



**Comprehensive Annual Financial Report
For Fiscal Year Ended
September 30, 2015**

CITY OF WHITE SETTLEMENT, TEXAS

Comprehensive Annual Financial Report

For the Year Ended September 30, 2015

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INTRODUCTORY SECTION

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March 2, 2016

Honorable Mayor, City Council Members and the Citizens of the City of White Settlement:

The Finance Department and City Manager's Office are pleased to submit the Comprehensive Annual Financial Report (CAFR) of the City of White Settlement, Texas (the City) for the fiscal year ended September 30, 2015.

The purpose of this report is to provide the City Council, citizens, investors and other interested parties with detailed information regarding the financial condition and operations of the City. In addition, this report provides assurance that the financial position of the City has been presented fairly as verified by the City's independent auditors.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentations, including all disclosures, rests with the City. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the City.

George, Morgan & Sneed, P.C., Certified Public Accountants, have issued an unqualified ("clean") opinion on the city's financial statements for the year ended September 30, 2015. The independent auditor's report is located at the front of the financial section of this report.

Management has provided a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A) located immediately following the independent auditor's report. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

Profile of the City of White Settlement

General information

The City of White Settlement, incorporated in 1941, is located in northwest Tarrant County and abuts the west side of the City of Fort Worth. It currently occupies 5.05 square miles and serves a population of 16,980. The City is empowered to levy a property tax on both real and personal property located within its boundaries. The City has no extra-territorial jurisdiction.

The City has operated under the council-manager form of government since 1954. Policy-making and legislative authority are vested in a governing council (City Council) consisting of a Mayor and five Council members, all elected at-large for three-year staggered terms. To be in compliance with Senate Bill 100, cities were encouraged to consider a change to November elections or May elections in odd-years. After exploring the possibilities of changing Council Members terms to two years or four years, the City Council voted to move their election date to November and remain with the three year terms. The City Council appoints the City Manager, City Attorney, Municipal Judge, City Secretary and members of various boards and commissions. The City Manager is responsible for the proper administration of the daily operations of the City.

Services provided

The City provides a full range of municipal services including general government, police, fire, code compliance, municipal court, streets, library, parks and recreation, senior services, animal control, and water and wastewater services. Sanitation services are provided by the City but are privately contracted with IESI, Inc. The White Settlement Crime Control & Prevention District is combined with the financial statements of the City. The White Settlement Economic Development Corporation (4B Corporation) is included in the financial statements as a discretely presented component unit. Both the Economic Development Corporation and the Crime District are primarily funded with sales tax revenues. Both entities are discussed more fully in the notes to the financial statements.

Basis of accounting

The City accounts for governmental funds using the modified-accrual basis of accounting, 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. Proprietary funds are recorded using the full-accrual basis of accounting where revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period in which they are incurred. Both the governmental activities and business-type activities reported on the government-wide financial statements are reported on the accrual basis.

Internal controls

The City has established a comprehensive internal control framework designed to protect the City's assets from loss, theft, or misuse and to compile reliable information for the preparation of the City's financial statements. The cost of internal controls should not outweigh their benefits; therefore, the City's internal controls have been designed to provide reasonable rather than absolute assurance.

Budget

The annual budget of the City serves as a foundation for its financial planning and control. All departments of the City are required to submit budget requests for appropriation to the Director of Finance in or before June each year. After departmental review by the City Manager, a proposed budget is presented to the City Council by August 1st. The level of legal budgetary control is at the line item level. The City Manager is authorized to make transfers of budgeted amounts up to \$5,000 from budget line items (accounts) to other budget line items within a department or between departments within an operating fund. Transfers of budgeted line item amounts of \$5,000 or more must be approved by the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget was adopted.

Economic Outlook and Financial Planning

Local economy

Like many cities, the economic reality of the problems facing White Settlement is related to problems on a global scale. For instance, during the last eight years, an unsettled national economy, the uncertain direction of the global economy, the ongoing war on terrorism, unrest in the Middle East, dynamic fluctuations in energy costs, and unprecedented changes in health care reform have demanded primary consideration in the development of the operating budgets. A major source of revenue during the last eight years has come from oil and gas royalties, permit fees and business expansion resulting in higher property tax and sales tax revenue. A significant

decline in these revenue streams has demand austere measures in evaluating expenditures and diligent action in focusing on a more diversified revenue stream through economic development.

White Settlement has been impacted by the national recession, but to a lesser degree than other areas in the nation. In a report dated December 02, 2015, the U.S. Bureau of Labor Statistics reported on the number of jobs added for the whole nation. The report stated the Dallas/Fort Worth, Texas area ranked #3 in the nation with a 3% increase in job growth over the last year, exceeded only by Atlanta with 3.5% growth and San Francisco with 3.4% growth. The Dallas-Fort Worth-Arlington Metropolitan Statistical Area consists of two metropolitan divisions – separately identifiable employment centers within the larger metropolitan area. The Dallas-Plano-Irving Metropolitan Division, which accounted for 71 percent of the area’s workforce, provided 84 percent of area growth with the addition of 82,200 jobs from October a year ago, an increase of 3.5 percent. The Fort Worth-Arlington Metropolitan Division, which accounted for the remaining 29 percent of the area’s workforce, added 16,200 jobs during the 12-month period, a gain of 1.6 percent. Other economic indicators suggest that the state and regional economy will continue to show moderate growth.

The community is adjacent to major business and cultural centers in Fort Worth and Dallas, yet it remains uncongested with property available for development. Interstate 30 makes up the southern border of the City and Interstate Loop 820 the western border which makes the City easily accessible from all areas of the state. The daily inflow of thousands of employees to the huge Lockheed-Martin aircraft assembly plant on the eastern border of the City has helped sales tax revenues keep pace with the property tax revenues since the 1980’s. Over the years, White Settlement has grown into a diverse urban community of approximately 16,980 residents. Though surrounded by Fort Worth and other urban developments, it has not lost its small town sense of community and neighborliness. White Settlement’s growth and development over the past decade have been built on a strong foundation of overall planning, management, quality of life and policy direction. All in all, the picture of White Settlement is one vital community, facing economic challenges and opportunities of the future with optimism and forethought. In 2009, to encourage developments within the City, the City Council approved an ordinance to add a new zoning classification known as Multi-Use Overlay District (MUOD). In 2013, heavy and light industrial and commercial neighborhood zoning was greatly increased to encourage more commercial development and growth in the primary traffic corridors of the City. The primary purpose of the MUOD is to provide flexibility and compatibility in land uses and regulations that will encourage the development, redevelopment and revitalization of areas suitable for commercial and light industrial uses.

In the last few years, redevelopment efforts along with conservative fiscal policy have shown signs of stabilization and economic revitalization in the City. The future for the City looks increasingly promising for several reasons. One promising project is a shared project with Hawaiian Falls for a Water and Adventure Park which was constructed in 2013-2014 on the 16 acres abutting Veterans Park. This endeavor has shown signs of boosting the City’s economy by bringing in thousands of visitors and enhancing business growth. Hawaiian Falls is one of the biggest attractions on the west side of the metro-plex and is in White Settlement! Another promising project is the relocation of Region XI Education Service Center to White Settlement. Region XI is one of 20 education service centers established by the Texas State Legislature in 1967 which provides professional development, technical assistance and management of educational programs to 77 public school districts and 42 charter schools in a 10-county area in north central Texas. With 2014-2015 as the first full year of operation, Region XI is expected to generate over fifty thousand new visitors to our City annually.

Other promising events realized include renovation of the landmark “red iron building” (which has been standing vacant for over 15 years) into an attractive multi-story storage facility that is now open to the public, the addition of three (3) new hotels, one (1) strip center, and the relocation of multiple commercial businesses to our wonderful City. Among the new commercial businesses is Swinger Gate Fence Company who relocated here from Saginaw, TX by purchasing property

owned by the City of White Settlement Economic Development Corporation and constructing a beautiful new building located on South Cherry Lane. There was also the addition of a plumbing company that relocated to the City by purchasing property located on North Cherry Lane. The property underwent a light remodel and the addition of a new building in order to create extra work space.

The City of White Settlement has also seen the construction of multiple new homes within the City. Cheldan Homes has developed and constructed up to fifty (50) new homes in two (2) new subdivisions. We have also seen the construction of multiple new homes within the interior of our City as well. These homes were constructed on empty lots that once had homes, but had been removed by the City's demolition procedures. There are several encouraging plans for 2015-2016, including the construction of new strip center on North Jim Wright Freeway, construction of a forty eight (48) home subdivision on White Settlement Road, and the relocation of industrial businesses looking to move closer to Lockheed Martin. City staff will continue to advertise and promote the City of White Settlement to developers and future business / building owners throughout the year.

Future economic outlook

Historically, the rise in oil and gas drilling has generated income for the City through higher sales tax revenues, property tax base valuations, construction and permit revenues and other related growth activities. However, the recent ripple effect of falling oil and gas prices resulted in a 15% decline in Sales Tax revenues in 2014-2015. Therefore, Sales Tax revenues for 2015-2016 are conservatively budgeted in the General Fund at \$1,960,000.

Ad valorem tax values for 2014-2015, as provided by the Tarrant County Appraisal District, increased \$25,247,299 (4.05%) to \$647,155,303 from prior year values at \$621,908,004. The City – as well as the metropolitan area – is experiencing a more robust housing market which is fueled by pent up demand for housing and retail, and greater flexibility from lenders. New construction and some economic redevelopment continued to positively impact property values and the City's tax base. In the 2015-2016 Budget, City Council adopted the tax rate of \$0.733103. This was done in order to be proactive toward economic development, help stabilize the tax rate and still maintain the level of services desired by the City Council. The City continues to take steps in developing areas to attract commercial customers and residents. Operationally, staff actively reviews departmental and internal processes to identify cost savings and promote better efficiencies while maintaining current levels of service.

Major initiatives

The City's mission is promoting and sustaining a superior quality of life. This mission is accomplished by the following priorities:

- The provision of public safety to our citizens
- The rehabilitation and replacement of aging infrastructure
- The improvement and maintenance of the City's park system
- The attraction and promotion of commercial business within the City

Major initiatives included in the 2015-2016 Fiscal Year Budget are discussed below:

Public safety – The budget includes several enhancements for public safety and retains public safety staff training levels. The Crime Control District allocated a \$667,000 to the General Fund for police department personnel costs.

Infrastructure – In 2015-2016, the CDBG 41st year project shared with Tarrant County will include the installation of sewer line between West Place and Donald. The 41st year Project is

currently in the design phase and no contract has been awarded. The City's Street Improvement overlay program will continue with a \$500,000 bond funding in 2015-2016.

Park system – Central Park renovation began in 2012 and was completed in the 2012-2013 fiscal year. EDC obligated \$1.5 million to upgrade Central Park by using their reserves and borrowing \$1.5 million from General Fund. Central Park and Veterans Park are now both very well known, popular parks for the area. In 2015, the City Council approved the forgiveness of the General fund debt to the EDC and the refunding of the prior payments made towards that debt. In 2015-2016, for maintenance and operation of the City's park system, the General Fund has allocated \$352,061 compared to \$344,677 last year and the Economic Development Corporation has allocated \$1,170,941 compared to \$1,171,821 last year. The City also budgeted \$10,000 to conduct a survey to get the citizens' input for the Parks Master Plan.

Commercial business – Several years ago, the Economic Development Corporation initiated a small business incentive program. For 2015-2016, \$100,000 for Business Incentive Grants was appropriated by the Economic Development Corporation. In addition, to attract new businesses and encourage improvements, \$100,000 has been appropriated for financial assistance.

Long-term financial planning

Maintaining adequate service levels without significantly increasing the property tax rate has been a significant priority for the City Council. The Tax Rate for 2015-2016 (0.733103) is 6.15% higher than the prior year. The City of White Settlement uses long-term and short-term debt issuance to maintain a tax rate that is as level as possible. In 2014-2015, City council authorized the issuance of General Obligations Refunding Bonds to refinance the 2013 Tax Notes in the amount of \$2,980,000, the issuance of Combination Tax and Revenue Certificates of Obligations, Series 2015 in the amount of \$9,540,000.

During the 2014-2015 fiscal year, capital purchases from the 2013 Tax Notes included computer servers/hardware upgrades, the fire department emergency vehicle lighting, sirens and console upgrades, City Hall and Senior Center remodeling, HVAC units for the recreation center, Fire Department Storage Mezzanine, purchase of a new sewer Vac Truck, upgrades to traffic signals and replacing a section of Cherry Lane (one of the major gateways to White Settlement).

Projects planned for 2015-2016 include municipal building remodeling and upgrades, purchase of sand spreader, street sweeper, street roller, Fire department database servers, streets and drainage improvements. The City will also install additional street lights to make the streets safer for the residents and will invest in building sidewalks. Sidewalks play a vital role in City life. As conduits for pedestrian movement and access, they enhance connectivity and promote walking. As public spaces, sidewalks serve as the front steps to the City, activating streets socially and economically. Safe, accessible, and well maintained sidewalks are a fundamental and necessary investment, and have been found to enhance general public health and maximize social capital.

The Farmer's Branch Sewer (FBS) serves both White Settlement and the City of Fort Worth, and flows generally from the west to the east. The City used an engineering firm to evaluate the feasibility of moving the existing wastewater interceptor out of Farmers Branch Creek. Based on that evaluation, plans were made for the realignment of this jointly owned sanitary wastewater interceptor. The realignment benefits White Settlement by eliminating significant infiltration and inflow that occurs along the existing wastewater interceptor as well as facilitating the United States Army Corps of Engineers drainage improvement project design along the creek. The Study also examined the future capacity needs of this facility due to significant new development anticipated from the City of Fort Worth upstream of the City. For these reasons, the Study recommended realigning and upsizing the existing Farmers Branch interceptor. This project was completed in late 2011 and the cost is shared with the City of Fort Worth (51.46%) and White Settlement (48.54%). In 2009, the City of White Settlement issued Combination Tax and

Revenue Certificates of Obligations in the amount of \$8 million. The City of Fort Worth makes annual payments to the City for their portion of the debt.

For many years homes along Farmers Branch running through the center of the City have received major flooding in high rain events. As a result of the flooding, several studies were performed by the United States Army Corps of Engineers, in conjunction with the City, which suggested that Farmers Branch be upgraded into a grass-lined and concrete channel. In 2005, a bond election was passed whereby voters approved the issuance of general obligation bonds in the amount of \$6.15 million. In early 2007, \$1.3 million of federal funding was released to the Corps of Engineers to begin the planning and design process for the project. This plan referred to as the Locally Preferred and N.E.D. Plan has been completed. The City completed all of the property acquisitions and the temporary and permanent easements necessary to construct the channel. When construction bids were received, additional funds were needed to complete the project. A special election was held in November 2011 to determine citizen's support of the City issuing the required debt. The special election failed to support issuing the additional debt of six million dollars to complete the project. The U.S. Corps of Engineers redesigned a smaller portion of the main channel and eliminating the tributary. City Council deposited an additional \$1.5 million to retain the federal dollars. The bid was awarded and construction began in late 2012. The project was completed in 2013.

In 2000, a street improvement program was implemented with a long-range goal of having funds available to pave streets within the City's jurisdiction on a regular planned basis. The pay-as-you-go funding is provided by a 5% franchise tax imposed upon the City's water and wastewater operations. As of September 30, 2015, approximately \$1.3M has been set aside for street improvements.

In March 2006, a Storm Water Utility Fund was created to fund storm water projects and equipment that will help control flooding and storm water drainage problems, water quality improvements and operations and maintenance throughout the City. Projects may include repair of storm water drains, improving maintenance of branches and channels, constructing new drainage systems and meeting state mandated water quality standards.

The White Settlement Crime Control and Prevention District (CCPD) was created in 1996 and a ½ cent sales tax approved to support it. In May 2010, the CCPD was re-approved for an additional twenty years. This tax has played a significant role in maintaining police salaries at satisfactory levels. These revenues also fund Community Crime Prevention Programs, police personnel training, equipment purchases, and vehicle purchases.

The White Settlement Economic Development Corporation, a 4B corporation, was established and approved by the voters in 1994. An approved ½ cent sales tax provides approximately one million dollars per year. During 2014-2015 the corporation provided \$275,000 in direct economic incentives known as the Business Incentive Grant (B.I.G.) to local businesses for upgrading their facilities. Another \$32,628 was spent for small business incentives. A majority of this fund provides for annual maintenance and operations costs and park improvements.

Other Information

Independent audit

The City Charter and Chapter 103 of the Texas Local Government Code require an annual audit of the City's financial statements by an independent certified public accountant. In addition, the City's compliance with various grant programs was audited in accordance with OMB Circular A-133 and Uniform Grant Management Standards.

Bond Rating

The City updated its financial information with Standard & Poor's. In a letter dated 12/23/2014, Standard & Poor's Ratings Services ("Rating Services") notified the City: Based on our review, we have raised the underlying rating (SPUR) from A+ to AA- while affirming the stable outlook. (See standardandpoors.com for more information.)

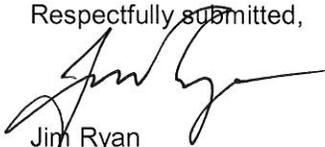
Awards and acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of White Settlement for its comprehensive annual financial report for the fiscal year ended September 30, 2014. This was the twenty-ninth consecutive year that the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government has to 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.

In addition, the City of White Settlement also received the Government Finance Officers Association award for the Distinguished Budget Presentation for the twenty-eighth consecutive year for its annual budget for the fiscal year beginning October 1, 2014 and ending September 30, 2015. In order to qualify for this award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

The preparation of this report would not have been possible without the efficient and dedicated service of the staff of the Finance Department. We wish to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit must also be given to the Mayor and the City Council for their unfailing support for maintaining the highest standards of professionalism in management of the City of White Settlement's finances.

Respectfully submitted,


Jim Ryan
City Manager


Philip Bray
Finance Director

City of White Settlement, Texas

City Council And Principal Officials

September 30, 2015

**Mayor
Ronald White**

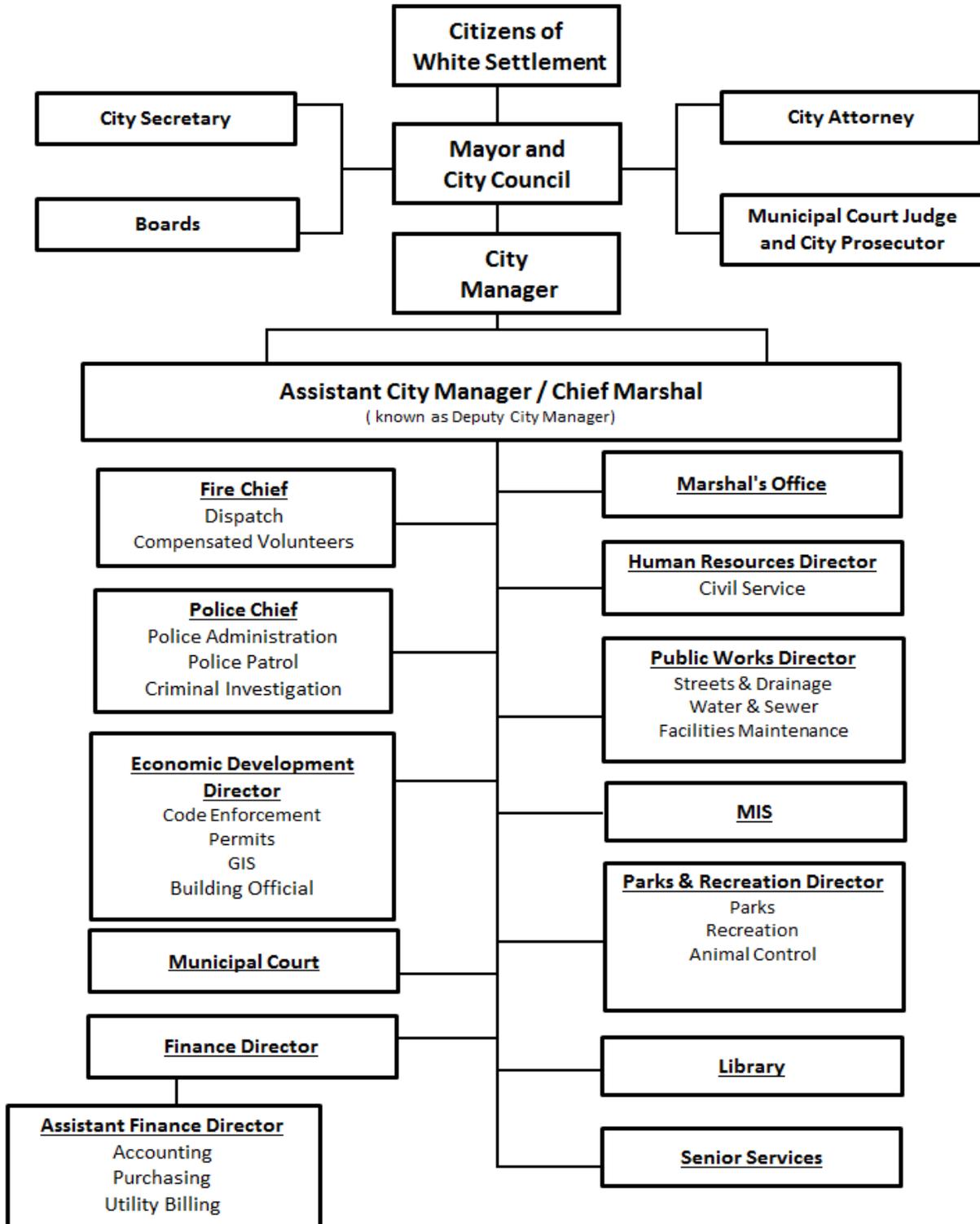
CITY COUNCIL

Paul Moore	Councilmember	Place 1
Elzie Clements	Councilmember	Place 2
Mike Arnold Sr.	Councilmember	Place 3
Danny Anderson	Councilmember	Place 4
Steve Ott	Mayor Pro-Tem	Place 5

CITY STAFF

Jim Ryan	City Manager
Jeff James	Assistant City Manager
Philip Bray	Finance Director
Shereen Gendy	Assistant Finance Director
JP Bevering	Police Chief
Brian Thompson	Fire Chief
Amy Arnold	City Secretary
Warren Spencer	City Attorney

CITY OF WHITE SETTLEMENT ORGANIZATIONAL CHART 2014-2015





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of White Settlement
Texas**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2014

Executive Director/CEO

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and City Council
City of White Settlement, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of White Settlement, Texas, (the "City") as of and for the year ended September 30, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2015, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended in conformity 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 management's discussion and analysis on pages 4-16 and budgetary comparison information, schedule of changes in net pension liability, and schedule of contributions on pages 59-81 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

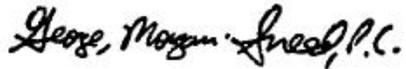
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, combining nonmajor funds financial statements, individual fund schedules, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor funds financial statements and individual fund schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 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 and individual nonmajor fund financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2016, on our consideration of the City White Settlement, Texas' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



George, Morgan & Sneed, P.C.
Weatherford, Texas
March 2, 2016

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of The City of White Settlement, Texas, we offer readers of The City of White Settlement's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City of White Settlement exceeded its liabilities at the close of the most recent fiscal year by \$55,735,821 (*net position*) compared to \$57,003,128 for the prior year. Of this amount, \$17,714,189 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position decreased by \$1,267,307. The City's operations decreased the governmental activities by \$1,013,904 and increased the business-type activities by \$1,628,735. Net position was decreased by a \$1,882,138 prior period adjustment as a result of implementing new accounting standards. See note 16 to the financial statements for a description of the new standards.
- As of the close of the current fiscal year, the City of White Settlement's governmental funds reported combined ending fund balances of \$27,137,754 compared to \$17,916,148 for the prior year. \$9,803,035 is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9,803,035, or 92% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of White Settlement's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, public health, culture and recreation and economic development. The business-type activities of the City include water and wastewater, sanitation and storm water utility.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Economic Development Corporation for which the City is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself. The Crime Control and Prevention District, although also 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 on Exhibits A-1 and B-1 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

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 fiscal year. Such information may be useful in evaluating a government'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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Crime Control and Prevention District, and capital projects fund, which are considered major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on Exhibits C-1 through C-4 of this report.

