	200,381	102,131	-
Subtotal	61,975,339	68,137,156	83,508,967	79,748,928
Business-Type Activities:				
Revenue bonds	13,129,276	12,421,640	6,526,466	5,751,365
Total Primary Government	\$ 75,104,615	\$ 80,558,796	\$ 90,035,433	\$ 85,500,293
Personal Income (1)	-	-	-	-
Debt as a Percentage Of Personal Income (1)	-	-	-	-
Population	14,211	14,211	14,787	14,787
Debt Per Capita	\$ 5,285	\$ 5,669	\$ 6,089	\$ 5,782

(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.

Fiscal Year

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 62,271,173	\$ 58,445,351	\$ 52,775,550	\$ 46,904,963	\$ 43,401,666	\$ 40,581,448
13,154,781	12,654,747	11,898,971	11,113,193	10,292,415	6,122,480
-	-	-	-	-	-
<u>75,425,954</u>	<u>71,100,098</u>	<u>64,674,521</u>	<u>58,018,156</u>	<u>53,694,081</u>	<u>46,703,928</u>
5,112,399	4,466,577	3,790,755	3,094,933	-	-
<u>\$ 80,538,353</u>	<u>\$ 75,566,675</u>	<u>\$ 68,465,276</u>	<u>\$ 61,113,089</u>	<u>\$ 53,694,081</u>	<u>\$ 46,703,928</u>
-	-	-	-	-	-
-	-	-	-	-	-
15,109	15,221	15,369	15,604	15,516	15,433
<u>\$ 5,330</u>	<u>\$ 4,965</u>	<u>\$ 4,455</u>	<u>\$ 3,917</u>	<u>\$ 3,461</u>	<u>\$ 3,026</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

	Fiscal Year			
	2008	2009	2010	2011
Net Taxable Assessed Value				
All property	\$ 3,496,185,334	\$ 3,747,914,916	\$ 4,254,216,197	\$ 4,059,539,678
Net Bonded Debt				
Gross bonded debt	\$ 61,680,442	\$ 67,936,775	\$ 83,406,836	\$ 79,748,928
Less: debt service funds	(975,765)	(954,687)	(992,033)	(446,094)
Net Bonded Debt	\$ 60,704,677	\$ 66,982,088	\$ 82,414,803	\$ 79,302,834
Ratio of Net Bonded Debt To Assessed Value	1.74%	1.79%	1.50%	1.95%
Population	14,211	14,211	14,787	14,787
Net Bonded Debt Per Capita	\$ 4,272	\$ 4,713	\$ 4,300	\$ 5,363

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 4,059,539,678	\$ 4,217,795,356	\$ 4,376,123,897	\$ 4,816,712,667	\$ 5,443,853,557	\$ 5,751,240,354
\$ 75,425,954 (273,963)	\$ 71,100,098 (95,668)	\$ 64,674,521 (167,039)	\$ 58,018,156 (566,276)	\$ 53,694,081 (912,718)	\$ 46,703,928 (900,120)
<u>\$ 75,151,991</u>	<u>\$ 71,004,430</u>	<u>\$ 64,507,482</u>	<u>\$ 57,451,880</u>	<u>\$ 52,781,363</u>	<u>\$ 45,803,808</u>
1.85%	1.68%	1.47%	1.19%	0.97%	0.80%
15,109	15,221	15,369	15,604	15,516	15,433
<u>\$ 4,974</u>	<u>\$ 4,665</u>	<u>\$ 4,197</u>	<u>\$ 3,682</u>	<u>\$ 3,402</u>	<u>\$ 2,968</u>

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CITY OF WEST UNIVERSITY PLACE, TEXAS

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

December 31, 2017

	Net Bonded Debt Outstanding	Estimated Percentage Applicable (1)	Estimated Share of Overlapping Debt
Debt Repaid with Property Taxes			
Governmental Unit			
Harris County	\$ 2,208,674,361	1.20%	\$ 26,504,092
Harris County Dept of Education	6,555,000	1.20%	78,660
Harris County Flood Control District	83,075,000	1.20%	996,900
Harris County Hospital District	59,490,000	1.20%	713,880
Houston Community College	580,635,000	3.03%	17,593,241
Houston ISD	2,919,345,000	3.02%	88,164,219
Port of Houston Authority	638,829,397	1.20%	7,665,953
Subtotal, overlapping debt	\$ 6,496,603,758		141,716,945
City Direct Debt	\$ 46,703,928	100.00%	46,703,928
	Total Direct and Overlapping Debt		\$ 188,420,873