Proprietary funds. The City maintains one type of proprietary fund. The 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 and wastewater operations, sanitation operations and storm water utility district.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater fund and the stormwater utility fund which are considered major funds and the sanitation fund.

The basic proprietary fund financial statements can be found on Exhibits D-1 through D-3 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-58 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. Required supplementary information can be found on Exhibits E-1 through E-4 of this report.

The combining and individual nonmajor governmental funds and Economic Development Corporation statements are presented immediately following the required supplementary information. These statements can be found on Exhibits F-1 through F-7 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceed liabilities by \$55,735,821 as of September 30, 2015.

The largest portion of the City's net position (58%) reflects its investment in capital assets (e.g. land, land improvements, buildings and improvements, machinery and equipment, infrastructure and construction in progress); less any related debt used to acquire those assets that are still outstanding. 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 capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (11%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$17,714,189 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

Below are summaries of the City's Statement of Net Position and Changes in Net Position.

Condensed Statement of Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current and other assets	\$ 28,057,587	\$ 18,683,495	\$ 13,893,845	\$ 12,013,734	\$ 41,951,432	\$ 30,697,229
Capital assets	25,700,031	25,542,211	20,284,747	20,747,869	45,984,778	46,290,080
Total Assets	<u>53,757,618</u>	<u>44,225,706</u>	<u>34,178,592</u>	<u>32,761,603</u>	<u>87,936,210</u>	<u>76,987,309</u>
Deferred outflows of resources	654,351	-	71,622	-	725,973	-
Long-term liabilities	23,484,891	10,816,634	7,635,160	7,874,486	31,120,051	18,691,120
Other liabilities	615,355	407,237	1,190,956	885,824	1,806,311	1,293,061
Total liabilities	<u>24,100,246</u>	<u>11,223,871</u>	<u>8,826,116</u>	<u>8,760,310</u>	<u>32,926,362</u>	<u>19,984,181</u>
Net Position:						
Invested in capital assets net of related debt	18,623,666	19,869,406	13,463,428	13,428,324	32,087,094	33,297,730
Restricted	2,800,134	2,160,407	3,134,404	2,345,747	5,934,538	4,506,154
Unrestricted	8,887,923	10,972,022	8,826,266	8,227,222	17,714,189	19,199,244
Total Net Position	<u>\$ 30,311,723</u>	<u>\$ 33,001,835</u>	<u>\$ 25,424,098</u>	<u>\$ 24,001,293</u>	<u>\$ 55,735,821</u>	<u>\$ 57,003,128</u>

Changes in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 1,025,919	\$ 1,159,455	\$ 7,604,554	\$ 7,358,446	\$ 8,630,473	\$ 8,517,901
Operating grants and contributions	70,393	67,809	-	-	70,393	67,809
Capital grants and contributions	130,272	6,642,294	468,334	553,865	598,606	7,196,159
General revenues:						
Property taxes	4,324,727	3,919,467	-	-	4,324,727	3,919,467
Sales taxes	3,212,591	3,979,692	-	-	3,212,591	3,979,692
Franchise taxes	1,329,368	1,247,023	-	-	1,329,368	1,247,023
Hotel Occupancy taxes	268,954	206,043	-	-	268,954	206,043
Oil & gas revenues	32,265	178,041	-	-	32,265	178,041
Investment earnings	49,293	31,932	21,351	16,066	70,644	47,998
Gain (loss) on sale of capital assets	-	(90,969)	-	-	-	(90,969)
Other revenue	1,153,705	56,160	-	274	1,153,705	56,434
Total revenues	11,597,487	17,396,947	8,094,239	7,928,651	19,691,726	25,325,598
Expenses						
General government	3,236,070	2,622,855	-	-	3,236,070	2,622,855
Public safety	6,047,017	5,908,877	-	-	6,047,017	5,908,877
Public works	1,092,938	1,349,597	-	-	1,092,938	1,349,597
Public health	232,981	227,709	-	-	232,981	227,709
Culture and recreation	1,485,946	1,489,447	-	-	1,485,946	1,489,447
Non departmental	554,996	-	-	-	554,996	-
Interest on long-term debt	384,286	303,809	-	-	384,286	303,809
Bond issuance costs	247,157	-	-	-	247,157	-
Water and wastewater	-	-	5,093,589	4,687,161	5,093,589	4,687,161
Storm water utility	-	-	65,735	40,032	65,735	40,032
Sanitation	-	-	636,180	618,654	636,180	618,654
Total expenses	13,281,391	11,902,294	5,795,504	5,345,847	19,076,895	17,248,141
Increase (decrease) in net position before transfers	(1,683,904)	5,494,653	2,298,735	2,582,804	614,831	8,077,457
Transfers	670,000	670,000	(670,000)	(670,000)	-	-
Increase (decrease) in net position	(1,013,904)	6,164,653	1,628,735	1,912,804	614,831	8,077,457
Net Position October 1	33,001,835	26,837,182	24,001,293	22,088,489	57,003,128	48,925,671
Prior Period Adjustment	(1,676,208)	-	(205,930)	-	(1,882,138)	-
Net Position September 30	\$ 30,311,723	\$ 33,001,835	\$ 25,424,098	\$ 24,001,293	\$ 55,735,821	\$ 57,003,128

Governmental Activities. Governmental activities decreased the City's net position by \$1,013, 904 in the current year compared with an increase of \$6,164,653 in the prior year.

Total governmental activities revenues decreased \$5,799,460 (33%) to \$11,597,487. Key elements of this change are as follows:

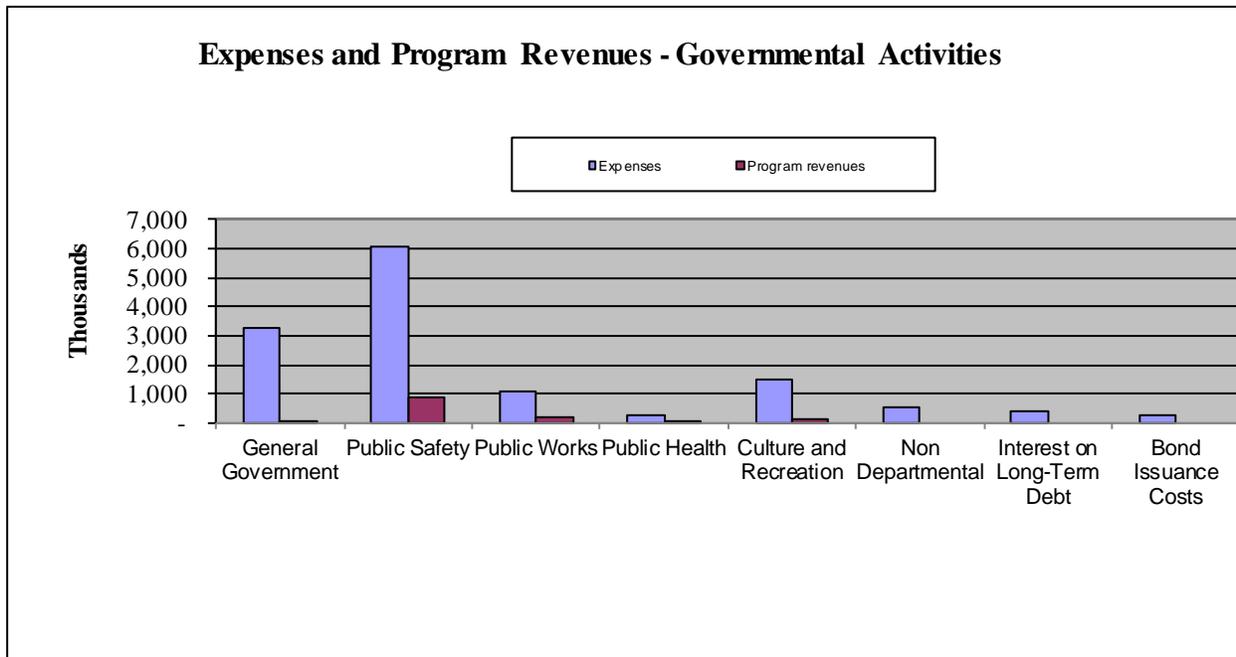
- Capital grants and contributions decreased \$6,512,022 primarily due to a federal contribution in the amount of \$6,533,600 for the Farmer's Branch Flood Control Project in the prior year.
- Property taxes increased \$405,260 due to an increase in rate and an increase in appraised property values.
- Sales taxes decreased \$767,101 primarily due to the decrease in oil and gas prices. One of the City's major businesses is a manufacturer of oil and gas parts and equipment.
- Other revenue increased \$1,097,545 primarily due to insurance proceeds of \$1,042,718 received in the current year for hail damage from May 2011.

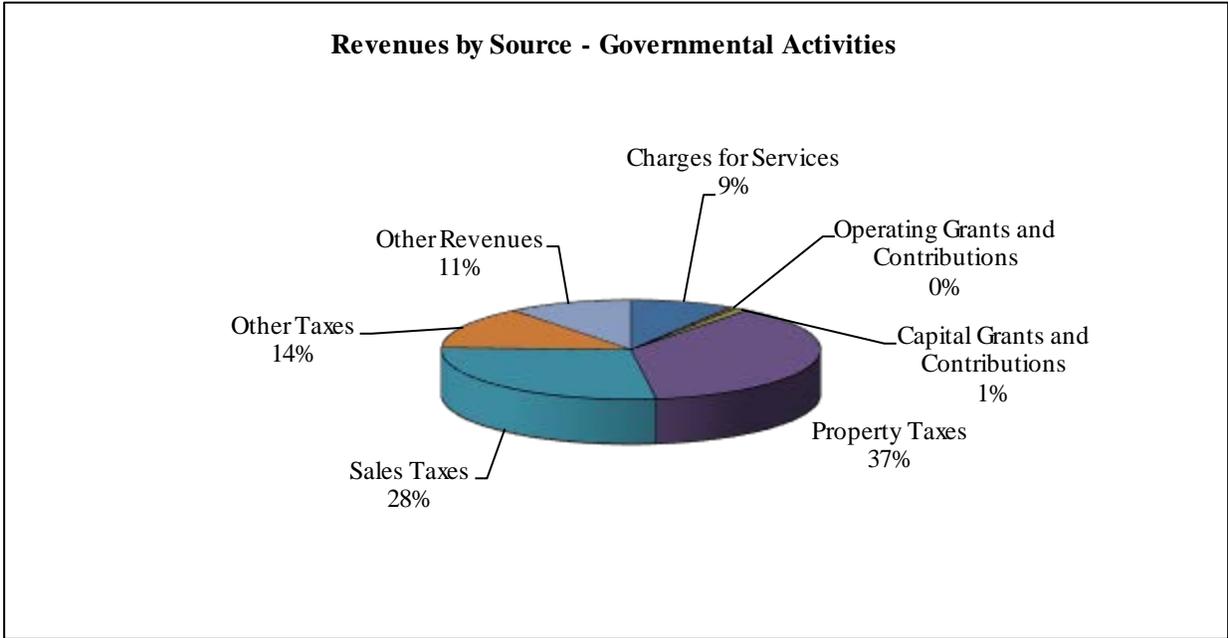
Total governmental activities expenses increased \$1,379,097 to \$13,281,391. Key changes are as follows.

- General government expenses increased \$613,215 (23%) primarily due to a \$617,306 loss on the sale of land. This land was acquired during the Farmer’s Branch project and the cost included a house, demolition, and relocation expenses.
- Public works expenses decreased \$256,659 primarily due to \$227,590 spent in the prior year on street improvements.
- Non departmental expenses of \$554,996 in the current year are for repairs primarily related to hail damage from May 2011.
- Bond issuance costs of \$247,157 in the current year.

A prior period adjustment to record beginning net pension liability decreased net position of the governmental activities \$1,676,208.

Below are two graphs summarizing governmental revenue and expense:





Business-type activities. Business-type activities increased the City’s net position by \$1,628,735 in the current year compared to an increase in net position of \$1,912,804 in the prior year.

Total revenues increased \$165,588 (2%) to \$8,094,239. Key elements of these changes are as follows.

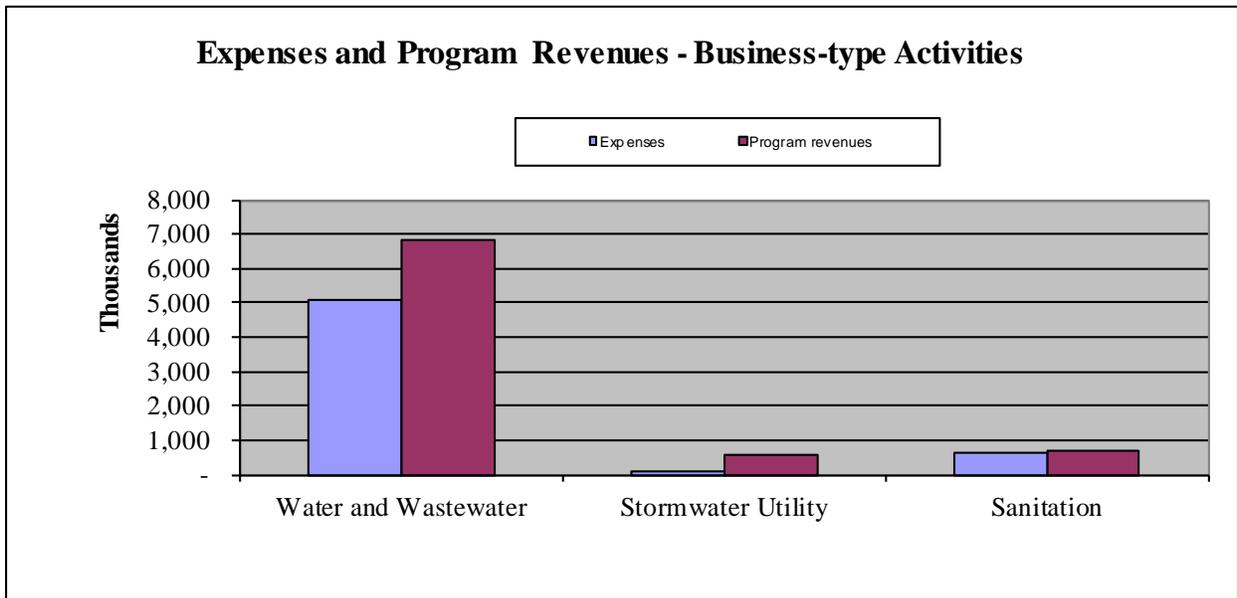
- Charges for services increased \$246,108 (3%) primarily due to a water and wastewater rate increases effective 4/1/15 and an increase in consumption.

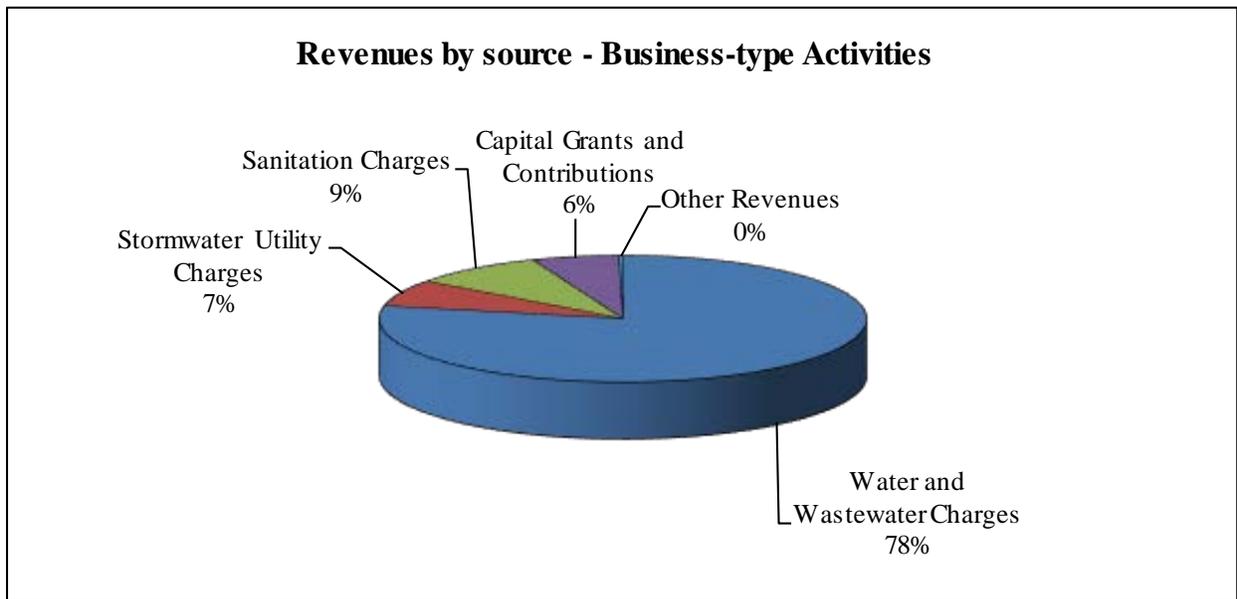
Total expenses increased \$449,657 (8%) to \$5,795,504. Key elements of these changes are as follows.

- Water purchases increased \$151,576 due to an increase in consumption and increase in water rates.
- Wastewater treatment increased \$286,377 due to an increase in volume treated of approximately 170 million gallons and an increase in the volume and BOD rates.

A prior period adjustment to record beginning net pension liability decreased net position of the business-type activities \$205,930.

Below are two graphs summarizing business-type activities revenue and expense:





Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate 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 a government's net resources available for spending at the end of the fiscal year.

At year end, the City's governmental funds reported combined ending fund balances of \$27,137,754. \$9,803,035 (36%) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, committed or assigned to indicate that it is not available for new spending because it has already been restricted or committed for projects and debt service.

The general fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,803,035. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 92% of the total general fund expenditures. Fund balance of the general fund decreased \$248,151 compared to an increase of \$30,779 in the prior year. Key factors in this decline are as follows:

- Revenues decreased \$444,752. Property tax increased \$331,375 due to a rate increase and an increase in appraisal values. Sales tax decreased \$509,189 due to the decrease in oil and gas prices. The City's largest source of sales tax revenue is from an oil field equipment manufacturer. Licenses and permits decreased \$101,781 due to a decrease in the number of permits issued and a decrease in oil and gas permits due to the lack of drilling. Oil and gas royalties decreased \$145,776 because production has slowed considerably and prices have fallen.
- Total expenditures increased \$893,129. Public safety expenditures increased \$366,772 primarily due to an increase in salaries, payroll taxes, and retirement and a firefighter incentive program for the volunteer fire department. Non departmental expenses increased \$554,996 for repairs primarily related to hail damage from May 2011.
- Other financing sources increased \$1,058,951 from the prior year primarily due insurance proceeds received in the current year from hail damage in May 2011.

The White Settlement Crime Control and Prevention District (the "Crime District") was created to finance, develop and provide crime reduction programs for the City of White Settlement. It is funded with a .5% sales tax. Fund balance of the Crime District decreased \$214,816 to \$606,640. Sales tax revenue decreased \$257,912 and transfers to the general fund decreased \$8,762. Expenditures increased \$66,790 primarily due to the purchase of an in-car video system in the current year.

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

The City's water and wastewater fund, stormwater utility fund and sanitation fund are enterprise funds that comprise the City's proprietary funds. Unrestricted net position of the water and wastewater fund, stormwater utility fund and sanitation fund at the end of the year amounted to \$5,664,579, \$2,709,380 and \$452,307 respectively. The total change in net position for the three funds was an increase of

\$1,901,404, \$494,057 and \$43,274 respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City’s business-type activities.

General Fund Budgetary Highlights

The budget was amended twice during the year. Revenues were decreased \$190,000, expenditures were increased \$178,094, transfers in were decreased \$280,000, and transfers out were increased \$560,000.

During the year, actual revenues were \$56,032 less than budgeted and actual expenditures were \$676,733 greater than budgeted.

Capital Assets

The City’s investment in capital assets for its governmental and business type activities as of September 30, 2015, amounts to \$45,984,778 (net of accumulated depreciation). This investment in capital assets includes land, buildings, water and wastewater systems, land improvements, machinery and equipment, vehicles, roads, highways and bridges.

Major capital asset events during the current fiscal year included the following:

Governmental Activities:

- \$113,940 for traffic signal lights upgrade.
- \$112,190 for Judd Street low water crossing.
- \$114,517 for Bolliger Street extension to Harwell Street.
- \$773,125 for re-paving on Cherry Lane.
- \$130,272 developer contribution of street improvements in the Sunnyview subdivision.
- \$111,054 for three vehicles for the police department.
- \$75,170 for an in car video system for the police department.
- \$280,558 for a vac truck.
- Sale of land costing \$661,264.

Business-type activities:

- \$163,855 developer contribution of water and wastewater systems in the Sunnyview subdivision.

**The City of White Settlement’s Capital Assets
(Net of Depreciation)**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 5,189,737	\$ 5,841,001	\$ 36,995	\$ 36,995	\$ 5,226,732	\$ 5,877,996
Construction in progress	806,985	-	-	-	806,985	-
Land improvements	1,021,730	1,204,912	171,274	173,161	1,193,004	1,378,073
Buildings and improvements	3,497,564	3,494,816	100,020	102,975	3,597,584	3,597,791
Machinery and equipment	2,528,168	2,379,097	313,838	381,617	2,842,006	2,760,714
Infrastructure	12,655,847	12,622,385	-	-	12,655,847	12,622,385
Water and sewer systems	-	-	18,235,765	18,593,841	18,235,765	18,593,841
Stormwater systems	-	-	1,426,855	1,459,280	1,426,855	1,459,280
Total	\$ <u>25,700,031</u>	\$ <u>25,542,211</u>	\$ <u>20,284,747</u>	\$ <u>20,747,869</u>	\$ <u>45,984,778</u>	\$ <u>46,290,080</u>

Additional information on the City’s capital assets can be found in note 1.D.6. and note 6 to the financial statements.

Long-Term Debt

At year-end the City had \$27,192,040 in bonds and leases outstanding, an increase of \$10,009,136 from the prior year. \$9,370,086 are general obligation bonds and tax notes that are backed by the full faith and credit of the City, \$17,091,728 are certificates of obligation secured by surplus revenues of the water and wastewater fund and ad valorem taxes.

City of White Settlement's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Capital leases	\$ 730,226	\$ 798,336	\$ -	\$ -	\$ 730,226	\$ 798,336
Tax Notes	155,000	3,215,000	-	-	155,000	3,215,000
General Obligation Bonds	8,120,863	5,363,437	1,094,223	1,262,519	9,215,086	6,625,956
Certificates of Obligation	10,876,979	-	6,214,749	6,543,612	17,091,728	6,543,612
Total	<u>\$ 19,883,068</u>	<u>\$ 9,376,773</u>	<u>\$ 7,308,972</u>	<u>\$ 7,806,131</u>	<u>\$ 27,192,040</u>	<u>\$ 17,182,904</u>

The City's outstanding debt continues to have favorable ratings. The ratings are as follows:

	Moody's Investor Service	Standard & Poor's
General Obligation Bonds, Series 2009	A3	A+
Certificates of Obligation, Series 2009	A3	A+
General Obligation Refunding Bonds, Series 2011	A1	A+
Combination Tax and Revenue Certificates of Obligation, Series 2015		AA-
General Obligation Refunding Bonds, Series 2015		AA-

More detailed information about the City's debt is presented in note 7 to the Financial Statements.

Economic factors and the Next Year's Budgets and Rates

Two major sources of revenue come from ad valorem tax revenue and from sales tax revenue. Overall operating revenues are projected to decline slightly across all funds. Therefore, given the historically depressed economy on a national level and the unsettled economy globally, the staff and council have taken a cautious approach to budget planning and the focus on daily operating.

2015 taxable property values increased \$25,247,299 (4.06%) to \$647,155,303 from prior year values at \$621,908,004. The city is experiencing a more robust economy fueled by pent up demand for housing and retail, and greater flexibility from lenders. The average taxable value of a residential home value in 2015 has increased to \$49,785 compared to the average home in 2014 at \$48,763. For this current 2015-2016 Budget, the City Council adopted the tax rate of \$0.733103 (which was above the effective rate but lower than the rollback rate), and an increase of 6.15% compared to the prior year at \$0.690660 per \$100 valuation. The General Fund Ad Valorem tax revenue carries a \$3.75M budget.

Historically, the rise in oil and gas drilling has generated income for the City through higher sales tax revenues, tax base valuations, construction and permit revenues and other related activity. Sales Tax revenues experienced a 10.08% increase in 2013-2014. But, the recent ripple effect of falling oil prices is the main contributor to the 14.92% decline in Sales tax revenues in 2014-2015. Therefore, 2015-2016 sales tax revenues are conservatively projected in the General Fund at \$1.96M.

The 2015-2016 adopted budget includes a 4% cost-of-living increase to all full-time employees which is one percent less than the prior year. City Council and City Administration believe it is important that the City continue to offer competitive salary and benefits in order to hire and retain quality employees. Health, dental, and life insurance coverage continue to be provided at no cost for full-time employees. As in the past, the City will continue being self-insured and dependents may be added at the expense of the employee with a supplement of one hundred and thirty dollars from the City.

The City of White Settlement uses long-term and short-term debt issuance to maintain a tax rate that is as level as possible. In 2014-2015, City council authorized the issuance of General Obligations Refunding Bonds to refinance the 2013 Tax Notes in the amount of \$2,980,000, and the issuance of Combination Tax and Revenue Certificates of Obligations, Series 2015 in the amount of \$9,540,000.

In 2012-2013, Council's initiative in taking an active role in addressing community needs with available resources resulted in new state-of-the-art traffic warning signage for the Fire Station and a new 105' Pierce Ladder Truck for the Fire Department. Financing came from a ten year Lease-Purchase Agreement for approximately \$800,000 with Oshkosh Capital. In 2014-2015, City Council approved a \$710,000 Public Finance Contractual Obligations, series 2015 to refund the fire truck lease purchase agreement.

Projects planned for 2015-2016 include municipal building remodeling and upgrades, purchase of sand spreader, street sweeper, street roller, Fire department database servers, streets and drainage improvements. The City will also install additional street lights to make the streets safer for the residents and will invest in building sidewalks. Sidewalks play a vital role in City life. As conduits for pedestrian movement and access, they enhance connectivity and promote walking. As public spaces, sidewalks serve as the front steps to the City, activating streets socially and economically. Safe, accessible, and well-maintained sidewalks are a fundamental and necessary investment, and have been found to enhance general public health and maximize social capital.

After the economic downturn began in 2001, the City followed a status quo policy of maintaining basic services and programs with little emphasis on economic development and future growth. An unsettled national economy, the uncertain direction of the global economy, the ongoing war on terrorism, unrest in the Middle East, dynamic increases in energy costs, and unprecedented changes in health care reform have exerted primary consideration in the development of the operating budgets during the last eight years. During this time continued budgetary discretion was directed to staffing, employee compensation, overall service levels and expenditures for capital projects.

The City continues to take steps in developing areas to attract commercial customers and residents. In the last few years, redevelopment efforts along with conservative fiscal policy have shown signs of stabilization and economic revitalization in the City. This year's budget gives added emphasis to its efforts of long-term strategic plans developed by City Council and City Management.

The future for the City looks increasingly promising for several reasons. One promising project is a shared project with Hawaiian Falls for a Water and Adventure Park which was constructed in 2013-2014 on the 16 acres abutting Veterans Park. This endeavor has shown signs of boosting our economy by bringing in thousands of visitors and enhancing business growth. Also completed in 2013-2014, another promising event is the relocation of Region XI Education Service Center to White Settlement. Region XI provides professional development, technical assistance and management of educational programs to 77 public school districts and 42 charter schools in a 10-county area in north central Texas. With the move completed, operations began in 2014-2015 marking the generation of over fifty thousand new visitors to our City annually.

Other promising events realized include renovation of the landmark "red iron building" (which has been standing vacant for over 15 years) into an attractive multi-story storage facility that is now open to the

public. The City has seen the addition of three new hotels, one strip center, and the relocation of multiple commercial businesses. Among the commercial businesses include Swinger Gate Fence Company who relocated here from Saginaw, Texas and constructed a beautiful new building located on South Cherry Lane. There was also the addition of a plumbing company that relocated to the City by purchasing property located on North Cherry Lane. There was light remodel to an existing structure and the addition of a new building in order to create extra work space.

The City of White Settlement has also seen continued new construction of homes within the City. Cheldan Homes has developed and constructed up to fifty (50) new homes in two (2) new subdivisions. We have also seen the construction of multiple new homes within the interior of our city as well. These new homes located in the interior of the City were constructed on empty lots that once had homes, but had been removed according to the City's demolition procedures.

There are several encouraging plans for 2015-2016, including the construction of new strip center on North Jim Wright Freeway, construction of a forty eight (48) home subdivision on White Settlement Road, and the relocation of industrial businesses looking to move closer to Lockheed Martin. City staff will continue to advertise and promote the City of White Settlement to developers and future business / building owners throughout the year.

The White Settlement Economic Development Corporation (EDC) budgeted \$1,170,941 in expenditures for the fiscal year. The City council forgave the 2013 debt from the General Fund to the EDC for the renovation of Central Park. This action assists the EDC in providing required reserves for debt service payments and continuing some effort toward business development. The current EDC budget includes \$100,000 for financial assistance for new developments, and \$100,000 for BIG grants and other business incentives.

Staff and Council are working together in concentrating on goals, plans and objectives that work toward the future financial stability of the City. The dedication of staff and support of the City Council are critical for an effective allocation of resources. Working together in an efficient and effective manner, City staff and council are dedicate to improving the delivery of services and quality of life for the citizens of White Settlement.

Request for Information

The financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Department, 214 Meadow Park Drive, White Settlement, Texas 76108.

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BASIC FINANCIAL STATEMENTS

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CITY OF WHITE SETTLEMENT, TEXAS
Statement of Net Position
September 30, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Economic Development Corporation
ASSETS:				
Cash and cash equivalents	\$ 24,091,561	\$ 6,692,775	\$ 30,784,336	\$ 953,391
Certificates of Deposit	2,712,765	1,924,714	4,637,479	406,554
Receivables (Net of allowances for uncollectibles)				
Property taxes	211,453	-	211,453	-
Franchise taxes	245,259	-	245,259	-
Accounts	-	1,047,023	1,047,023	-
Miscellaneous	225,093	-	225,093	85
Interest	2,651	-	2,651	-
Due from other governments	502,905	-	502,905	172,755
Prepaid expenses	2,230	-	2,230	-
Inventory	63,670	-	63,670	-
Restricted assets:				
Cash and cash equivalents	-	4,229,333	4,229,333	1,752,653
Capital assets:				
Nondepreciable	5,996,722	36,995	6,033,717	961,098
Depreciable, net of accumulated depreciation	19,703,309	20,247,752	39,951,061	15,335,076
Total Assets	53,757,618	34,178,592	87,936,210	19,581,612
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows related to pensions	603,184	71,622	674,806	30,910
Deferred charges on refunding	51,167	-	51,167	-
Total Deferred Outflows of Resources	654,351	71,622	725,973	30,910
LIABILITIES:				
Accounts payable	238,686	562,038	800,724	10,710
Accrued liabilities	197,521	21,775	219,296	9,481
Customer deposits	8,396	-	8,396	-
Current Liabilities Payable from Restricted Assets:				
Interest payable	170,752	37,348	208,100	210,840
Customer deposits	-	569,795	569,795	-
Noncurrent liabilities:				
Due Within One Year	1,282,846	544,231	1,827,077	414,642
Due in More Than One Year	22,202,045	7,090,929	29,292,974	12,331,243
Total Liabilities	24,100,246	8,826,116	32,926,362	12,976,916
NET POSITION:				
Investments in Capital Assets, Net of Debt	18,623,666	13,463,428	32,087,094	3,696,174
Restricted Net Position (Nonexpendable)				
Library and Senior Services	23,210	-	23,210	-
Restricted Net Position (Expendable)				
Debt service	1,271,472	3,134,404	4,405,876	1,752,653
Police and court	755,782	-	755,782	-
Tourism, library and senior services	749,670	-	749,670	-
Unrestricted Net Position	8,887,923	8,826,266	17,714,189	1,186,779
Total Net Position	\$ 30,311,723	\$ 25,424,098	\$ 55,735,821	\$ 6,635,606

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

CITY OF WHITE SETTLEMENT, TEXAS
Statement of Activities
For the Year Ended September 30, 2015

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 3,236,070	\$ 66,705	\$ -	\$ -
Public safety	6,047,017	846,975	36,393	-
Public works	1,092,938	4,999	34,000	130,272
Public health	232,981	17,790	-	-
Culture and recreation	1,485,946	89,450	-	-
Non departmental	554,996	-	-	-
Interest on long-term debt	384,286	-	-	-
Bond issuance costs	247,157	-	-	-
Total governmental activities	<u>13,281,391</u>	<u>1,025,919</u>	<u>70,393</u>	<u>130,272</u>
Business-type activities:				
Water and wastewater	5,093,589	6,330,324	-	468,334
Stormwater utility	65,735	554,576	-	-
Sanitation	636,180	719,654	-	-
Total business-type activities	<u>5,795,504</u>	<u>7,604,554</u>	<u>-</u>	<u>468,334</u>
Total primary government	<u>\$ 19,076,895</u>	<u>\$ 8,630,473</u>	<u>\$ 70,393</u>	<u>\$ 598,606</u>
Component Unit				
Economic Development	\$ 506,997	\$ -	\$ -	\$ -
Culture and Recreation	1,977,630	909,953	-	-
Interest on long-term debt	632,856	-	-	-
Total component unit	<u>\$ 3,117,483</u>	<u>\$ 909,953</u>	<u>\$ -</u>	<u>\$ -</u>

General Revenues:

Taxes:

Property taxes, levied for general purposes

Property taxes, levied for debt service

Sales and use

Franchise

Hotel occupancy tax

Oil and gas revenues

Investment Earnings

Other revenue

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Prior Period Adjustment

Net Position - Ending

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

Exhibit B-1

Net (Expense) Revenue and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Total	Economic Development Corporation
\$ (3,169,365)	\$ -	\$ (3,169,365)	\$ -
(5,163,649)	-	(5,163,649)	-
(923,667)	-	(923,667)	-
(215,191)	-	(215,191)	-
(1,396,496)	-	(1,396,496)	-
(554,996)	-	(554,996)	-
(384,286)	-	(384,286)	-
(247,157)	-	(247,157)	-
<u>(12,054,807)</u>	<u>-</u>	<u>(12,054,807)</u>	<u>-</u>
-	1,705,069	1,705,069	-
-	488,841	488,841	-
-	83,474	83,474	-
<u>-</u>	<u>2,277,384</u>	<u>2,277,384</u>	<u>-</u>
<u>\$ (12,054,807)</u>	<u>\$ 2,277,384</u>	<u>\$ (9,777,423)</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ (506,997)
-	-	-	(1,067,677)
-	-	-	(632,856)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,207,530)</u>
\$ 3,449,021	\$ -	\$ 3,449,021	\$ -
875,706	-	875,706	-
3,212,591	-	3,212,591	1,078,003
1,329,368	-	1,329,368	-
268,954	-	268,954	-
32,265	-	32,265	-
49,293	21,351	70,644	4,911
1,153,705	-	1,153,705	849,403
670,000	(670,000)	-	-
<u>11,040,903</u>	<u>(648,649)</u>	<u>10,392,254</u>	<u>1,932,317</u>
(1,013,904)	1,628,735	614,831	(275,213)
33,001,835	24,001,293	57,003,128	6,995,955
<u>(1,676,208)</u>	<u>(205,930)</u>	<u>(1,882,138)</u>	<u>(85,136)</u>
<u>\$ 30,311,723</u>	<u>\$ 25,424,098</u>	<u>\$ 55,735,821</u>	<u>\$ 6,635,606</u>

CITY OF WHITE SETTLEMENT, TEXAS
Balance Sheet
Governmental Funds
September 30, 2015

	General	Crime District	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Assets:					
Cash and investments	\$ 7,776,003	\$ 458,963	\$ 12,218,213	\$ 3,638,382	\$ 24,091,561
Certificates of Deposit	2,712,765	-	-	-	2,712,765
Receivables (Net of allowances for uncollectibles)					
Property taxes	168,479	-	-	42,974	211,453
Franchise taxes	228,447	-	-	16,812	245,259
Miscellaneous	155,139	17	-	69,937	225,093
Interest	2,651	-	-	-	2,651
Due from other funds	1,021	-	-	-	1,021
Due from other governments	345,509	156,375	-	1,021	502,905
Prepays	2,230	-	-	-	2,230
Inventory - supplies	63,670	-	-	-	63,670
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 11,455,914</u>	<u>\$ 615,355</u>	<u>\$ 12,218,213</u>	<u>\$ 3,769,126</u>	<u>\$ 28,058,608</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 135,192	\$ 8,715	\$ 89,393	\$ 5,386	\$ 238,686
Accrued liabilities	197,521	-	-	-	197,521
Customer deposits	8,396	-	-	-	8,396
Due to other funds	-	-	-	1,021	1,021
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>341,109</u>	<u>8,715</u>	<u>89,393</u>	<u>6,407</u>	<u>445,624</u>
Deferred inflows of resources:					
Deferred property tax	168,480	-	-	42,975	211,455
Other deferred revenue	263,775	-	-	-	263,775
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total deferred inflows of resources	<u>432,255</u>	<u>-</u>	<u>-</u>	<u>42,975</u>	<u>475,230</u>
Fund Balances:					
Nonspendable	65,900	-	-	23,210	89,110
Restricted	-	606,640	12,128,820	2,298,061	15,033,521
Committed	-	-	-	1,398,473	1,398,473
Assigned	813,615	-	-	-	813,615
Unassigned	9,803,035	-	-	-	9,803,035
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>10,682,550</u>	<u>606,640</u>	<u>12,128,820</u>	<u>3,719,744</u>	<u>27,137,754</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 11,455,914</u>	<u>\$ 615,355</u>	<u>\$ 12,218,213</u>	<u>\$ 3,769,126</u>	<u>\$ 28,058,608</u>

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

CITY OF WHITE SETTLEMENT, TEXAS
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position
September 30, 2015

Total Fund Balances - Governmental Funds		\$ 27,137,754
Capital assets used in governmental activities are not financial resources and therefore are reported in the governmental funds. The cost of these assets was \$53,070,653 and the accumulated depreciation was \$27,370,622.		25,700,031
Some liabilities are not due and payable in the current period and are not included in the fund financial statements, but are included in the governmental activities of the Statement of Net Position. The details of these differences are as follows:		
Interest payable	(170,752)	
General obligation bonds	(18,205,000)	
Premium on general obligation bonds	(792,842)	
Tax notes	(155,000)	
Capital leases	(730,226)	
Compensated absences	<u>(1,224,591)</u>	
		(21,278,411)
Deferred charges for refunding related to governmental activity debt are not financial resources and, therefore, are not reported in the governmental funds.		51,167
Included in the items related to noncurrent liabilities is the recognition of the City's net pension liability required by GASB 68 in the amount of \$2,377,232 and a deferred resource outflow related to pensions in the amount of \$603,184. This amounted to a decrease in net position of \$1,774,048.		(1,774,048)
Certain receivables are not available soon enough to pay for the current period's expenditures and therefore are not reported in the fund financial statements, but are reported in the governmental activities of the Statement of Net Position. The details of these differences are as follows:		
Property taxes	211,455	
Court fines	106,493	
Franchise taxes	<u>157,282</u>	
		475,230
Net Position of Governmental Activities		<u><u>\$ 30,311,723</u></u>

CITY OF WHITE SETTLEMENT, TEXAS
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2015