Source: Municipal Advisory Council of Texas

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

CITY OF WEST UNIVERSITY PLACE, TEXAS

LEGAL DEBT MARGIN INFORMATION

Last Ten Years

	Fiscal Year			
	2008	2009	2010	2011
Debt limit	\$ 194,317,845	\$ 212,710,810	\$ 204,010,541	\$ 202,976,984
Total net debt applicable to limit	64,074,235	60,212,967	60,212,967	56,568,906
Legal debt margin	\$ 130,243,610	\$ 152,497,843	\$ 143,797,574	\$ 146,408,078
Total net debt applicable to the limit as a percentage of debt limit	32.97%	28.31%	29.51%	27.87%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed value	\$ 5,751,240,354
Debt limit (5% of assessed value) (1)	287,562,018
Debt applicable to limit:	
General obligation bonds	46,703,928
Less: amount set aside for repayment of general obligation debt	(900,120)
Total net debt applicable to limit	45,803,808
Legal debt margin	\$ 241,758,210

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

Fiscal Year					
2012	2013	2014	2015	2016	2017
\$ 210,889,768	\$ 210,889,768	\$ 218,806,195	\$ 240,835,633	\$ 272,192,678	\$ 287,562,018
<u>73,605,191</u>	<u>71,004,430</u>	<u>64,507,482</u>	<u>57,451,880</u>	<u>52,781,363</u>	<u>45,803,808</u>
<u>\$ 137,284,577</u>	<u>\$ 139,885,338</u>	<u>\$ 154,298,713</u>	<u>\$ 183,383,753</u>	<u>\$ 219,411,315</u>	<u>\$ 241,758,210</u>
34.90%	33.67%	29.48%	23.86%	19.39%	15.93%

CITY OF WEST UNIVERSITY PLACE, TEXAS

PLEDGED-REVENUE COVERAGE

Last Ten Years

	Fiscal Year			
	2008	2009	2010	2011
Gross Revenues (1)	\$ 5,912,369	\$ 6,151,138	\$ 5,917,931	\$ 8,986,455
Operating Expenses (2)	5,114,579	5,141,913	5,003,479	4,802,445
Net Revenues Available for Debt Service	\$ 797,790	\$ 1,009,225	\$ 914,452	\$ 4,184,010
Debt Service Requirements (3)				
Principal	\$ 690,000	\$ 715,000	\$ 745,000	\$ 785,000
Interest	577,813	551,749	523,446	255,154
Total	\$ 1,267,813	\$ 1,266,749	\$ 1,268,446	\$ 1,040,154
Coverage	0.63	0.80	0.72	4.02

(1) Total revenues including interest, excluding tap fees

(2) Total operating expenses less depreciation

(3) Includes revenue bonds only

Fiscal Year

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ 7,777,386	\$ 7,623,233	\$ 6,868,133	\$ 6,986,297	\$ 7,172,469	\$ 7,544,895
<u>4,293,010</u>	<u>3,962,028</u>	<u>4,580,425</u>	<u>6,085,370</u>	<u>4,642,322</u>	<u>4,259,755</u>
<u>\$ 3,484,376</u>	<u>\$ 3,661,205</u>	<u>\$ 2,287,708</u>	<u>\$ 900,927</u>	<u>\$ 2,530,147</u>	<u>\$ 3,285,140</u>
\$ 720,000	\$ 645,000	\$ 675,000	\$ 695,000	\$ -	\$ -
<u>225,323</u>	<u>198,585</u>	<u>172,185</u>	<u>144,351</u>	<u>-</u>	<u>-</u>
<u>\$ 945,323</u>	<u>\$ 843,585</u>	<u>\$ 847,185</u>	<u>\$ 839,351</u>	<u>\$ -</u>	<u>\$ -</u>
3.69	4.34	2.70	1.07	N/A	N/A

CITY OF WEST UNIVERSITY PLACE, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS ^{(1) (2) (3)}

Last Ten Years

Fiscal Year Ended December 31	Population (4)	Median Age	School Enrollment (5)
2008	14,211	39.30	980
2009	14,211	39.30	1,272
2010	14,787	39.30	1,165
2011	14,787	39.30	1,215
2012	15,109	41.40	1,225
2013	15,221	41.40	1,210
2014	15,369	41.40	1,280
2015	15,604	41.80	1,253
2016	15,516	42.40	1,280
2017	15,433	42.80	1,307

(1) Personal income data not available.

(2) Per capita personal income data not available.

(3) Beginning 2005 and after, cities with population under 25,000 do not have unemployment information available.

(4) Data source - Bureau of the Census

(5) The school enrollment reflects enrollment in public schools located within the City limits.