	General	Crime District	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes:					
Property	\$ 3,443,108	\$ -	\$ -	\$ 873,663	\$ 4,316,771
Sales and use	2,186,600	1,025,991	-	-	3,212,591
Franchise	989,747	-	-	295,573	1,285,320
Hotel occupancy tax	-	-	-	268,954	268,954
Fines and forfeitures	499,021	-	-	-	499,021
Licenses and permits	344,623	-	-	-	344,623
Intergovernmental revenue	90,541	-	-	36,393	126,934
Charges for service	124,355	-	-	-	124,355
Oil and gas revenues	32,265	-	-	-	32,265
Investment Earnings	20,422	1,110	14,557	13,204	49,293
Other revenue	20,761	-	-	63,086	83,847
Total revenues	<u>7,751,443</u>	<u>1,027,101</u>	<u>14,557</u>	<u>1,550,873</u>	<u>10,343,974</u>
EXPENDITURES					
Current					
General government	2,598,097	-	-	-	2,598,097
Public safety	5,485,926	420,655	-	52,812	5,959,393
Public works	505,010	-	-	-	505,010
Public health	233,778	-	-	-	233,778
Culture and recreation	1,238,995	-	-	128,909	1,367,904
Non departmental	554,996	-	-	-	554,996
Capital outlay	-	-	1,609,706	-	1,609,706
Debt service:					
Principal	-	-	-	488,110	488,110
Interest and fiscal charges	-	-	-	277,076	277,076
Debt issuance costs	-	-	146,979	100,178	247,157
Total expenditures	<u>10,616,802</u>	<u>420,655</u>	<u>1,756,685</u>	<u>1,047,085</u>	<u>13,841,227</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES					
	<u>\$ (2,865,359)</u>	<u>\$ 606,446</u>	<u>\$ (1,742,128)</u>	<u>\$ 503,788</u>	<u>\$ (3,497,253)</u>
OTHER FINANCING SOURCES (USES)					
Proceeds from insurance recoveries	1,069,858	-	-	-	1,069,858
Proceeds from sale of general capital assets	33,958	-	-	-	33,958
Proceeds from sale of bonds	-	-	9,540,000	710,000	10,250,000
Refunding bonds issued	-	-	-	2,980,000	2,980,000
Bond (discount)/premium	-	-	626,979	50,989	677,968
Payment to bond refunding escrow agent	-	-	-	(2,962,925)	(2,962,925)
Transfers in	1,513,392	-	-	-	1,513,392
Transfers out	-	(821,262)	-	(22,130)	(843,392)
Total other financing sources (uses)	<u>2,617,208</u>	<u>(821,262)</u>	<u>10,166,979</u>	<u>755,934</u>	<u>12,718,859</u>
NET CHANGE IN FUND BALANCES					
	(248,151)	(214,816)	8,424,851	1,259,722	9,221,606
FUND BALANCE, OCTOBER 1, 2014					
	<u>10,930,701</u>	<u>821,456</u>	<u>3,703,969</u>	<u>2,460,022</u>	<u>17,916,148</u>
FUND BALANCE, SEPTEMBER 30, 2015					
	<u>\$ 10,682,550</u>	<u>\$ 606,640</u>	<u>\$ 12,128,820</u>	<u>\$ 3,719,744</u>	<u>\$ 27,137,754</u>

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

CITY OF WHITE SETTLEMENT, TEXAS
Reconciliation of Statement of Revenues,
Expenditures and Changes in Fund Balances of
The Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2015

Total Net Change in Fund Balances - Governmental Funds		\$ 9,221,606
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including \$1,878,276 of capital outlays and \$488,110 of debt principal payments is to increase net position.		2,366,386
Capital asset donations are revenues in the government-wide financial statements but are not reported in the governmental fund financial statements.		137,199
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, disposals and transfers between activities) is to decrease net position.		(661,608)
Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.		(1,196,047)
Current year proceeds from the sale of bonds are other financing sources in the fund financial statements. The net effect of the increase in certificates of obligation is a decrease in net position.		(10,876,979)
Transactions involving the issuance of refunding bonds are expenditures and other financing sources (uses) in the fund financial statements but change in deferred charges for refunding and noncurrent liabilities in the government-wide financial statements. The net effect is a decrease to net position.		(74,821)
Certain liabilities are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. Changes in these balances are reported as expenses in the governmental activities of the Statement of Activities.		
Interest payable	(109,015)	
Premium on general obligation bonds	8,562	
Compensated absences	10,650	
		(89,803)
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds.		53,383
GASB required the City to recognize their net pension liability and deferred resource outflow related to pensions. The changes in these balances increased net position.		106,780
Change in Net Position of Governmental Activities		\$(1,013,904)

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

CITY OF WHITE SETTLEMENT, TEXAS

Statement of Net Position

Proprietary Funds

September 30, 2015

	Enterprise Funds			
	Water and Wastewater	Stormwater Utility	Sanitation	Totals
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 3,583,266	\$ 2,644,118	\$ 465,391	\$ 6,692,775
Certificates of Deposit	1,924,714	-	-	1,924,714
Receivables (Net of allowance for uncollectibles):				
Accounts	886,384	65,979	94,660	1,047,023
Restricted Assets:				
Cash and cash equivalents	4,229,333	-	-	4,229,333
 Total current assets	 10,623,697	 2,710,097	 560,051	 13,893,845
Noncurrent Assets:				
Capital assets, at cost:				
Land	-	36,995	-	36,995
Buildings and improvements	125,366	-	-	125,366
Land improvements	211,511	-	-	211,511
Waterworks and wastewater system	28,001,435	-	-	28,001,435
Stormwater systems	-	1,616,773	-	1,616,773
Machinery and equipment	1,495,488	75,005	-	1,570,493
	29,833,800	1,728,773	-	31,562,573
Less: accumulated depreciation	(11,080,407)	(197,419)	-	(11,277,826)
 Capital assets, net	 18,753,393	 1,531,354	 -	 20,284,747
 Total noncurrent assets	 18,753,393	 1,531,354	 -	 20,284,747
 Total assets	 29,377,090	 4,241,451	 560,051	 34,178,592
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred outflows related to pensions	71,622	-	-	71,622
Total deferred outflows of resources	\$ 71,622	\$ -	\$ -	\$ 71,622

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

	Enterprise Funds			
	Water and Wastewater	Stormwater Utility	Sanitation	Totals
LIABILITIES:				
Current Liabilities:				
Accounts payable	\$ 453,577	\$ 717	\$ 107,744	\$ 562,038
Accrued liabilities	21,775	-	-	21,775
Current portion of long-term liabilities	544,231	-	-	544,231
Current Liabilities Payable from Restricted Assets:				
Interest payable	37,348	-	-	37,348
Customer deposits payable	569,795	-	-	569,795
 Total current liabilities	 1,626,726	 717	 107,744	 1,735,187
Noncurrent Liabilities:				
Bonds payable	6,796,813	-	-	6,796,813
Net pension liability	294,116	-	-	294,116
 Total noncurrent liabilities	 7,090,929	 -	 -	 7,090,929
 Total liabilities	 8,717,655	 717	 107,744	 8,826,116
 NET POSITION:				
Investment in capital assets, net of debt	11,932,074	1,531,354	-	13,463,428
Restricted for debt service (Expendable)	3,134,404	-	-	3,134,404
Unrestricted	5,664,579	2,709,380	452,307	8,826,266
Total net position	\$ 20,731,057	\$ 4,240,734	\$ 452,307	\$ 25,424,098

CITY OF WHITE SETTLEMENT, TEXAS
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2015

	Enterprise Funds			Totals
	Water and Wastewater	Stormwater Utility	Sanitation	
Operating revenues:				
Charges for sales and services	\$ 6,330,324	\$ 554,576	\$ 719,654	\$ 7,604,554
Total operating revenue	<u>6,330,324</u>	<u>554,576</u>	<u>719,654</u>	<u>7,604,554</u>
Operating expenses:				
Utility Billing	466,983	-	-	466,983
Water production and distribution	2,135,110	-	-	2,135,110
Wastewater collection and treatment	1,530,700	-	-	1,530,700
Stormwater utility	-	25,810	-	25,810
Sanitation	-	-	636,180	636,180
Depreciation	667,524	39,925	-	707,449
Total operating expenses	<u>4,800,317</u>	<u>65,735</u>	<u>636,180</u>	<u>5,502,232</u>
Operating income (loss)	<u>1,530,007</u>	<u>488,841</u>	<u>83,474</u>	<u>2,102,322</u>
Nonoperating revenues (expenses):				
Investment earnings	16,135	5,216	-	21,351
Interest expense	(293,272)	-	-	(293,272)
Total nonoperating revenues (expenses)	<u>(277,137)</u>	<u>5,216</u>	<u>-</u>	<u>(271,921)</u>
Income (loss) before contributions and transfers	1,252,870	494,057	83,474	1,830,401
Capital contributions and transfers:				
Capital Contributions	468,334	-	-	468,334
Transfers out	(629,800)	-	(40,200)	(670,000)
Change in Net Position	1,091,404	494,057	43,274	1,628,735
Prior Period Adjustments	(205,930)	-	-	(205,930)
Net Position, October 1, 2014	<u>19,845,583</u>	<u>3,746,677</u>	<u>409,033</u>	<u>24,001,293</u>
Net Position, September 30, 2015	<u>\$ 20,731,057</u>	<u>\$ 4,240,734</u>	<u>\$ 452,307</u>	<u>\$ 25,424,098</u>

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

CITY OF WHITE SETTLEMENT, TEXAS
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2015

	Enterprise Funds			Totals
	Water and Wastewater Fund	Stormwater Utility	Sanitation	
Cash flows from operating activities:				
Cash received from customers	\$ 6,239,344	\$ 554,755	\$ 716,772	\$ 7,510,871
Cash paid to suppliers	(3,316,787)	(25,591)	(579,798)	(3,922,176)
Cash paid to employees	(608,194)	-	-	(608,194)
Net cash provided by operating activities	<u>2,314,363</u>	<u>529,164</u>	<u>136,974</u>	<u>2,980,501</u>
Cash flow from noncapital financing activities:				
Transfers to other funds	(629,800)	-	(40,200)	(670,000)
Net cash provided (used) by noncapital financing activities	<u>(629,800)</u>	<u>-</u>	<u>(40,200)</u>	<u>(670,000)</u>
Cash flow from capital and related financing activities:				
Principal payments on long-term debt	(495,000)	-	-	(495,000)
Capital contribution for debt service	304,479	-	-	304,479
Capital outlay	(80,474)	-	-	(80,474)
Interest paid on bonds	(295,431)	-	-	(295,431)
Net cash (used) by capital and related financing activities	<u>(566,426)</u>	<u>-</u>	<u>-</u>	<u>(566,426)</u>
Cash flow from investing activities:				
Investment earnings	16,135	5,217	-	21,352
Sale of Certificates of Deposit	659,476	-	-	659,476
Net cash provided by investing activities	<u>675,611</u>	<u>5,217</u>	<u>-</u>	<u>680,828</u>
Net increase (decrease) in cash and cash equivalents	1,793,748	534,381	96,774	2,424,903
Cash and cash equivalents, beginning	<u>6,018,851</u>	<u>2,109,737</u>	<u>368,617</u>	<u>8,497,205</u>
Cash and cash equivalents, ending	<u>\$ 7,812,599</u>	<u>\$ 2,644,118</u>	<u>\$ 465,391</u>	<u>\$ 10,922,108</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	<u>\$ 1,530,007</u>	<u>\$ 488,841</u>	<u>\$ 83,474</u>	<u>\$ 2,102,322</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	667,524	39,925	-	707,449
(Increase) decrease in accounts receivable	(111,981)	179	(2,882)	(114,684)
Increase (decrease) in accounts payable	224,075	219	56,382	280,676
Increase (decrease) in accrued liabilities	3,455	-	-	3,455
Increase (decrease) in accrued employee expenses	(9,763)	-	-	(9,763)
Increase (decrease) in customer meter deposits	21,001	-	-	21,001
Increase (decrease) in compensated absences payable	(9,955)	-	-	(9,955)
Total adjustments	<u>784,356</u>	<u>40,323</u>	<u>53,500</u>	<u>878,179</u>
Net cash provided by operating activities	<u>\$ 2,314,363</u>	<u>\$ 529,164</u>	<u>\$ 136,974</u>	<u>\$ 2,980,501</u>
Noncash Investing, Capital and Financing Activities				
Contributions of capital assets from developer	<u>\$ 163,855</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 163,855</u>

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

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of White Settlement, Texas (the City) was incorporated under the laws of the State of Texas in 1941. The City is governed by an elected mayor and five-member council. The City provides the following services: public safety, streets, parks and recreation, library, water and wastewater, sanitation, planning and zoning, building inspection, code enforcement, and general administrative services.

As required by generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the City's financial reporting entity. Based on these considerations, the White Settlement Economic Development Corporation and the White Settlement Crime Control Prevention have been included in the City's reporting entity as component units. 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.

Consideration regarding the potential for inclusion of other entities, organizations, or functions in the City's financial reporting entity is based on criteria presented 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 financially independent of other state and local governments. Additional prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that inclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Discretely Presented Component Unit

The White Settlement Economic Development Corporation (a nonprofit development corporation formed under the Development Corporation Act of 1979, Texas Rev. Civil Statute) was incorporated June 28, 1994. The Corporation's services are provided to stimulate economic growth for the City. A board of seven directors appointed by the City Council governs the Corporation. The purpose of the Corporation is to develop, implement, provide and finance projects allowed under the Development Corporation Act. Operation of the Corporation is funded by one-half percent sales tax approved by the voters. The City is the sole beneficiary of the EDC and will receive the remaining assets and assume the remaining liabilities upon termination. Separate unaudited financial statements may be obtained at the City's administrative office.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Reporting Entity (Continued)

Blended Component Unit

The White Settlement Crime Control and Prevention District (the “Crime District”) is an entity legally separate from the City and was created by resolution of the City Council with approval by vote of the residents of White Settlement. The Crime District is governed by a seven-member board appointed by the City Council. The City Council approves the budget of the Crime District. The day-to-day operations of the Crime District are performed by City employees. For financial reporting purposes, the Crime Control and Prevention District is reported as if it were a part of the City’s operations because its primary purpose is to support the crime prevention and enforcement activities of the general fund. The Crime District makes transfers to the General and Debt Service funds of the City for police salaries and debt payments for police equipment. In addition the Crime District pays for ammunition, uniforms, tools and equipment, equipment and building repairs, travel, training and automobiles for the White Settlement police department. The services provided to others are insignificant to the overall activities of the Crime District. The Crime Control and Prevention District is presented as a special revenue fund. Separate unaudited financial statements may be obtained at the City’s administrative office.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separately component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. 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.

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. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures generally are recorded when the related fund liability is incurred, however, debt service expenditures and expenditures related to compensated absences and claims and judgments, are recognized when payment is due.

Property taxes, sales and use 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives payment.

The accounts of the City are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds are maintained consistent with legal and managerial requirements.

The City reports the following major governmental funds:

The *general fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The White Settlement Crime Control and Prevention District ("*Crime District*") is a blended component unit that is financed with a ½ percent sales tax. The Crime District was created to develop and provide crime reduction programs for the City of White Settlement.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Measurement Focus, Basis of Accounting and Basis of Presentation (Continued)

The *capital projects fund* is used to account for construction of major capital projects not being financed by the proprietary funds.

The City reports the following major proprietary funds:

The *water and wastewater fund* accounts for the provision of water and wastewater services to the residents of the City. All activities necessary to provide such services are accounted for in this fund.

The *stormwater utility fund* is used to account for the maintenance of the drainage system for the City.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges and transfers between the governmental activities and the business-type activities, which cannot be eliminated.

Amounts reported as program revenues include 1) charges for customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise 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.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Equity

1. *Cash and Investments*

The City pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short term investments that are highly liquid with maturity within three months or less when purchased. Assets reported as cash and investments are considered cash and cash equivalents for the statement of cash flows.

2. *Receivables and Payables*

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

All trade and property tax receivables are shown net of an allowance for uncollectibles. Trade accounts receivable aged +2 months comprises the trade accounts receivable allowance for uncollectible accounts. The property tax receivable and municipal court allowances are equal to 30% and 85% respectively of the outstanding balances at September 30, 2015.

3. *Unbilled Service*

Utility operating revenues (water, wastewater, storm water and refuse collection) are billed on monthly cycles. The City records estimated revenues for services delivered during the fiscal year, which will be billed during the next fiscal year.

4. *Inventory*

The inventories of supplies are valued at cost using the first-in-first-out ("FIFO") method. Inventory in the governmental funds are accounted for using the consumption method.

5. *Prepaid Expenses*

Payments made for services that will benefit periods beyond September 30, 2015, are recorded as prepaid expenses in both the government-wide and fund financial statements. Prepaid expenses in the governmental funds are accounted for using the purchases method.

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Equity (Continued)

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure, are reported in the applicable governmental activities or business-type activities columns in the government-wide financial statements and in the proprietary funds financial statements. The City defines capital assets 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 cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities and proprietary funds is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the water and wastewater fund during the current fiscal year was \$293,272. Of this amount \$0 was included as part of the cost of capital assets under construction in connection with water and wastewater construction projects.

Property, plant and equipment of the primary government and component unit are depreciated using the straight-line method over the following estimated useful lives:

Land improvements	20 - 30 years
Buildings	10 - 40 years
Water and wastewater system	20 - 50 years
Machinery and equipment	3 - 10 years
Vehicles	3 - 10 years
Infrastructure	20 - 50 years

7. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. After completing one full year of service, employees are eligible to be reimbursed an amount equal to 40 hours of sick pay (calculated at their then-current rate of pay), less the number of sick pay hours claimed during the preceding 12-month period. Otherwise, the City's policy is that upon separation from service, only civil service employees will receive payment for unused sick pay benefits. All vacation pay and civil service employees' sick leave benefits are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Equity (Continued)

8. Long-term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as they are incurred and are no longer amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts 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. Issuances cost, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of the Texas Municipal Retirement System (TMRS) and additions to/deductions from TMRS's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported by 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.

9. Fund Balance – Governmental Funds

The City implemented GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in fiscal year 2011. In the fund financial statements, governmental funds report the following classifications of fund balance:

Nonspendable – includes amounts that cannot be spent because they are either not spendable in form (such as prepaids or inventory) or are legally or contractually required to be maintained intact (such as endowment funds).

Restricted – includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Equity (Continued)

9. Fund Balance – Governmental Funds (Continued)

Committed – includes amounts constrained to specific purposes by a government itself, using its highest decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint (City Council ordinance).

Assigned – includes amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority. The City Council has delegated the authority to assign fund balance to the City Manager by resolution.

Unassigned – All amounts not included in other spendable classifications.

The details of the fund balances of the governmental funds are as follows:

	General Fund	Crime District	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:					
Prepays and inventory	\$ 65,900	\$ -	\$ -	\$ -	\$ 65,900
Library Endowment	-	-	-	12,105	12,105
Senior Services Endowment	-	-	-	11,105	11,105
Restricted:					
Debt Service	-	-	-	1,399,249	1,399,249
Construction	-	-	12,128,820	-	12,128,820
Police and court	-	606,640	-	149,142	755,782
Tourism, library and senior services	-	-	-	749,670	749,670
Committed:					
Street improvement	-	-	-	1,398,473	1,398,473
Assigned:					
Pride Commission	4,767	-	-	-	4,767
Subsequent year budget deficit	325,178	-	-	-	325,178
Insurance proceeds not yet spent	483,670	-	-	-	483,670
Unassigned	9,803,035	-	-	-	9,803,035
	<u>\$ 10,682,550</u>	<u>\$ 606,640</u>	<u>\$ 12,128,820</u>	<u>\$ 3,719,744</u>	<u>\$ 27,137,754</u>

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted fund balance to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been first spent out of committed funds, then assigned, and finally unassigned as needed.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Assets, Liabilities and Net Position or Equity (Continued)

9. Fund Balance – Governmental Funds (Continued)

The City Council adopted a minimum fund balance policy for the General Fund. The policy requires the city strive to maintain a yearly unassigned fund balance in the general fund of 144 days of annual budgeted expenditures. At the end of the year, the unassigned fund balance of \$9,803,035 was \$5,881,474 above the minimum fund balance requirement of \$3,921,561.

10. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed its use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

The following is a reconciliation of restricted fund balance reported in the governmental fund financial statements to restricted net position of the governmental activities reported in the government-wide financial statements.

Restricted Fund Balance (Exhibit C-1)	\$ 15,033,521
Adjustments	
Accrued interest payable restricted for debt service	(170,752)
Deferred property tax revenue restricted for debt service	42,975
Permanent Fund principal	23,210
Restricted for construction	<u>(12,128,820)</u>
Total adjustments	<u>(12,233,387)</u>
Restricted Net Position (Exhibit A-1)	<u><u>\$ 2,800,134</u></u>

11. Use of Estimates

The preparation of financial statements, in conformity with Generally Accepted Accounting Principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 2: DEPOSITS AND INVESTMENTS

Substantially all operating cash and investments, including those of the White Settlement Economic Development Corporation, discretely presented component units, are maintained in consolidated cash and investment accounts. Investment income relating to consolidated investments is allocated to the individual funds monthly based on the funds' pro-rata share of total cash and investments.

The City's investment policy authorizes the City to invest in obligations of the United States and its agencies; direct obligations of the State of Texas and agencies thereof; other obligations, the principal and interest on which are unconditionally guaranteed by the State of Texas and United States; obligations of the states, agencies, counties, cities and other political subdivisions of any state having been rated as investment quality by a nationally recognized investment rating firm, and having received a rating of not less than "A" or its equivalent; secured certificates of deposit of state and national banks domiciled in Texas; fully collateralized direct repurchase agreements with a defined termination date secured by obligations of the United States or its agencies; and joint pools of political subdivisions in the State of Texas. Investments are stated at fair value except for short-term highly liquid investments which are stated at cost or amortized cost. During the year ended September 30, 2015, the City did not own any types of securities other than those permitted by statute.

The City invests idle funds in the Texas Local Government Investment Pool (TexPool). The City's investment pool operates in a manner consistent with the SEC's Rule 2A7 of the Investment Act of 1940. The Pool uses amortized cost rather than market value to report net position to compute share prices. Accordingly, the fair value of the City's position is the same as the value of the City's shares.

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The City's funds are required to be deposited and invested under the terms of a depository contract. The City's deposits are required to be collateralized with securities held by the pledging institution's trust department or agent in the City's name. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") Insurance. At September 30, 2015, the City's deposits were covered by FDIC Insurance or collateralized with securities held by the bank's agent in the City's name.

Credit Risk– Investments

The City controls credit risk by limiting its investments to those instruments allowed by its investment policy.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk – Investments

In accordance with its investment policy, the City manages its exposure to declines in fair market values by limiting the final stated maturity of any investment to three years and the average maturity of the City’s operating funds to one year. As of September 30, 2015, all of the City’s investments were invested for a period not exceeding three years and the average maturity of operating funds was less than one year.

The City’s investments at September 30, 2015 included the following:

<u>Investment</u>	<u>Credit Rating</u>	<u>Weighted Average Maturities</u>	<u>Percentage of Total Investments</u>	<u>Cost</u>	<u>Fair Value</u>
Investment in Tex-Pool	AAAm	79 days	100.00%	\$ 5,393,738	\$ 5,393,738
				<u>\$ 5,393,738</u>	<u>\$ 5,393,738</u>

The following cash and investments in the enterprise funds are restricted for the following purposes:

<u>Enterprise Funds</u>	<u>Cash and Investments</u>
Customer deposits	\$ 569,795
Construction	487,786
Interest and sinking funds	3,171,752
Total	<u>\$ 4,229,333</u>

Cash and investments in the amount of \$1,752,653 in the Economic Development Corporation are restricted for debt service.

Investment earnings of \$102,152 are reported net of advisory service fees of \$26,597.

NOTE 3: PROPERTY TAX

The City’s property tax is levied (assessed) each October 1, on the value listed as of the prior January 1, for all real property and personal property located in the City. Such assessed value for 2014 was computed based on 100% of appraised value.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 3: PROPERTY TAX (Continued)

Beginning with the 1982 levy, the appraisal property within the City became the responsibility of a countrywide appraisal district as required by legislation passed by the Texas Legislature. The appraisal district is required under such legislation to assess all property within the appraisal district on the basis of 100% of its appraised value and is prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every five years; however, the government may, at its own expense require annual reviews of appraised values.

The government may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action.

General property taxes are limited by the government's Home Rule Charter to \$1.50 per \$100 of assessed valuation. The combined tax rate to finance general governmental service and debt service for the period ended September 30, 2015, was \$0.69066 per \$100 of assessed valuation.

Taxes are billed and due on October 1 of each year. The last date for payment without penalty is the following January 31. Delinquent penalties are added on February 1 with additional attorney fees being added on July 1. Lien attaches to properties on the January 1 following levy date. Tarrant County bills and collects the general property taxes for the City. During the fiscal year, the City collected approximately 98% of the 2014 tax levy.

In the governmental funds the City's property tax revenues are recognized when levied to the extent that they result in current receivables available for financing current operations. The remaining receivables are reflected in deferred revenue.

NOTE 4: RECEIVABLES

Receivables as of year-end for the City's major and nonmajor funds, including the applicable allowances for uncollectible accounts are as follows:

	<u>General</u>	<u>Crime District</u>	<u>Nonmajor Governmental</u>	<u>Water and Wastewater</u>	<u>Stormwater Utility</u>	<u>Sanitation</u>
Receivables:						
Property taxes	\$ 240,685	\$ -	\$ 61,392	\$ -	\$ -	\$ -
Franchise taxes	228,447	-	16,812	-	-	-
Occupancy tax	-	-	69,937	-	-	-
Water and wastewater	-	-	-	535,823	-	-
Stormwater utility	-	-	-	-	40,553	-
Sanitation	-	-	-	-	-	55,154
Earned and unbilled services	-	-	-	379,601	27,525	39,506
Miscellaneous	758,602	17	-	-	-	-
Interest	2,651	-	-	-	-	-
Gross Receivables	<u>1,230,385</u>	<u>17</u>	<u>148,141</u>	<u>915,424</u>	<u>68,078</u>	<u>94,660</u>
Less: allowance for uncollectibles	<u>(675,669)</u>	<u>-</u>	<u>(18,418)</u>	<u>(29,040)</u>	<u>(2,099)</u>	<u>-</u>
Net total receivables	<u><u>\$ 554,716</u></u>	<u><u>\$ 17</u></u>	<u><u>\$ 129,723</u></u>	<u><u>\$ 886,384</u></u>	<u><u>\$ 65,979</u></u>	<u><u>\$ 94,660</u></u>

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 4: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and this, will not be recognized as an outflow of resources (expense/expenditure) until then. The City has only two items that qualify in this category, deferred charges on refunding bonds and deferred outflows relating to pensions reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of financial position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as in inflow of resource (revenue) until that time. The city has one type of item in this category, unavailable revenues for governmental funds. Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

Deferred property taxes receivable (General Fund)	\$	168,480
Franchise tax receivable		157,282
Court fees receivable		106,493
Deferred property taxes receivable (Debt Service Fund)		42,975
Total deferred inflows of resources for governmental funds	\$	475,230

NOTE 5: INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS

The composition of interfund transfers for the City's individual major funds and nonmajor funds at September 30, 2015, is as follows:

Transfer In	Transfer Out	Amount	Purpose
General	Crime District	\$ 821,262	Crime prevention
	Other Governmental	22,130	Crime prevention
	Water and Wastewater	629,800	Payments in lieu of taxes
	Other Enterprise	40,200	Payments in lieu of taxes
Total Governmental Funds Transfers In		\$ 1,513,392	

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers & Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Non - Depreciable Assets:					
Land	\$ 5,841,001	\$ -	\$ (651,264)	\$ -	\$ 5,189,737
Construction in Progress	-	806,985	-	-	806,985
Total non-depreciable assets	<u>5,841,001</u>	<u>806,985</u>	<u>(651,264)</u>	<u>-</u>	<u>5,996,722</u>
Depreciable Assets:					
Land improvements	2,690,138	-	-	-	2,690,138
Building and improvements	6,973,983	183,753	-	-	7,157,736
Machinery and equipment	7,656,943	667,758	(10,344)	(14,534)	8,299,823
Infrastructure	<u>28,569,255</u>	<u>356,979</u>	<u>-</u>	<u>-</u>	<u>28,926,234</u>
Total capital assets being depreciated	<u>45,890,319</u>	<u>1,208,490</u>	<u>(10,344)</u>	<u>(14,534)</u>	<u>47,073,931</u>
Accumulated Depreciation:					
Land improvements	(1,485,226)	(183,182)	-	-	(1,668,408)
Building and improvements	(3,479,167)	(181,005)	-	-	(3,660,172)
Machinery and equipment	(5,277,846)	(508,343)	-	14,534	(5,771,655)
Infrastructure	<u>(15,946,870)</u>	<u>(323,517)</u>	<u>-</u>	<u>-</u>	<u>(16,270,387)</u>
Total accumulated depreciation	<u>(26,189,109)</u>	<u>(1,196,047)</u>	<u>-</u>	<u>14,534</u>	<u>(27,370,622)</u>
Governmental activities capital assets, net	<u>\$ 25,542,211</u>	<u>\$ 819,428</u>	<u>\$ (661,608)</u>	<u>\$ -</u>	<u>\$ 25,700,031</u>

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 6: CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Transfers & Adjustments	Ending Balance
Business-type activities:					
Non - Depreciable Assets:					
Land	\$ 36,995	\$ -	\$ -	\$ -	\$ 36,995
Construction in Progress	-	-	-	-	-
Total non-depreciable assets	<u>36,995</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,995</u>
Depreciable Assets:					
Land improvements	211,511	-	-	-	211,511
Building and improvements	125,366	-	-	-	125,366
Machinery and equipment	1,537,779	32,714	-	-	1,570,493
Water and wastewater systems	27,789,820	224,154	(12,539)	-	28,001,435
Stormwater systems	1,616,773	-	-	-	1,616,773
Total capital assets being depreciated	<u>31,281,249</u>	<u>256,868</u>	<u>(12,539)</u>	<u>-</u>	<u>31,525,578</u>
Accumulated Depreciation:					
Land improvements	(38,350)	(1,887)	-	-	(40,237)
Building and improvements	(22,391)	(2,955)	-	-	(25,346)
Machinery and equipment	(1,156,162)	(100,493)	-	-	(1,256,655)
Water and wastewater systems	(9,195,979)	(569,691)	-	-	(9,765,670)
Stormwater systems	(157,493)	(32,425)	-	-	(189,918)
Total accumulated depreciation	<u>(10,570,375)</u>	<u>(707,451)</u>	<u>-</u>	<u>-</u>	<u>(11,277,826)</u>
Business-type activities capital assets, net	<u>\$ 20,747,869</u>	<u>\$ (450,583)</u>	<u>\$ (12,539)</u>	<u>\$ -</u>	<u>\$ 20,284,747</u>
Component Unit:					
Non - Depreciable Assets:					
Land	\$ 1,116,998	\$ -	\$ (155,900)	\$ -	\$ 961,098
Construction in Progress	-	-	-	-	-
Total non-depreciable assets	<u>1,116,998</u>	<u>-</u>	<u>(155,900)</u>	<u>-</u>	<u>961,098</u>
Depreciable Assets:					
Land improvements	8,344,825	-	-	-	8,344,825
Building and improvements	2,030,853	-	-	-	2,030,853
Machinery and equipment	7,678,713	44,999	-	14,534	7,738,246
Total capital assets being depreciated	<u>18,054,391</u>	<u>44,999</u>	<u>-</u>	<u>14,534</u>	<u>18,113,924</u>
Accumulated Depreciation:					
Land improvements	(1,155,041)	(637,612)	-	-	(1,792,653)
Building and improvements	(28,387)	(52,289)	-	-	(80,676)
Machinery and equipment	(349,425)	(541,560)	-	(14,534)	(905,519)
Total accumulated depreciation	<u>(1,532,853)</u>	<u>(1,231,461)</u>	<u>-</u>	<u>(14,534)</u>	<u>(2,778,848)</u>
Component unit capital assets, net	<u>\$ 17,638,536</u>	<u>\$ (1,186,462)</u>	<u>\$ (155,900)</u>	<u>\$ -</u>	<u>\$ 16,296,174</u>

CITY OF WHITE SETTLEMENT, TEXAS

Notes to Financial Statements

September 30, 2015

NOTE 6: CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	\$ 27,096
Public safety	420,108
Public works	617,280
Public health	768
Culture and recreation	130,795
Total depreciation expense - governmental activities	<u>\$ 1,196,047</u>
Business-type activities:	
Water and wastewater	\$ 667,524
Stormwater utility	39,925
Total depreciation expense - business-type activities	<u>\$ 707,449</u>
Component Unit:	
Culture and Recreation	<u>\$ 1,231,461</u>
Total depreciation expense - component unit	<u>\$ 1,231,461</u>

NOTE 7: LONG-TERM LIABILITIES

A. Capital Leases Payable

Governmental Activities:

On September 16, 2013, the City entered into a municipal lease-purchase agreement in the amount of \$798,336 for financing the purchase of a fire engine. The total cost of the fire engine was \$798,336. This lease is considered a capital lease for accounting purposes and, accordingly, has been recorded at the present value of the future minimum lease payments as of the date of its inception. In September 2015, the City issued the \$710,000 Public Property Finance Certificates of Obligation to refinance this capital lease in October 2015.

Total capital assets acquired through capital leases were as follows:

	<u>Governmental Activities</u>
Assets:	
Fire Engine	\$ 798,336
Less: accumulated depreciation	<u>(78,934)</u>
Total	<u>\$ 719,402</u>

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 7: LONG-TERM LIABILITIES (Continued)

A. Capital Leases Payable (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of September 30, 2015, were as follows:

Year Ending September 30,	Governmental Activities
2016	\$ 93,480
2017	93,480
2018	93,480
2019	93,480
2020	93,480
2021 - 2025	373,920
Total debt service requirements	841,320
Less: interest portion	111,094
Obligations under capital lease	\$ 730,226

B. Tax Notes Payable

The City issues Tax Notes for the purpose of acquiring street maintenance equipment, constructing and equipping a new early warning system, renovating and expanding City facilities, and to pay the costs of issuance incurred in connection with the issuance of the note. Tax notes outstanding are as follows:

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
General government	09/19/13	02/01/20	2.00%	\$ 3,325,000	\$ 155,000

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 7: LONG-TERM LIABILITIES (Continued)

B. Tax Notes Payable (Continued)

The annual debt service requirements to maturity for tax notes outstanding as of September 30, 2015 are as follows:

Year Ending September 30,	Governmental Activities		
	Principal	Interest	Total
2016	\$ 155,000	\$ 1,550	\$ 156,550

C. Bonds Payables

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the government. General obligation bonds outstanding are as follows:

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
General government	05/01/09	02/15/29	2.5 - 4.625%	\$ 6,150,000	\$ 4,975,000
General government	06/01/15	02/15/35	2.0 - 5.0%	9,540,000	9,540,000
Governmental refunding	06/01/15	02/15/25	2.0 - 3.0%	2,980,000	2,980,000
General government	09/10/15	02/15/28	3.07%	710,000	710,000

The annual debt service requirements to maturity for general obligation bonds and certificates of obligation outstanding as of September 30, 2015, are as follows:

Year Ending September 30,	Governmental Activities					
	General Obligation Bonds			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
2016	\$ 385,000	\$ 276,081	\$ 661,081	\$ 135,000	\$ 465,071	\$ 600,071
2017	570,000	263,057	833,057	170,000	427,662	597,662
2018	585,000	247,231	832,231	175,000	423,704	598,704
2019	605,000	230,106	835,106	180,000	419,619	599,619
2020	625,000	211,606	836,606	180,000	414,834	594,834
2021 - 2025	3,455,000	713,028	4,168,028	950,000	1,989,900	2,939,900
2026 - 2030	1,730,000	161,763	1,891,763	3,235,000	1,671,409	4,906,409
2031 - 2035	-	-	-	5,225,000	679,125	5,904,125
	<u>\$ 7,955,000</u>	<u>\$ 2,102,872</u>	<u>\$ 10,057,872</u>	<u>\$ 10,250,000</u>	<u>\$ 6,491,324</u>	<u>\$ 16,741,324</u>

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 7: LONG-TERM LIABILITIES (Continued)

C. Bonds Payable (Continued)

June 1, 2015, the City issued \$2,980,000 of General Obligation Refunding Bonds, Series 2015. The bonds consisted of general obligation bonds with interest rates ranging from 2.00% to 3.00%. The net proceeds were used to refund Tax Notes, Series 2013 with a total principal amount of \$2,905,000. The refunding increased debt service payments for the City by \$265,500 with a net present value cost (economic loss) of \$131,358 or 2.88%.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunded tax notes. As a result, the refundable tax notes are considered to be defeased, and the related liability for the tax notes has been removed from the City's liabilities. At September 30, 2015, \$2,905,000 2013 defeased tax notes are outstanding with scheduled redemption date of February 1, 2016.

The City's Water and Wastewater Fund also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Water and Wastewater Fund bonds outstanding are as follows:

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
Water and wastewater	05/01/09	02/15/29	2.5 - 4.625%	\$ 8,000,000	\$ 6,230,000
Enterprise refunding	07/15/11	02/15/21	2.0 - 3.0%	1,705,000	1,075,000

April 8, 2010 the City of White Settlement and City of Fort Worth entered into an agreement where the City of Fort Worth agreed to pay 51.46% of the cost of the Farmers Branch Wastewater Interceptor Project. The City of White Settlement issued 2009 certificates of obligation to fund the project. The City of Fort Worth agreed to pay 51.46% of the annual debt service requirements beginning in 2010 through maturity in 2029. The amount received from the City of Fort Worth was \$304,479 and was reported as a capital contribution in the water and wastewater fund.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 7: LONG-TERM LIABILITIES (Continued)

C. Bonds Payable (Continued)

Water and Wastewater Fund bond debt service requirements to maturity are as follows:

Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2016	\$ 510,000	\$ 278,781	\$ 788,781
2017	520,000	264,156	784,156
2018	540,000	247,319	787,319
2019	560,000	228,006	788,006
2020	580,000	207,031	787,031
2021 - 2025	2,425,000	736,315	3,161,315
2031 - 2035	2,170,000	203,462	2,373,462
	<u>\$ 7,305,000</u>	<u>\$ 2,165,070</u>	<u>\$ 9,470,070</u>

The Economic Development Corporation issued sales tax revenue bonds for the purpose of constructing an amusement park. Sales tax revenue bonds outstanding are as follows:

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
Amusement park	11/12/13	12/01/33	2.93%	\$ 12,600,000	\$ 12,600,000

Economic Development Corporation bond debt service requirements to maturity are as follows:

Year Ending September 30,	Economic Development Corporation		
	Principal	Interest	Total
2016	\$ 405,000	\$ 622,324	\$ 1,027,324
2017	425,000	601,522	1,026,522
2018	450,000	579,559	1,029,559
2019	475,000	556,341	1,031,341
2020	495,000	531,995	1,026,995
2021 - 2025	2,905,000	2,247,830	5,152,830
2026 - 2030	3,715,000	1,421,288	5,136,288
2031 - 2035	3,730,000	386,319	4,116,319
	<u>\$ 12,600,000</u>	<u>\$ 6,947,178</u>	<u>\$ 19,547,178</u>

The various bond ordinances contain a number of limitations and restrictions. Management believes the City is in compliance with all significant limitation and restrictions at September 30, 2015.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 7: LONG-TERM LIABILITIES (Continued)

D. Changes in Long-term Liabilities

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Certificates of obligation	\$ -	\$ 10,250,000	\$ -	\$ 10,250,000	\$ 135,000
General obligation bonds	5,240,000	2,980,000	265,000	7,955,000	385,000
Issuance premium	123,437	677,967	8,562	792,842	45,927
Total bonds payable	<u>5,363,437</u>	<u>13,907,967</u>	<u>273,562</u>	<u>18,997,842</u>	<u>565,927</u>
Capital leases	798,336	-	68,110	730,226	72,084
Tax notes	3,215,000	-	3,060,000	155,000	155,000
Net pension obligation	204,620	-	204,620	-	-
Net pension liability	-	2,377,232	-	2,377,232	-
Compensated absences	<u>1,235,241</u>	<u>550,126</u>	<u>560,776</u>	<u>1,224,591</u>	<u>489,835</u>
Total Governmental Activities	<u>\$ 10,816,634</u>	<u>\$ 16,835,325</u>	<u>\$ 4,167,068</u>	<u>\$ 23,484,891</u>	<u>\$ 1,282,846</u>
Business-type Activities:					
Certificates of obligation	\$ 6,560,000	\$ -	\$ 330,000	\$ 6,230,000	\$ 340,000
General obligation bonds	1,240,000	-	165,000	1,075,000	170,000
Issuance premium/discount	6,131	-	2,159	3,972	2,159
Total bonds payable	<u>7,806,131</u>	<u>-</u>	<u>497,159</u>	<u>7,308,972</u>	<u>512,159</u>
Net pension obligation	26,328	-	26,328	-	-
Net pension liability	-	294,116	-	294,116	-
Compensated absences	<u>42,027</u>	<u>32,072</u>	<u>42,027</u>	<u>32,072</u>	<u>32,072</u>
Total Business-type Activities	<u>\$ 7,874,486</u>	<u>\$ 326,188</u>	<u>\$ 565,514</u>	<u>\$ 7,635,160</u>	<u>\$ 544,231</u>
Economic Development:					
Sales tax revenue bonds	\$ 12,600,000	\$ -	\$ -	\$ 12,600,000	\$ 405,000
Net pension obligation	11,034	-	11,034	-	-
Net pension liability	-	121,781	-	121,781	-
Compensated absences	26,936	4,405	7,237	24,104	9,642
Note payable - General Fund	<u>840,000</u>	<u>-</u>	<u>840,000</u>	<u>-</u>	<u>-</u>
Total Economic Development	<u>\$ 13,477,970</u>	<u>\$ 126,186</u>	<u>\$ 858,271</u>	<u>\$ 12,745,885</u>	<u>\$ 414,642</u>
Total Long-term Liabilities	<u>\$ 32,169,090</u>	<u>\$ 17,287,699</u>	<u>\$ 5,590,853</u>	<u>\$ 43,865,936</u>	<u>\$ 2,241,719</u>

Compensated absences and the net pension liability of the governmental activities and business-type activities are paid by the general fund and water and wastewater fund, respectively.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 7: LONG-TERM LIABILITIES (Continued)

E. Federal Arbitrage

General obligation bonds, combination tax revenue bonds and certificates of obligation are subject to the provisions of the Internal Revenue Code of 1986 related to arbitrage and interest income tax regulations under those provisions.

NOTE 8: RISK MANAGEMENT

The City is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The City's general liability, automobile and property insurance is underwritten through a self-insurance fund for Texas political subdivisions. Premiums are paid to the carrier, and they administer all claims. The City is also insured for workers' compensation claims through a self-insurance fund for Texas political subdivisions. Rates are determined by the state, and the pool assigns discount rates to premiums based upon the City's claims history. The City retains, as a risk, only the deductible amount of each policy.

The City has maintained insurance coverage in all major categories of risk comparable to that of the prior year with no reduction in coverage. The amount of settlements during the past three years has not exceeded the insurance coverage.

NOTE 9: DEFERRED COMPENSATION PLAN

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all City employees at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to participants until termination, retirement, death, or unforeseeable emergency.

The City's responsibility is to transmit employee contributions to the third party plan administrator for deposit to the credit of the individual participant accounts. The City does not have significant administrative involvement for the assets of the plan and does not perform the investment function for the plan.

NOTE 10: DEFINED BENEFIT PENSION PLANS

A. Plan Description

The City participates as one of 860 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 10: DEFINED BENEFIT PENSION PLANS (Continued)

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 (CAFR) that can be obtained at www.tmr.com.

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

B. Benefits Provided

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

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

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

	Plan Year 2015
Employee deposit rate	5%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI

At the December 31, 2014 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	66
Inactive employees entitled to but not yet receiving benefits	95
Active employees	117
	278

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 10: DEFINED BENEFIT PENSION PLANS (Continued)

C. Contributions

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

Employees for the City were required to contribute 5% of their annual gross earnings during the fiscal year. The contribution rates for the City were 10.45% and 10.80% in calendar years 2014 and 2015, respectively. The city's contributions to TMRS for the year ended September 30, 2015, were \$643,713, and were equal to the required contributions.