CITY OF WEST UNIVERSITY PLACE, TEXAS

PRINCIPAL EMPLOYERS ^{(1) (2)}

Current Year and Nine Years Ago

Employer	Fiscal Year	
	2017 Rank	2008 Rank
Southwestern Bell	1	1
West University Elementary School	2	2
City of West University Place	3	3

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

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

(2) 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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General Fund:										
Administration	4	5	5	5	5	5	6	6	6	5
Finance	8	7	7	6	6	6	5	5	5	5
Police Department	32	32	32	32	35	35	35	35	35	38
Fire Department	24	24	24	24	23	23	23	23	23	23
Public Works	19	19	21	20	20	20	19	18	18	18
Parks and Recreation	10	10	11	11	11	11	11	12	12	12
General Fund Total	97	97	100	98	100	100	99	99	99	101
Enterprise Fund:										
Water	12	12	12	14	14	14	14	14	13	13
Solid Waste	7	7	7	8	8	8	6	6	7	7
Enterprise Fund Total	19	19	19	22	22	22	20	20	20	20
Internal Service Fund:										
Administration	3	3	3	3	3	3	3	4	4	4
Internal Service Fund Total	3	3	3	3	3	3	3	4	4	4
Total City Positions	<u>119</u>	<u>119</u>	<u>122</u>	<u>123</u>	<u>125</u>	<u>125</u>	<u>122</u>	<u>123</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.

CITY OF WEST UNIVERSITY PLACE, TEXAS

OPERATING INDICATORS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2008	2009	2010	2011
Police				
Arrests	230	342	325	294
Accident reports	137	137	99	121
Citations	2,411	2,479	4,830	3,379
Offense reports	650	823	669	583
Calls for service	22,367	27,029	29,148	25,964
Fire				
Emergency responses	644	489	581	660
Average response time	4:24	4:00	3:49	4:25
Fire incidents	857	673	774	765
Water				
New accounts	744	724	724	678
Source:				
Water	80	80	80	80
Sewer	20	20	20	20
Average daily consumption (millions of gallons)	2.16	2.36	2.22	2.79
Number of million gallons of surface water pumped	690.74	400.44	357.42	658.80
Number of million gallons of well water pumped	99.09	461.41	452.95	359.55
Total consumption (millions of gallons)	789.83	861.85	810.37	1018.34
Peak daily consumption (millions of gallons)	6.27	5.62	4.34	5.10
Sewer				
Average daily sewage treatment (millions of gallons)	1.16	1.21	1.25	1.10
Total consumption (millions of gallons)	421.32	448.57	455.02	402.36
Peak daily consumption (millions of gallons)	3.43	4.32	4.63	2.66

Source: Various City departments

Fiscal Year					
2012	2013	2014	2015	2016	2017
231	323	226	360	294	231
142	127	122	162	151	145
2,260	2,779	2,482	2,322	1,444	1,904
609	695	581	874	758	747
24,844	26,835	22,071	26,354	24,716	24,684
659	683	669	717	684	675
4:45	4:34	4:35	4:34	4:29	4:35
734	663	721	801	754	805
669	665	608	526	598	657
80	80	80	62	65	59
20	20	20	38	35	41
2.38	2.31	2.06	2.06	2.12	2.20
530.06	466.25	437.00	468.12	507.88	477.01
335.24	375.06	313.88	282.03	267.50	326.45
869.48	841.31	750.88	750.16	775.50	803.46
4.89	5.36	4.24	4.50	4.06	6.54
1.18	1.09	1.10	1.20	1.17	1.12
430.12	397.30	402.95	436.57	426.47	409.46
4.85	4.04	4.04	5.43	5.88	5.09

CITY OF WEST UNIVERSITY PLACE, TEXAS

CAPITAL ASSETS STATISTICS BY FUNCTION

Last Ten Years

Function/Program	Fiscal Year			
	2008	2009	2010	2011
Police				
Stations	1	1	1	1
Patrol units	7	7	7	7
Fire stations	1	1	1	1
Other public works				
Streets (miles - centerlines)	43	43	43	43
Streetlights	690	1,694	1,694	1,687
Parks and recreation				
Parks	9	9	9	9
Parks acreage	12.6	14.0	14.0	13.7
Swimming pools	2	2	2	2
Baseball / softball diamonds	6	6	6	6
Tennis courts	5	5	5	5
Racquetball/squash courts	2	2	2	2
Gymnasiums	1	-	-	-
Half-basketball courts	3	3	3	3
Water				
Water mains (miles)	40	40	40	40
Fire hydrants	357	357	357	357
Storage capacity (millions of gallons)	3.65	3.65	3.65	3.65
Sewer				
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

Fiscal Year					
2012	2013	2014	2015	2016	2017
1	1	1	1	1	1
7	7	7	8	8	8
1	1	1	1	1	1
43	46	46	46	53	53
1,687	1,687	1,687	1,687	1,687	1,687
9	9	9	9	11	11
13.7	13.7	13.7	13.7	13.1	13.2
2	2	2	2	2	2
7	7	7	8	9	9
5	5	5	5	5	5
2	2	2	2	2	2
-	-	-	-	-	-
3	3	3	3	3	3
40	40	40	40	56	56
357	357	357	357	347	347
3.65	3.65	3.65	3.65	3.65	3.65
40	40	40	40	44	44
32	32	32	32	34	34
1.32	1.32	1.32	1.32	1.32	1.32
2	2	2	2	2	2

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3800 University Boulevard
Houston, TX 77005