D. Net Pension Liability

The city's Net Pension Liability (NPL) was measured as of December 31, 2014, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions:

Inflation	3.0% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	7.0%, 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 Table, with male rates multiplied by 109% and female rates multiplied by 103%. For cities with fewer than twenty employees, more conservative methods and assumptions are used. These rates were projected on a fully generational basis by scale BB to account to future mortality improvements. For disable annuitants, the gender-distinct RP2000 Disabled Retiree Mortality Table is used, with slight adjustments.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 10: DEFINED BENEFIT PENSION PLANS (Continued)

D. Net Pension Liability (Continued)

Actuarial assumptions used in the December 31, 2014, valuation were based on results of actuarial experience studies. The experience study in TMRS was for the period January 1, 2006 through December 31, 2009, first used in the December 31, 2010 valuation. 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 Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation.

The long-term expected rate of return on pension plan investments is 7.0%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic 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 Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.80%
International Equity	17.5%	6.05%
Core Fixed Income	30.0%	1.50%
Non-Core Fixed Income	10.0%	3.50%
Real Return	5.0%	1.75%
Real Estate	10.0%	5.25%
Absolute Return	5.0%	4.25%
Private Equity	5.0%	8.50%
Total	<u>100.0%</u>	

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 10: DEFINED BENEFIT PENSION PLANS (Continued)

D. Net Pension Liability (Continued)

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.0%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2013	\$ 23,009,625	\$ 20,347,179	\$ 2,662,446
Changes for the year:			
Service cost	611,630	-	611,630
Interest	1,600,861	-	1,600,861
Change of benefit terms	-	-	-
Difference between expected and actual experience	28,147	-	28,147
Changes of assumptions	-	-	-
Contributions - employer	-	643,713	(643,713)
Contributions - employee	-	315,411	(315,411)
Net investment income	-	1,163,983	(1,163,983)
Benefit payments, including refunds of employee contributions	(892,005)	(892,005)	-
Administrative expense	-	(12,153)	12,153
Other changes	-	(999)	999
Net changes	1,348,633	1,217,950	130,683
Balance at 12/31/2014	<u>\$ 24,358,258</u>	<u>\$ 21,565,129</u>	<u>\$ 2,793,129</u>

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 10: DEFINED BENEFIT PENSION PLANS (Continued)

D. Net Pension Liability (Continued)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the City, calculated using the discount rate of 7.0%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	1% Decrease Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase Discount Rate (8.0%)
City's Net Pension Liability	\$ 6,434,905	\$ 2,793,129	\$ (169,807)

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.

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

For the year ended September 30, 2015, the City recognized pension expense of \$546,064.

At September 30, 2015, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 20,076	\$ -
Changes in actuarial assumptions	\$ -	\$ -
Difference between projected and actual investment earnings.	\$ 208,256	\$ -
Contributions subsequent to the measurement date	\$ 477,384	\$ -
Total	\$ 705,716	\$ -

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 10: DEFINED BENEFIT PENSION PLANS (Continued)

E. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$477,384 reported as deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability for the year ending September 30, 2015. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30:	
2016	\$ 60,135
2017	60,135
2018	55,998
2019	52,064
2020	-
Thereafter	-
Total	<u>\$ 228,332</u>

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS

Supplemental Death Benefits Fund

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

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

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.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 11. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The city's contributions to the TMRS SDBF for the years ended 2015, 2014, and 2013 were \$13,161, \$11,938, and \$11,122, respectively, which equaled the required contributions each year.

Schedule of Contribution Rates:
(RETIREE-only portion of the rate)

Plan/ Calendar Year	Annual Required Contribution (Rate)	Actual Contribution Made (Rate)	Percentage of ARC Contributed
2013	0.03%	0.03%	100.0%
2014	0.03%	0.03%	100.0%
2015	0.03%	0.03%	100.0%

NOTE 12: CONTINGENT LIABILITIES

Contingencies

The City is exposed to various claims and litigation. The outcome of events are not presently determinable and the amount of the City's potential liability cannot be reasonably estimated at this time.

Federal and State Programs

Federal and state funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made, in compliance with program guidelines, to the grantor agency. These programs are governed by various statutory rules and regulations of grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, the City has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of fund monies may be required. As it pertains to other matters of compliance, in the opinion of the City's administration, there are no significant contingent liabilities relating to matters of compliance and accordingly, no provision has been made in the accompanying financial statements for such contingencies.

NOTE 13: CONTRACTS AND COMMITMENTS

Water and Wastewater Contracts

The City has separate contracts with the City of Fort Worth, Texas for the purchase of treated water and for the treatment of wastewater, which expire in 2031 and 2017, respectively. The contracts require the City to pay varying amounts based on the costs associated with water purchased and treated. Payments during 2015 for the purchase of treated water were \$1,420,420 and payments made for the treatment of wastewater by the City of Fort Worth were \$1,303,801.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 14: WATER AND ADVENTURE PARK LEASE

During 2014, the Economic Development Corporation issued \$12,600,000 sales tax revenue bonds to construct a Hawaiian Falls Water and Adventure Park. The EDC leases the Park to Hawaiian Parks – White Settlement, LLC for an initial term of forty years. The lease may be extended for four additional five year periods. Lease payments will equal debt service payments over the initial term of the lease. The capital assets have a cost of \$12,506,362, accumulated depreciation of \$871,407, and carrying costs of \$11,634,955.

Minimum guaranteed income on all City non-cancelable operating leases is as follows:

Year Ending <u>September 30,</u>	
2016	900,000
2017	900,000
2018	1,000,000
2019	1,300,000
2020	1,400,000
2020 - 2024	5,064,466
2025 - 2029	5,136,287
2030 - 2034	4,116,289
	<u>\$ 19,817,042</u>

NOTE 15: HAIL DAMAGE AND INSURANCE RECOVERIES

In May 2011, a hail storm directly impacted the City causing significant damage to City owned property. Management expects insurance to cover the cost to repair the property less the City’s deductible. Insurance received in 2015 related to the hail damage was \$1,023,580. The insurance recoveries were reported as other financing sources in the general fund and general revenues in the government-wide statement of activities. The City completed a significant portion of the repairs in the current year. The City expects to complete the repairs in fiscal year 2016.

NOTE 16: SUBSEQUENT EVENTS

The lease payment for the Hawaiian Falls Water and Adventure Park of \$600,000 was due October 1, 2015. As of the date of this report, the payment has not been received.

Subsequent events were evaluated through March 2, 2016, which is the date the financial statements were available to be issued.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2015

NOTE 17: NEW ACCOUNTING PRONOUNCEMENTS

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27*. This Statement was issued to improve the accounting and financial reporting by state and local governments for pensions. This Statement requires government-wide and proprietary fund statements to recognize a liability equal to the net pension liability and changes in the net pension liability be included in pension expense in the period of change.

The City implemented GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an Amendment of GASB Statement No. 68*. This Statement addresses issues related to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability.

Beginning net position of the governmental activities, business-type activities, and component unit was reduced by the following prior period adjustments:

	Governmental Activities	Business-type Activities	Total	Component Unit
Net Pension Liability (12/31/13 measurement date)	\$ (2,266,008)	\$ (280,356)	\$ (2,546,364)	\$ (116,083)
Deferred Outflows of Resources	385,180	48,098	433,278	19,913
Net Pension Obligation at 9/30/14	204,620	26,328	230,948	11,034
Prior Period Adjustment	<u>\$ (1,676,208)</u>	<u>\$ (205,930)</u>	<u>\$ (1,882,138)</u>	<u>\$ (85,136)</u>

NOTE 18: FUTURE ACCOUNTING PRONOUNCEMENTS

The Government Accounting Standards Board has issued several statements that will be effective in future years. The City has not yet determined the effect these statements will have on its financial reporting.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* replaces the requirements of Statements No. 45 and No. 57 for accounting and financial reporting of postemployment benefits other than pensions. This Statement is effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 77, *Tax Abatement Disclosures* will improve financial reporting by giving users of financial statements essential information that is not consistently or comprehensively reported to the public at present. Disclosure of information about the nature and magnitude of tax abatements will make these transactions more transparent to financial users. This Statement is effective for fiscal years beginning after December 15, 2015.

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF WHITE SETTLEMENT, TEXAS

Exhibit E-1

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)

General Fund

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
General Property Taxes				
Current property taxes	\$ 3,070,000	\$ 3,370,000	\$ 3,358,242	\$ (11,758)
Miscellaneous property tax revenue	5,000	8,000	7,189	(811)
Delinquent tax collections	28,000	38,000	45,991	7,991
Taxes - penalties and interest	55,000	55,000	31,686	(23,314)
Total general property taxes	3,158,000	3,471,000	3,443,108	(27,892)
Sales and Use Taxes				
General sales tax	2,610,000	2,307,000	2,149,738	(157,262)
Mixed beverage tax	1,000	1,000	2,324	1,324
Bingo tax	35,000	25,000	34,538	9,538
Total sales and use taxes	2,646,000	2,333,000	2,186,600	(146,400)
Franchise Tax				
Telephone franchise fees	85,000	85,000	73,117	(11,883)
Electric franchise fees	475,000	475,000	529,943	54,943
Cable TV franchise fees	80,000	80,000	129,330	49,330
Gas franchise fees	80,000	80,000	102,252	22,252
Refuse franchise fees	170,000	170,000	155,105	(14,895)
Total franchise tax	890,000	890,000	989,747	99,747
Fines and Fees				
Municipal court fees	350,000	350,000	349,808	(192)
Deferred disposition fee	40,000	40,000	46,494	6,494
Court administrative fee	7,500	7,500	6,114	(1,386)
Extension fee - City	8,500	8,500	9,853	1,353
Warrant fees	75,000	75,000	80,461	5,461
ACO fees	2,500	2,500	2,241	(259)
Code compliance fine	6,500	6,500	4,050	(2,450)
Total fines and fees	490,000	490,000	499,021	9,021
Licenses and Permits				
Building permits	100,000	100,000	130,196	30,196
Mechanical permits	12,000	12,000	14,971	2,971
Appeal/variance permits	2,500	2,500	2,507	7
Plumbing permits	20,000	20,000	18,933	(1,067)
Electrical permits	50,000	50,000	54,282	4,282
Alarm permits	7,500	7,500	8,749	1,249
Sign permits	4,000	4,000	3,731	(269)
Garage sale permits	6,500	6,500	6,300	(200)
Curb and gutter permits	100	100	329	229
Gas and oil permits	90,000	-	-	-
Miscellaneous permits	-	-	1,544	1,544
Demolition fees	1,500	1,500	550	(950)
Occupancy permits	45,000	45,000	44,700	(300)
Fence permits	4,000	4,000	3,853	(147)

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2015

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES (Continued)				
Licenses and Permits (Continued)				
Fire sprinkler system permits	\$ -	\$ -	\$ 9,333	\$ 9,333
Contractor registration fee	25,000	25,000	23,100	(1,900)
Fire inspections	15,000	15,000	8,845	(6,155)
Recreational license	5,000	5,000	-	(5,000)
Recreational machine permits	5,000	5,000	8,445	3,445
Platting fees	-	-	2,230	2,230
Other inspection fees	-	-	900	900
False Alarm Fine	2,000	2,000	1,125	(875)
Total licenses and permits	<u>395,100</u>	<u>305,100</u>	<u>344,623</u>	<u>39,523</u>
Intergovernmental	<u>99,000</u>	<u>99,000</u>	<u>90,541</u>	<u>(8,459)</u>
Charges for Services				
Copying Fee	100	100	79	(21)
Returned check fee	125	125	100	(25)
Building rental - cultural center	2,000	2,000	1,845	(155)
Building rental - recreation	20,000	20,000	27,564	7,564
Supervised recreation	65,000	65,000	43,999	(21,001)
Mowing fees	12,000	12,000	5,000	(7,000)
Gas well inspector fees	-	-	7,000	7,000
Animal control fees	25,000	25,000	15,549	(9,451)
Library revenue	13,000	13,000	15,538	2,538
Library memorial	-	-	68	68
Library processing	200	200	199	(1)
Reimburse lost/damaged books	400	400	236	(164)
Fingerprinting fees	300	300	414	114
Police report fees	500	500	629	129
Wrecker service fees	3,000	3,000	3,150	150
Clearview kiosk signage	-	-	2,985	2,985
Total charges for services	<u>141,625</u>	<u>141,625</u>	<u>124,355</u>	<u>(17,270)</u>
Oil and Gas Royalties	<u>150,000</u>	<u>50,000</u>	<u>32,265</u>	<u>(17,735)</u>
Investment Earnings	<u>12,000</u>	<u>12,000</u>	<u>20,422</u>	<u>8,422</u>
Other Revenue				
Pay phone income	750	750	779	29
Council filing fee	-	-	114	114
Mixed beverage annual inspection	-	-	120	120
Over/short	-	-	81	81
Interlocal radio support fee	5,000	5,000	3,700	(1,300)
Miscellaneous revenues	10,000	10,000	15,967	5,967
Total other revenue	<u>15,750</u>	<u>15,750</u>	<u>20,761</u>	<u>5,011</u>
Total revenues	<u>7,997,475</u>	<u>7,807,475</u>	<u>7,751,443</u>	<u>(56,032)</u>

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS

Exhibit E-1 (Continued)

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)

General Fund

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Current				
General Government:				
City Council				
Regular salaries	\$ -	\$ -	\$ (27)	\$ 27
Part-time temporary salaries	10,800	10,800	6,457	4,343
FICA	826	826	492	334
Workers' compensation	28	38	33	5
Unemployment insurance	378	378	48	330
Office supplies	3,000	4,200	4,284	(84)
Postage and freight	100	100	-	100
Legal costs	34,000	35,000	34,723	277
Audit services	25,000	25,000	20,500	4,500
Copy rental/lease	1,000	1,000	-	1,000
Professional services	12,000	28,500	28,417	83
Communications	2,625	2,625	2,511	114
Insurance	25,000	25,000	20,011	4,989
Dues/subscriptions/memberships	18,000	15,200	8,856	6,344
Marketing and promotional services	2,000	2,000	1,608	392
Travel and training	10,000	14,800	17,709	(2,909)
Miscellaneous materials and supplies	1,000	1,800	1,354	446
Appreciation	1,000	1,000	576	424
Plaques, awards and recognition	1,500	1,500	439	1,061
Hawaiian Falls escrow - 75% of sales tax	-	-	7,064	(7,064)
Contribution to EDC	-	-	840,000	(840,000)
Grant match	5,000	5,000	-	5,000
City council reserve	62,162	29,622	5,913	23,709
Vehicle allowance	1,800	1,800	450	1,350
Total City council	217,219	206,189	1,001,418	(795,229)
Administration				
Regular salaries	146,934	284,843	251,957	32,886
Part-time temporary salaries	31,468	-	-	-
Longevity pay	308	308	308	-
FICA	13,544	20,037	17,235	2,802
TMRS	16,618	27,901	27,831	70
Workers' compensation	531	531	430	101
Unemployment insurance	456	456	18	438
Health insurance	-	90	90	-
Dental insurance	286	286	286	-
Life insurance	103	103	59	44
Vehicle allowance	4,800	1,600	1,600	-
Office supplies	1,200	1,466	1,466	-
Postage and freight	150	150	72	78
Copy rental/lease	2,100	3,425	3,269	156
Communications	1,500	1,700	1,604	96
Dues/subscriptions/memberships	200	284	284	-
Marketing and promotional services	1,000	1,000	329	671

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2015

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Administration (Continued)				
Travel and training	\$ 1,000	\$ 3,139	\$ 3,198	\$ (59)
Employee appreciation	12,500	8,996	7,070	1,926
Plaques, awards and recognition	2,500	1,900	1,426	474
City manager reserve	25,000	25,000	9,927	15,073
Other professional services	2,000	2,000	132	1,868
Total administration	<u>264,198</u>	<u>385,215</u>	<u>328,591</u>	<u>56,624</u>
City Secretary				
Regular salaries	55,596	56,196	56,163	33
Certification pay	-	25	25	-
Longevity pay	316	316	316	-
FICA	4,277	4,277	4,141	136
TMRS	6,111	6,186	6,177	9
Workers' compensation	168	168	136	32
Unemployment insurance	228	228	9	219
Health insurance	6,335	6,465	6,455	10
Dental insurance	286	286	286	-
Life insurance	103	103	91	12
Office supplies	1,500	1,500	1,385	115
Postage and freight	200	200	177	23
Copy rental/lease	2,100	3,300	3,269	31
Election services	35,000	34,600	33,744	856
Other professional services	8,000	8,000	7,231	769
Communications	-	400	392	8
Dues/subscriptions/memberships	450	450	152	298
Travel and training	2,500	4,800	4,772	28
Advertisement/notices	4,500	11,200	11,110	90
Total City secretary	<u>127,670</u>	<u>138,700</u>	<u>136,031</u>	<u>2,669</u>
Finance				
Regular salaries	244,930	290,795	289,455	1,340
Overtime	15,306	13,941	5,641	8,300
Certification pay	1,800	3,650	3,300	350
Longevity pay	693	710	696	14
FICA	20,282	23,829	22,018	1,811
TMRS	28,979	34,047	32,991	1,056
Workers' compensation	795	935	644	291
Unemployment insurance	912	1,035	54	981
Health insurance	20,566	23,976	17,837	6,139
Dental insurance	1,144	1,298	1,263	35
Life insurance	412	468	371	97
Vehicle allowance	2,400	2,400	2,400	-
Office supplies	4,000	6,300	5,353	947
Postage and freight	3,500	3,500	3,291	209

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2015

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Finance (Continued)				
Copy rental/lease	\$ 1,850	\$ 1,850	\$ 1,246	\$ 604
Other professional services	45,000	42,000	38,875	3,125
Communications	1,500	1,200	1,056	144
Computer maintenance	18,000	18,000	15,571	2,429
Insurance	1,800	1,800	1,678	122
Dues/subscriptions/memberships	2,530	3,530	3,047	483
Travel and training	9,100	9,100	8,406	694
Advertisement/notices	2,000	2,000	1,831	169
Total finance	427,499	486,364	457,024	29,340
Human Resources				
Regular salaries	77,947	78,447	78,385	62
Overtime	611	611	-	611
Part-time/temporary salaries	30,538	29,538	27,211	2,327
Longevity pay	682	682	488	194
FICA	8,398	8,398	7,904	494
TMRS	10,405	10,805	10,769	36
Workers' compensation	329	329	266	63
Unemployment insurance	684	684	37	647
Health insurance	6,335	6,435	6,425	10
Dental insurance	286	286	286	-
Life insurance	103.0	103.0	91.0	12.0
Office supplies	1,200	1,439	1,286	153
Education materials	4,000	3,300	858	2,442
Postage and freight	400	400	195	205
Legal services	6,000	6,000	3,713	2,287
Copier lease/rental	850	850	534	316
Other professional services	24,000	24,000	18,865	5,135
Communications	665	665	391	274
Insurance	2,400	2,600	2,561	39
Dues/subscriptions/memberships	300	561	561	-
Travel and training	1,400	1,400	182	1,218
Employee appreciation	500	500	-	500
Advertisement/notices	5,000	5,000	2,360	2,640
Total human resources	183,033	183,033	163,368	19,665
Management Information Services				
Regular salaries	108,326	105,776	100,835	4,941
Overtime	4,499	7,049	6,987	62
Longevity pay	676	676	624	52
FICA	8,866	8,866	7,877	989
TMRS	12,668	12,668	11,977	691
Workers' compensation	348	348	282	66
Unemployment insurance	456	456	27	429

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2015

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Management Information Services (Continued)				
Health insurance	\$ 14,231	\$ 14,231	\$ 11,269	\$ 2,962
Dental insurance	572	572	500	72
Life insurance	206	206	160	46
Vehicle allowance	2,400	2,400	1,200	1,200
Office supplies	3,000	3,000	2,922	78
Miscellaneous materials and supplies	1,000	-	-	-
Tools and equipment < \$5,000	500	-	-	-
Copier lease/rental	8,500	8,500	6,344	2,156
Other professional services	10,000	8,500	7,387	1,113
Communications	18,000	17,932	15,886	2,046
Equipment maintenance/repair	43,400	46,400	44,600	1,800
Dues/subscriptions/memberships	1,000	1,068	1,068	-
Travel and training	500	500	-	500
Data processing equipment	4,800	4,800	-	4,800
Total management information services	243,948	243,948	219,945	24,003
Purchasing/Warehouse				
Regular salaries	70,718	72,118	72,077	41
Overtime	354	354	59	295
Longevity pay	1,357	1,360	1,360	-
FICA	5,541	5,541	5,449	92
TMRS	7,916	8,036	8,030	6
Workers' compensation	3,527	3,527	3,230	297
Unemployment insurance	456	456	18	438
Health insurance	12,670	12,850	12,849	1
Dental insurance	572	572	572	-
Life insurance	206	206	182	24
Office supplies	2,000	2,000	708	1,292
Janitorial supplies	200	200	41	159
Building, electrical and plumbing supplies	500	600	573	27
Uniforms	500	500	180	320
Fuel and lubricants	2,900	2,900	1,240	1,660
Safety supplies and equipment	100	100	20	80
Tools and equipment < \$5,000	2,500	2,400	1,729	671
Obsolete/salvaged inventory	-	-	250	(250)
Pest control services	150	108	59	49
Copier lease/rental	700	700	654	46
Other professional services	-	89	52	37
Communications	2,400	2,350	1,654	696
Utilities	6,800	6,800	5,609	1,191
Vehicle/equipment non-target	2,000	2,000	890	1,110
Vehicle maintenance/repairs	17,000	15,300	13,564	1,736
Equipment maintenance/repairs	400	400	-	400
Building maintenance and repair	1,000	1,040	1,036	4

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Purchasing/Warehouse (Continued)				
Insurance	\$ 3,000	\$ 3,000	\$ 2,913	\$ 87
Dues/subscriptions/memberships	1,000	960	805	155
Travel and training	3,000	3,000	1,313	1,687
Advertisement/notices	400	400	-	400
Employee testing/physicals	100	100	80	20
First aid and medical supplies	250	250	210	40
Total purchasing/warehouse	<u>150,217</u>	<u>150,217</u>	<u>137,406</u>	<u>12,811</u>
Municipal Facilities				
Regular salaries	76,833	76,623	62,224	14,399
Overtime	936	936	-	936
Longevity pay	1,151	1,152	1,152	-
FICA	6,037	6,037	4,476	1,561
TMRS	8,626	8,626	6,921	1,705
Workers' compensation	2,573	2,573	2,084	489
Unemployment insurance	456	456	26	430
Health insurance	14,231	14,441	14,436	5
Dental insurance	572	572	572	-
Life insurance	206	206	182	24
Office supplies	1,200	1,200	1,049	151
Janitorial supplies	1,000	1,000	974	26
Building, electrical and plumbing supplies	1,000	1,000	258	742
Miscellaneous materials and supplies	1,000	1,000	227	773
Uniforms	750	750	241	509
Fuel and lubricants	2,250	2,250	1,839	411
Safety supplies and equipment	250	250	-	250
Tools and equipment < \$5,000	1,000	1,000	872	128
First aid and medical supplies	500	500	415	85
Janitorial services	12,000	12,000	9,853	2,147
Pest control services	800	800	520	280
Other professional services	3,000	3,000	1,825	1,175
Communications	1,325	1,126	680	446
Utilities	28,000	28,000	25,060	2,940
Vehicle/equipment non-target	655	655	25	630
Vehicle maintenance/repairs	6,550	6,550	6,376	174
Equipment maintenance/repairs	1,000	1,000	-	1,000
Building maintenance and repair	24,500	24,500	10,790	13,710
Rental equipment and building	250	250	-	250
Insurance	1,000	1,198	1,197	1
Travel and training	250	250	-	250
Employee testing/physicals	150	150	40	110
Total municipal facilities	<u>200,051</u>	<u>200,051</u>	<u>154,314</u>	<u>45,737</u>
Total general government	<u>1,813,835</u>	<u>1,993,717</u>	<u>2,598,097</u>	<u>(604,380)</u>

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)

Exhibit E-1 (Continued)

General Fund

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Public Safety:				
Police Administration				
Regular salaries	\$ 1,080,069	\$ 1,111,186	\$ 1,110,227	\$ 959
Overtime	16,220	15,220	14,606	614
Certification pay	16,500	17,200	17,175	25
Longevity pay	10,988	10,988	10,923	65
FICA	85,959	85,099	84,998	101
TMRS	122,829	126,387	126,293	94
Workers' compensation	19,004	16,104	16,011	93
Unemployment insurance	5,016	516	479	37
Health insurance	150,297	141,877	141,771	106
Dental insurance	6,291	6,591	6,578	13
Life insurance	2,266	2,266	2,125	141
Office supplies	10,350	9,453	9,119	334
Shop and lab supplies	2,920	2,920	1,868	1,052
Photo and duplication supplies	1,000	1,000	-	1,000
Janitorial supplies	1,428	1,428	1,109	319
Building, electrical and plumbing supplies	1,892	3,625	3,306	319
Batteries	150	187	186	1
Miscellaneous materials and supplies	8,800	8,800	6,930	1,870
Uniforms	2,550	2,550	2,204	346
Postage and freight	1,200	1,200	1,142	58
Fuel and lubricants	10,000	9,127	6,117	3,010
Safety supplies and equipment	590	590	583	7
Tools and equipment < \$5,000	2,000	2,000	1,981	19
First aid and medical supplies	1,648	1,648	697	951
Janitorial services	16,000	15,900	13,662	2,238
Pest control services	750	750	431	319
Copier lease/rental	5,000	6,700	6,436	264
Other professional services	3,000	2,900	2,067	833
Communications	9,400	9,200	7,841	1,359
Utilities	33,000	31,400	31,369	31
Vehicle/equipment non-target	2,600	2,000	50	1,950
Vehicle maintenance/repairs	26,000	26,000	25,215	785
Equipment maintenance/repairs	4,769	4,869	4,822	47
Building maintenance and repair	5,150	6,350	5,989	361
Insurance	32,000	32,000	26,932	5,068
Dues/subscriptions/memberships	1,475	1,475	1,444	31
Employee appreciation	1,000	1,000	878	122
Employee testing/physicals	1,500	1,100	620	480
Total police administration	<u>1,701,611</u>	<u>1,719,606</u>	<u>1,694,184</u>	<u>25,422</u>
Police Patrol/CID				
Regular salaries	1,593,019	1,621,041	1,620,952	89
Overtime	31,613	29,913	29,850	63
Part-time temporary salaries	20,352	15,952	15,863	89
Certification pay	35,100	37,100	37,100	-
Longevity pay	12,740	12,764	12,764	-

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2015

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Police Patrol/CID (Continued)				
FICA	\$ 129,501	\$ 130,069	\$ 130,062	\$ 7
TMRS	182,801	189,463	189,412	51
Workers' compensation	42,584	40,784	40,710	74
Unemployment insurance	6,640	440	368	72
Health insurance	177,289	182,865	182,826	39
Dental insurance	7,435	7,203	7,138	65
Life insurance	2,678	2,330	2,272	58
Office supplies	3,000	3,268	3,264	4
Building, electrical and plumbing supplies	1,000	721	176	545
Batteries	1,500	2,350	2,287	63
Miscellaneous materials and supplies	1,500	2,076	2,075	1
Uniforms	5,000	4,703	1,125	3,578
Fuel and lubricants	82,000	73,150	57,610	15,540
Safety supplies and equipment	500	500	380	120
Tools and equipment < \$5,000	5,000	3,889	2,398	1,491
First aid and medical supplies	1,600	1,039	577	462
Furniture and fixtures < \$5,000	-	643	642	1
Other professional services	500	500	10	490
Communications	1,380	1,380	-	1,380
Vehicle/equipment non-target	5,700	5,595	1,927	3,668
Vehicle maintenance/repairs	57,000	57,000	55,985	1,015
Equipment maintenance/repairs	3,500	3,500	440	3,060
Insurance	12,000	12,537	12,537	-
Dues/subscriptions/memberships	1,700	1,805	1,805	-
Employee testing/physicals	1,600	1,600	565	1,035
Total police patrol/CID	2,426,232	2,446,180	2,413,120	33,060
Municipal Court				
Regular salaries	150,253	172,110	170,690	1,420
Overtime	6,629	6,629	6,345	284
Certification pay	1,500	2,950	2,950	-
Longevity pay	1,084	1,084	1,084	-
FICA	12,199	13,785	13,473	312
TMRS	17,430	19,822	19,811	11
Workers' compensation	2,000	2,000	1,620	380
Unemployment insurance	684	684	18	666
Health insurance	19,005	19,305	19,274	31
Dental insurance	858	858	858	-
Life insurance	309	309	274	35
Office supplies	5,000	5,000	3,716	1,284
Miscellaneous materials and supplies	500	500	-	500
Uniforms	1,000	1,000	29	971
Postage and freight	2,500	2,500	1,676	824
Fuel and lubricants	2,200	2,200	418	1,782

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Municipal Court (Continued)				
Legal services	\$ 48,000	\$ 46,550	\$ 44,206	\$ 2,344
Copier lease/rental	700	700	356	344
Other professional services	1,800	1,800	1,450	350
Communications	1,225	1,225	1,056	169
Computer maintenance	3,500	3,500	3,309	191
Vehicle/equipment non-target	315	315	14	301
Vehicle maintenance/repairs	3,145	3,145	3,083	62
Dues/subscriptions/memberships	1,500	1,500	266	1,234
Travel and training	4,500	4,500	3,577	923
Employee testing/physicals	100	100	40	60
Total municipal court	287,936	314,071	299,593	14,478
Fire Department				
Regular salaries	52,023	78,721	78,672	49
Part-time temporary salaries	145,502	117,602	117,084	518
Certification pay	8,365	8,365	8,365	-
Longevity pay	56	56	56	-
FICA	15,755	15,664	15,620	44
TMRS	6,607	8,536	8,417	119
Workers' compensation	3,964	3,964	3,210	754
Unemployment insurance	4,104	4,004	382	3,622
Health insurance	6,335	6,435	6,425	10
Dental insurance	286	286	286	-
Life insurance	103	206	91	115
Volunteer injury insurance	6,700	6,700	6,432	268
Volunteer worker's compensation	8,135	8,135	7,634	501
Volunteer fire retirement	4,800	4,800	4,800	-
Office supplies	2,187	2,162	1,630	532
Photo and duplication supplies	-	-	(25)	25
Janitorial supplies	600	1,150	958	192
Building, electrical and plumbing supplies	450	450	-	450
Batteries	300	300	285	15
Miscellaneous materials and supplies	2,500	2,480	1,967	513
Uniforms	7,000	7,500	7,258	242
Postage and freight	100	125	113	12
Fuel and lubricants	18,750	18,750	12,969	5,781
Safety supplies and equipment	23,229	23,229	22,319	910
Tools and equipment < \$5,000	3,500	3,500	2,090	1,410
Chemicals	250	250	125	125
EMO Supplies	800	820	819	1
First aid and medical supplies	4,000	3,250	2,256	994
Janitorial services	500	200	-	200

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2015

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Fire Department (Continued)				
Pest control services	\$ 250	\$ 250	\$ 212	\$ 38
Copier lease/rental	1,200	1,300	1,267	33
Other professional services	1,000	100	425	(325)
Hazmat clean-up	2,000	2,000	1,729	271
Communications	1,400	1,400	1,251	149
Utilities	18,150	18,150	14,930	3,220
Vehicle/equipment non-target	3,550	3,750	3,701	49
Vehicle maintenance/repairs	35,500	35,300	33,872	1,428
Equipment maintenance/repairs	14,950	14,550	12,195	2,355
Building maintenance and repair	3,000	4,200	3,678	522
Insurance	12,500	12,500	11,241	1,259
Dues/subscriptions/memberships	1,885	2,585	2,400	185
Marketing and promotional services	3,000	3,000	516	2,484
Travel and training	6,500	5,800	5,313	487
VFD utility service	20,000	20,000	17,083	2,917
Employee testing/physicals	700	700	360	340
Firefighter incentive program	196,500	196,500	194,683	1,817
Motor Vehicles	35,000	35,000	34,128	872
Total fire department	683,986	684,725	649,222	35,503
Code Compliance				
Regular salaries	307,609	266,752	265,637	1,115
Overtime	4,479	4,479	1,741	2,738
Certification pay	2,700	2,700	1,425	1,275
Longevity pay	1,098	1,099	1,099	-
FICA	24,303	20,569	19,640	929
TMRS	34,723	30,868	29,514	1,354
Workers' compensation	1,729	1,787	1,787	-
Unemployment insurance	1,824	1,824	97	1,727
Health insurance	34,797	28,927	27,079	1,848
Dental insurance	1,716	1,607	1,597	10
Life insurance	818	743	464	279
Office supplies	3,000	3,000	2,729	271
Photo and duplication supplies	2,500	2,500	1,197	1,303
Uniforms	1,000	1,000	435	565
Postage and freight	3,000	3,000	2,100	900
Fuel and lubricants	3,500	3,500	2,133	1,367
Tools and equipment < \$5,000	500	500	172	328
Legal services	2,000	2,000	301	1,699
Copier lease/rental	2,500	3,800	3,733	67
Other professional services	5,500	7,400	7,370	30
Demolitions and lot clearing	50,000	45,100	33,069	12,031

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS **Exhibit E-1 (Continued)**
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Code Compliance (Continued)				
Communications	\$ 3,065	\$ 2,634	\$ 2,115	\$ 519
Computer maintenance	3,500	3,500	3,142	358
Vehicle/equipment non-target	950	950	13	937
Vehicle maintenance/repairs	9,500	9,500	9,281	219
Insurance	1,600	1,600	1,270	330
Dues/subscriptions/memberships	500	500	354	146
Travel and training	3,000	3,872	4,132	(260)
Advertisement/notices	5,000	6,200	6,061	139
Employee testing/physicals	200	200	120	80
Total code compliance	516,611	462,111	429,807	32,304
 Total public safety	 5,616,376	 5,626,693	 5,485,926	 140,767
 Public Works:				
Streets and Drainage				
Regular salaries	204,968	184,747	136,012	48,735
Overtime	9,735	9,535	1,996	7,539
Part-time/temporary salaries	16,244	16,444	16,358	86
Certification pay	2,400	2,400	850	1,550
Longevity pay	1,578	1,578	1,073	505
FICA	17,972	16,425	11,798	4,627
TMRS	23,902	21,669	15,273	6,396
Workers' compensation	16,233	16,233	14,653	1,580
Unemployment insurance	1,596	1,596	162	1,434
Health insurance	38,010	35,086	26,377	8,709
Dental insurance	1,716	1,584	1,192	392
Life insurance	618	570	380	190
Office supplies	300	300	150	150
Janitorial supplies	200	200	99	101
Building, electrical and plumbing supplies	200	200	131	69
Batteries	250	250	77	173
Miscellaneous materials and supplies	500	500	273	227
Uniforms	2,500	2,500	535	1,965
Fuel and lubricants	19,500	19,500	12,727	6,773
Safety supplies and equipment	3,000	2,500	2,458	42
Tools and equipment < \$5,000	5,000	5,000	4,327	673
Chemicals	2,000	2,500	2,026	474
Parts for equipment	1,500	1,500	163	1,337
Street maintenance	72,604	72,604	35,137	37,467
Street sign supplies	6,000	6,000	4,035	1,965
First aid and medical supplies	250	250	210	40
Sanitation services	10,000	10,000	-	10,000
Pest control service	125	125	59	66
Copier lease/rental	700	700	654	46

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2015

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Streets and Drainage (Continued)				
Street lights and signals	\$ 135,000	\$ 135,000	\$ 112,529	\$ 22,471
Other professional services	2,000	2,000	86	1,914
Communications	2,400	2,400	1,666	734
Utilities	2,400	2,400	1,437	963
Vehicle/equipment non-target	5,800	6,300	6,266	34
Vehicle maintenance/repairs	58,000	57,500	56,215	1,285
Equipment maintenance/repairs	1,500	1,500	112	1,388
Building maintenance and repair	1,500	1,500	1,099	401
Building and equipment rental	2,000	2,000	-	2,000
Insurance	12,000	12,000	10,368	1,632
Dues/subscriptions/memberships	250	250	-	250
Travel and training	1,440	1,440	-	1,440
Employee testing/physicals	1,000	1,000	825	175
Motor vehicles	27,000	27,000	25,222	1,778
Total streets and drainage	711,891	684,786	505,010	179,776
Total public works	711,891	684,786	505,010	179,776
Public Health:				
Animal Control				
Regular salaries	103,718	104,678	104,672	6
Overtime	6,223	4,923	4,820	103
Certification pay	3,600	3,600	3,600	-
Longevity pay	830	832	832	-
FICA	8,749	8,639	8,473	166
TMRS	12,501	12,501	12,450	51
Workers' compensation	3,395	3,295	3,054	241
Unemployment insurance	684	84	27	57
Health insurance	19,005	20,155	20,139	16
Dental insurance	858	858	858	-
Life insurance	309	309	274	35
Office supplies	4,000	4,000	3,755	245
Janitorial supplies	4,000	4,000	2,395	1,605
Building, electrical and plumbing supplies	3,000	3,800	3,237	563
Miscellaneous materials and supplies	10,000	10,000	9,846	154
Uniforms	1,450	590	90	500
Postage and freight	200	300	258	42
Fuel and lubricants	2,800	3,000	2,984	16
Safety supplies and equipment	900	900	724	176
Tools and equipment < \$5,000	5,400	4,600	3,019	1,581
Street sign supplies	200	200	120	80
First aid and medical supplies	5,000	3,000	1,256	1,744
Pest control service	300	621	527	94

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2015

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Animal Control (Continued)				
Copier lease/rental	\$ 400	\$ 400	\$ 178	\$ 222
Other professional services	6,100	14,250	12,282	1,968
Communications	4,000	3,000	1,565	1,435
Utilities	23,000	18,300	18,293	7
Vehicle/equipment non-target	650	650	36	614
Vehicle maintenance/repairs	6,500	6,500	6,198	302
Equipment maintenance/repairs	800	800	-	800
Building maintenance and repair	5,000	4,662	3,122	1,540
Rental equipment and building	300	300	-	300
Insurance	2,600	2,600	2,512	88
Dues/subscriptions/memberships	150	275	275	-
Travel and training	1,000	1,000	785	215
Advertisements/notices	1,500	1,500	1,082	418
Employee testing/physicals	300	300	40	260
Total animal control	249,422	249,422	233,778	15,644
 Total public health	 249,422	 249,422	 233,778	 15,644
 Culture and Recreation:				
Senior Services				
Regular salaries	186,732	190,632	190,579	53
Overtime	574	74	-	74
Part-time temporary salaries	-	500	476	24
Longevity pay	2,416	2,421	2,420	1
FICA	14,514	14,714	14,698	16
TMRS	20,737	21,137	21,094	43
Workers' compensation	1,800	1,800	1,595	205
Unemployment insurance	1,140	140	45	95
Health insurance	19,005	19,405	19,364	41
Dental insurance	1,430	1,430	1,430	-
Life insurance	515	510	288	222
Office supplies	1,850	1,850	1,375	475
Janitorial supplies	1,280	1,050	991	59
Building, electrical and plumbing supplies	150	150	30	120
Landscaping supplies	500	500	-	500
Miscellaneous materials and supplies	300	300	206	94
Postage and freight	200	200	111	89
Fuel and lubricants	5,800	5,800	3,636	2,164
Safety supplies and equipment	75	75	-	75
Senior special supplies	-	230	116	114
First aid and medical supplies	1,000	100	-	100
Janitorial services	10,000	8,700	6,700	2,000

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2015

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Senior Services (Continued)				
Pest control service	\$ 600	\$ 600	\$ 345	\$ 255
Copier lease/rental	1,200	1,350	1,274	76
Other professional services	2,600	2,200	2,112	88
Communications	665	815	754	61
Utilities	19,000	18,000	16,247	1,753
Computer maintenance	4,025	1,925	1,719	206
Vehicle/equipment non-target	600	1,500	1,422	78
Vehicle maintenance/repairs	6,000	6,300	6,198	102
Equipment maintenance/repairs	300	300	-	300
Building maintenance and repair	2,000	2,100	2,088	12
Insurance	5,000	5,000	3,929	1,071
Dues/subscriptions/memberships	145	145	131	14
Travel and training	1,580	1,280	972	308
Marketing and promotional services	700	700	616	84
Advertisement/notices	150	150	150	-
Employee testing/physicals	150	450	435	15
Building improvements	10,000	10,000	-	10,000
Total senior services	<u>324,733</u>	<u>324,533</u>	<u>303,546</u>	<u>20,987</u>
Parks Maintenance				
Regular salaries	135,615	135,615	111,599	24,016
Overtime	8,075	8,075	4,927	3,148
Part-time temporary salaries	-	7,000	5,629	1,371
Longevity pay	1,880	1,880	1,502	378
FICA	11,228	11,228	8,989	2,239
TMRS	16,042	16,042	13,025	3,017
Workers' compensation	4,051	4,051	3,813	238
Unemployment insurance	912	912	33	879
Health insurance	28,462	28,462	22,446	6,016
Dental insurance	1,001	1,001	858	143
Life insurance	361	361	242	119
Vehicle allowance	1,200	1,200	1,200	-
Office supplies	500	925	601	324
Janitorial supplies	1,200	1,200	257	943
Building, electrical and plumbing supplies	300	300	-	300
Landscaping supplies	3,100	1,600	562	1,038
Miscellaneous materials and supplies	1,600	1,600	595	1,005
Uniforms	1,000	1,000	766	234
Fuel and lubricants	7,200	7,200	6,908	292
Safety supplies and equipment	500	500	439	61
Tools and equipment < \$5,000	5,500	5,255	5,193	62
Chemicals	500	510	508	2
Parts for equipment	1,300	1,300	948	352
First aid and medical supplies	250	250	-	250

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2015

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Parks Maintenance (Continued)				
Pest control service	\$ 500	\$ 500	\$ 245	\$ 255
Copier lease/rental	700	700	178	522
Other professional services	40,000	31,900	29,587	2,313
Communications	2,500	2,500	1,838	662
Utilities	1,500	3,700	3,653	47
Vehicle/equipment non-target	2,850	2,850	341	2,509
Vehicle maintenance/repairs	28,500	28,500	26,980	1,520
Equipment maintenance/repairs	1,000	1,000	180	820
Building and equipment rental	7,500	7,500	5,225	2,275
Insurance	5,300	5,300	4,982	318
Dues/subscriptions/memberships	350	350	245	105
Travel and training	1,000	1,015	1,015	-
Employee testing/physicals	200	395	395	-
Other equipment	13,500	13,500	12,745	755
Total parks maintenance	337,177	337,177	278,649	58,528
Recreation				
Regular salaries	74,081	77,381	77,287	94
Overtime	5,927	8,347	8,259	88
Part-time temporary salaries	36,095	31,295	31,138	157
Longevity pay	247	247	160	87
FICA	8,901	8,901	8,786	115
TMRS	8,763	9,363	9,303	60
Workers' compensation	3,211	3,211	2,866	345
Unemployment insurance	912	912	183	729
Health insurance	12,670	13,126	12,849	277
Dental insurance	572	572	572	-
Life insurance	206	206	182	24
Office supplies	2,000	2,500	2,424	76
Janitorial supplies	800	1,090	930	160
Building, electrical and plumbing supplies	1,200	1,200	1,099	101
Miscellaneous materials and supplies	18,000	16,000	12,089	3,911
Uniforms	750	750	370	380
Postage and freight	300	300	79	221
Tools and equipment < \$5,000	2,000	744	576	168
Street sign supplies	150	150	-	150
First aid and medical supplies	300	300	8	292
Pest control service	300	300	229	71
Copier lease/rental	1,800	1,800	1,128	672
Other professional services	1,500	1,625	1,522	103
Program instructors	30,000	30,000	28,224	1,776
Communications	-	980	813	167
Utilities	19,000	18,400	17,789	611
Computer maintenance	1,000	1,250	1,250	-

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2015

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Recreation (Continued)				
Building maintenance and repair	\$ 10,000	\$ 9,685	\$ 7,877	\$ 1,808
Rental equipment and building	400	400	361	39
Insurance	1,900	1,900	1,743	157
Dues/subscriptions/memberships	300	300	113	187
Marketing & promotional service	1,200	1,850	1,765	85
Travel and training	500	500	400	100
Advertisement/notices	800	200	175	25
Employee testing/physicals	500	500	170	330
Total recreation	246,285	246,285	232,719	13,566
Library				
Regular salaries	183,390	183,390	165,784	17,606
Overtime	1,224	1,224	406	818
Part-time temporary salaries	85,477	81,377	68,485	12,892
Longevity pay	1,507	1,507	1,325	182
FICA	20,777	20,777	17,880	2,897
TMRS	20,250	20,250	19,791	459
Workers' compensation	815	815	738	77
Unemployment insurance	2,280	2,280	423	1,857
Health insurance	25,340	29,440	29,419	21
Dental insurance	1,144	1,144	1,065	79
Life insurance	412	412	317	95
Office supplies	7,300	8,200	7,645	555
Janitorial supplies	750	800	768	32
Landscaping supplies	1,500	600	338	262
Miscellaneous materials and supplies	7,750	7,700	5,712	1,988
Uniforms	300	300	-	300
Postage and freight	3,000	3,000	2,068	932
Computer parts and software	4,000	4,704	4,704	-
Books	30,560	30,560	30,126	434
First aid and medical supplies	150	150	77	73
Janitorial services	14,000	14,000	11,385	2,615
Copier lease/rental	6,500	6,500	6,436	64
Other professional services	500	500	35	465
Other leases/books	8,040	9,272	8,605	667
Communications	1,800	1,800	1,756	44
Utilities	15,000	15,000	14,159	841
Equipment maintenance/repairs	4,500	3,796	1,472	2,324
Building maintenance and repair	2,000	2,200	1,485	715
Insurance	2,700	2,700	2,560	140
Dues/subscriptions/memberships	7,600	9,100	7,679	1,421
Marketing and promotional services	5,890	5,890	5,329	561

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
General Fund
For the Year Ended September 30, 2015

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		(Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Library (Continued)				
Travel and training	\$ 3,100	\$ 268	\$ 231	\$ 37
Employee testing/physicals	200	300	255	45
Total library	<u>469,756</u>	<u>469,956</u>	<u>418,458</u>	<u>51,498</u>
Pride Commission				
Landscaping supplies	(1,880)	1,680	-	1,680
Street sign supplies	(200)	400	373	27
Dues/subscriptions/memberships	(120)	120	100	20
Marketing & promotional services	(5,300)	5,300	5,150	150
Total Pride Commission	<u>(7,500)</u>	<u>7,500</u>	<u>5,623</u>	<u>1,877</u>
Total culture and recreation	<u>1,370,451</u>	<u>1,385,451</u>	<u>1,238,995</u>	<u>146,456</u>
Non Departmental				
Insurance claims paid	<u>-</u>	<u>-</u>	<u>554,996</u>	<u>(554,996)</u>
Total non departmental	<u>-</u>	<u>-</u>	<u>554,996</u>	<u>(554,996)</u>
Total expenditures	<u>9,761,975</u>	<u>9,940,069</u>	<u>10,616,802</u>	<u>(676,733)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,764,500)	(2,132,594)	(2,865,359)	(732,765)
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance refunds/claims	-	-	1,069,858	1,069,858
Proceeds from sale of general capital assets	-	-	33,958	33,958
Transfers in:				
Administrative cost share water/sewer fund	562,800	562,800	562,800	-
Administrative cost share crime district fund	62,500	62,500	54,262	(8,238)
Administrative cost share refuse	40,200	40,200	40,200	-
Administrative cost share customer service	67,000	67,000	67,000	-
Economic development corporation	280,000	-	-	-
Crime district	767,000	767,000	789,130	22,130
Total transfers in	<u>1,779,500</u>	<u>1,499,500</u>	<u>1,513,392</u>	<u>13,892</u>
Transfers out	<u>-</u>	<u>(560,000)</u>	<u>-</u>	<u>560,000</u>
Total other financing sources (uses)	<u>1,779,500</u>	<u>939,500</u>	<u>2,617,208</u>	<u>1,677,708</u>
NET CHANGE IN FUND BALANCES	15,000	(1,193,094)	(248,151)	944,943
FUND BALANCE, OCTOBER 1, 2014	<u>10,930,701</u>	<u>10,930,701</u>	<u>10,930,701</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2015	<u>\$ 10,945,701</u>	<u>\$ 9,737,607</u>	<u>\$ 10,682,550</u>	<u>\$ 944,943</u>

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS

Exhibit E-2

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)

Crime District Fund

For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Sales and use taxes	\$ 1,250,000	\$ 1,130,000	\$ 1,025,991	\$ (104,009)
Investment earnings	1,000	1,000	1,110	110
Total revenues	<u>1,251,000</u>	<u>1,131,000</u>	<u>1,027,101</u>	<u>(103,899)</u>
EXPENDITURES				
Current				
Public Safety				
Office supplies	-	432	432	-
Miscellaneous materials and supplies	1,300	1,300	842	458
Education materials	6,000	5,662	4,570	1,092
Ammunition	14,300	14,300	13,323	977
Uniforms	15,300	16,938	14,554	2,384
Tools and equipment < \$5,000	21,165	21,165	14,830	6,335
First aid and medical supplies	2,000	2,000	-	2,000
Other professional services	13,700	18,908	18,907	1
Communications	13,000	9,677	9,190	487
Equipment maintenance/repair	99,598	93,641	69,528	24,113
Building maintenance/repairs	-	5,117	5,117	-
Insurance	-	140	140	-
Dues/subscriptions/memberships	2,850	2,850	2,820	30
Travel and training	32,000	29,215	20,745	8,470
Contribute to other agencies	8,000	8,300	8,300	-
Data processing equipment	17,900	17,900	15,952	1,948
Motor vehicles	120,000	115,185	111,412	3,773
Building improvements	30,603	30,603	29,678	925
Other equipment	75,500	80,315	80,315	-
Total public safety	<u>473,216</u>	<u>473,648</u>	<u>420,655</u>	<u>52,993</u>
Total expenditures	<u>473,216</u>	<u>473,648</u>	<u>420,655</u>	<u>52,993</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	777,784	657,352	606,446	(50,906)
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Administrative cost share to general fund	(62,500)	(62,500)	(54,262)	8,238
Transfer to general fund	(767,000)	(767,000)	(767,000)	-
Total transfers out	<u>(829,500)</u>	<u>(829,500)</u>	<u>(821,262)</u>	<u>8,238</u>
Total other financing sources (uses)	<u>(829,500)</u>	<u>(829,500)</u>	<u>(821,262)</u>	<u>8,238</u>
NET CHANGE IN FUND BALANCES	(51,716)	(172,148)	(214,816)	(42,668)
FUND BALANCE, OCTOBER 1, 2014	<u>821,456</u>	<u>821,456</u>	<u>821,456</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2015	<u>\$ 769,740</u>	<u>\$ 649,308</u>	<u>\$ 606,640</u>	<u>\$ (42,668)</u>

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years (will ultimately be displayed)

Exhibit E-3

	2014
Total Pension Liability	
Service Cost	\$ 611,630
Interest (on the Total Pension Liability)	1,600,861
Changes of benefit terms (TMRS Plan Participation)	-
Difference between expected and actual experience	28,147
Change of assumptions	-
Benefit payments, including refunds of employee contributions	(892,005)
Net Change in Total Pension Liability	1,348,633
Total Pension Liability - Beginning	23,009,625
Total Pension Liability - Ending	\$ 24,358,258
 Plan Fiduciary Net Position	
Contributions - Employer	\$ 643,713
Contributions - Employee	315,411
Net Investment Income	1,163,983
Benefit payments, including refunds of employee contributions	(892,005)
Administrative Expense	(12,153)
Other	(999)
Net Change in Plan Fiduciary Net Position	1,217,950
Plan Fiduciary Net Position - Beginning	20,347,179
Plan Fiduciary Net Position - Ending	\$ 21,565,129
 Net Pension Liability - Ending	\$ 2,793,129
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.53%
 Covered Employee Payroll	\$ 5,973,238
 Net Pension Liability as a Percentage of Covered Employee Payroll	46.76%

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Contributions
Last 10 Fiscal Years (will ultimately be displayed)

Exhibit E-4

	2014	2015
Actuarially Determined Contribution	\$ 591,914	\$ 651,832
Contributions in relation to the actuarially determined contribution	\$ 591,914	\$ 651,832
Contribution deficiency (excess)	\$ -	\$ -
Covered employee payroll	\$ 5,684,882	\$ 6,056,693
Contributions as a percentage of covered employee payroll	10.41%	10.76%

The accompanying notes to required supplementary information are an integral part of this schedule.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Required Supplementary Information
September 30, 2015

Summary of Significant Accounting Policies

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, Crime Control and Prevention District, Occupancy Tax Fund, Debt Service Fund, and Street Improvement Fund. The capital projects fund adopts project-length budgets. All annual appropriations lapse at fiscal year end.

The City Council follows these procedures in establishing budgetary data reflected in the financial statements.

1. Prior to the beginning of the fiscal year, the City Manager submits to the City Council proposed operating budgets for the fiscal year commencing the following October 1. The operating budgets include proposed expenditures and the means of financing them for the general and certain special revenue and debt service funds.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally enacted through passage of an ordinance.
4. The City Manager is authorized by the City Council to make adjustments to budgeted amounts between departments within an operating fund or line items within an operating department in amounts not to exceed \$5,000. However, any budget adjustments that exceed \$5,000 in a line item or that result in total expenditures for an operating fund exceeding the legally adopted expenditure appropriation for that fund must first be approved by the City Council after a public hearing conducted in compliance with the Texas Open Meetings Act.
5. Budgetary control is maintained at the line item level, subject to adjustments permitted as described above.

B. Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrances accounting – under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation – is utilized in the governmental funds. All encumbrances lapse at the fiscal year-end.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Required Supplementary Information
September 30, 2015

C. Excess of Expenditures Over Appropriations

The expenditures of the general fund were greater than appropriations by \$676,733.

The following line items exceeded their budget for the year by greater than \$5,000 (the legal level of budgetary control.)

<u>Department</u>	<u>Line Item</u>	<u>Amount</u>
General Fund		
City Council	Hawaiian Falls escrow - 75% of sales tax	\$ 7,064
City Council	Contribution to EDC	840,000
Non Departmental	Insurance claims paid	554,996

The City Council over budget amount was for a contribution to the EDC for the balance of the note receivable from the EDC. The Non Departmental over budget amount was for insurance claims paid that were covered by insurance.

D. Schedule of Contributions

Valuation Date:

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

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization	
Period	26 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	3.00%
Salary Increases	3.50% to 12.00% including inflation
Investment Rate of Return	7.00%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2010 valuation pursuant to an experience study of the period 2005-2009
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

Other Information:

Notes There were no benefit changes during the year.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF WHITE SETTLEMENT, TEXAS
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2015

	Special Revenue Funds			Total Special Revenue
	Occupancy Tax	Friends of Library	Other Special Revenue	
Assets:				
Cash and investments	\$ 618,793	\$ 26,966	\$ 149,649	\$ 795,408
Receivables (Net of allowances for uncollectibles)				
Franchise taxes	-	-	-	-
Property taxes	-	-	-	-
Miscellaneous	69,937	-	-	69,937
Due from other funds	-	-	1,021	1,021
Total assets	\$ 688,730	\$ 26,966	\$ 150,670	\$ 866,366
Liabilities, deferred inflows and fund balance:				
Liabilities:				
Accounts payable	\$ 4,283	\$ 7	\$ 342	\$ 4,632
Due to other funds	-	-	1,021	1,021
Total liabilities	4,283	7	1,363	5,653
Deferred inflows:				
Deferred property tax	-	-	-	-
Fund balance:				
Nonspendable	-	-	-	-
Restricted	684,447	26,959	149,307	860,713
Committed	-	-	-	-
Total fund balances	684,447	26,959	149,307	860,713
Total liabilities, deferred inflows and fund balances	\$ 688,730	\$ 26,966	\$ 150,670	\$ 866,366

Exhibit F-1

Capital Projects Fund	Permanent Funds				Total Nonmajor Funds
Street Improvement	Debt Service Fund	Library Endowment	Senior Services Endowment	Total Permanent	
\$1,382,037	\$1,399,628	\$ 33,102	\$ 28,207	\$ 61,309	\$3,638,382
16,812	-	-	-	-	16,812
-	42,974	-	-	-	42,974
-	-	-	-	-	69,937
-	-	-	-	-	1,021
<u>\$1,398,849</u>	<u>\$1,442,602</u>	<u>\$ 33,102</u>	<u>\$ 28,207</u>	<u>\$ 61,309</u>	<u>\$3,769,126</u>
\$ 376	\$ 378	\$ -	\$ -	\$ -	\$ 5,386
-	-	-	-	-	1,021
<u>376</u>	<u>378</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,407</u>
-	42,975	-	-	-	42,975
-	-	12,105	11,105	23,210	23,210
-	1,399,249	20,997	17,102	38,099	2,298,061
<u>1,398,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,398,473</u>
<u>1,398,473</u>	<u>1,399,249</u>	<u>33,102</u>	<u>28,207</u>	<u>61,309</u>	<u>3,719,744</u>
<u>\$1,398,849</u>	<u>\$1,442,602</u>	<u>\$ 33,102</u>	<u>\$ 28,207</u>	<u>\$ 61,309</u>	<u>\$3,769,126</u>

CITY OF WHITE SETTLEMENT, TEXAS

Nonmajor Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balance

For the Year Ended September 30, 2015

	Special Revenue Funds			Total Special Revenue
	Occupancy Tax	Friends of Library	Other Special Revenue	
Revenues:				
Property taxes	\$ -	\$ -	\$ -	\$ -
Franchise taxes	-	-	-	-
Hotel occupancy tax	268,954	-	-	268,954
Intergovernmental	-	-	36,393	36,393
Investment earnings	1,219	59	267	1,545
Other	3,000	3,176	56,910	63,086
	<u>273,173</u>	<u>3,235</u>	<u>93,570</u>	<u>369,978</u>
Total revenue				
Expenditures:				
Current:				
Public Safety	-	-	52,812	52,812
Culture and recreation	128,533	376	-	128,909
Debt Service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Debt issuance costs	-	-	-	-
	<u>128,533</u>	<u>376</u>	<u>52,812</u>	<u>181,721</u>
Total expenditures				
Excess (deficiency) of revenues over (under) expenditures	<u>144,640</u>	<u>2,859</u>	<u>40,758</u>	<u>188,257</u>
Other financing sources (uses):				
Transfers out	-	-	(22,130)	(22,130)
Certificates of Obligation issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Bond (discount)/premium	-	-	-	-
Payment to bond refunding escrow agent	-	-	-	-
	<u>-</u>	<u>-</u>	<u>(22,130)</u>	<u>(22,130)</u>
Total other financing sources (uses):				
Net change in fund balances	144,640	2,859	18,628	166,127
Fund Balance, October 1, 2014	<u>539,807</u>	<u>24,100</u>	<u>130,679</u>	<u>694,586</u>
Fund Balance, September 30, 2015	<u>\$ 684,447</u>	<u>\$ 26,959</u>	<u>\$ 149,307</u>	<u>\$ 860,713</u>

Exhibit F-2

Capital Projects Fund	Permanent Funds				Total Nonmajor Funds
	Debt Service Fund	Library Endowment	Senior Services Endowment	Total Permanent	
Street Improvement					
\$ -	\$ 873,663	\$ -	\$ -	\$ -	\$ 873,663
295,573	-	-	-	-	295,573
-	-	-	-	-	268,954
-	-	-	-	-	36,393
2,633	8,995	17	14	31	13,204
-	-	-	-	-	63,086
<u>298,206</u>	<u>882,658</u>	<u>17</u>	<u>14</u>	<u>31</u>	<u>1,550,873</u>
-	-	-	-	-	52,812
-	-	-	-	-	128,909
-	488,110	-	-	-	488,110
-	277,076	-	-	-	277,076
-	100,178	-	-	-	100,178
<u>-</u>	<u>865,364</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,047,085</u>
<u>298,206</u>	<u>17,294</u>	<u>17</u>	<u>14</u>	<u>31</u>	<u>503,788</u>
-	-	-	-	-	(22,130)
-	710,000	-	-	-	710,000
-	2,980,000	-	-	-	2,980,000
-	50,989	-	-	-	50,989
-	(2,962,925)	-	-	-	(2,962,925)
<u>-</u>	<u>778,064</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>755,934</u>
298,206	795,358	17	14	31	1,259,722
<u>1,100,267</u>	<u>603,891</u>	<u>33,085</u>	<u>28,193</u>	<u>61,278</u>	<u>2,460,022</u>
<u>\$1,398,473</u>	<u>\$1,399,249</u>	<u>\$ 33,102</u>	<u>\$ 28,207</u>	<u>\$ 61,309</u>	<u>\$ 3,719,744</u>

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
Occupancy Tax Fund
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Hotel occupancy tax	\$ 225,000	\$ 225,000	\$ 268,954	\$ 43,954
Investment earnings	500	500	1,219	719
Other	-	-	3,000	3,000
Total revenues	<u>225,500</u>	<u>225,500</u>	<u>273,173</u>	<u>47,673</u>
EXPENDITURES				
Culture and recreation				
Event staff overtime and benefits	-	1,500	1,431	69
Other professional services	324	360	360	-
Utilities	1,100	1,100	1,012	88
Building and equipment rental	9,600	9,600	9,600	-
Marketing and promotional services	89,976	88,440	48,367	40,073
Settlers' day	20,000	20,000	8,263	11,737
Miss White Settlement pageant	5,000	5,000	5,000	-
Chamber of commerce	30,000	30,000	30,000	-
White Settlement museum	24,500	24,500	24,500	-
City manager reserve	10,000	10,000	-	10,000
City council reserve	10,000	10,000	-	10,000
Total culture and recreation	<u>200,500</u>	<u>200,500</u>	<u>128,533</u>	<u>71,967</u>
Total expenditures	<u>200,500</u>	<u>200,500</u>	<u>128,533</u>	<u>71,967</u>
NET CHANGE IN FUND BALANCES	25,000	25,000	144,640	119,640
FUND BALANCE, OCTOBER 1, 2014	<u>539,807</u>	<u>539,807</u>	<u>539,807</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2015	<u>\$ 564,807</u>	<u>\$ 564,807</u>	<u>\$ 684,447</u>	<u>\$ 119,640</u>

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
Debt Service Fund
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 1,061,525	\$ 1,061,525	\$ 873,663	\$ (187,862)
Investment earnings	-	-	8,995	8,995
Total revenues	<u>1,061,525</u>	<u>1,061,525</u>	<u>882,658</u>	<u>(178,867)</u>
EXPENDITURES				
Debt service				
Principal	488,110	488,110	488,110	-
Interest	303,551	303,551	277,076	26,475
Debt issuance costs	-	-	100,178	(100,178)
Total debt service	<u>791,661</u>	<u>791,661</u>	<u>865,364</u>	<u>(73,703)</u>
Total expenditures	<u>791,661</u>	<u>791,661</u>	<u>865,364</u>	<u>(73,703)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	269,864	269,864	17,294	(252,570)
OTHER FINANCING SOURCES (USES)				
Certificates of Obligation issued	-	-	710,000	710,000
Refunding bonds issued	-	-	2,980,000	2,980,000
Bond (discount)/premium	-	-	50,989	50,989
Payment to bond refunding escrow agent	-	-	(2,962,925)	(2,962,925)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>778,064</u>	<u>778,064</u>
NET CHANGE IN FUND BALANCES	269,864	269,864	795,358	525,494
FUND BALANCE, OCTOBER 1, 2014	<u>603,891</u>	<u>603,891</u>	<u>603,891</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2015	<u>\$ 873,755</u>	<u>\$ 873,755</u>	<u>\$ 1,399,249</u>	<u>\$ 525,494</u>

CITY OF WHITE SETTLEMENT, TEXAS
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)
Street Improvement Fund
For the Year Ended September 30, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Franchise taxes	\$ 302,500	\$ 302,500	\$ 295,573	\$ (6,927)
Investment earnings	1,000	1,000	2,633	1,633
Total revenues	<u>303,500</u>	<u>303,500</u>	<u>298,206</u>	<u>(5,294)</u>
EXPENDITURES				
Capital Outlay				
Street Improvements	<u>303,500</u>	<u>303,500</u>	<u>-</u>	<u>303,500</u>
Total capital outlay	<u>303,500</u>	<u>303,500</u>	<u>-</u>	<u>303,500</u>
Total expenditures	<u>303,500</u>	<u>303,500</u>	<u>-</u>	<u>303,500</u>
NET CHANGE IN FUND BALANCES	-	-	298,206	298,206
FUND BALANCE, OCTOBER 1, 2014	<u>1,100,267</u>	<u>1,100,267</u>	<u>1,100,267</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2015	<u>\$ 1,100,267</u>	<u>\$ 1,100,267</u>	<u>\$ 1,398,473</u>	<u>\$ 298,206</u>

CITY OF WHITE SETTLEMENT, TEXAS
Balance Sheet
Economic Development Corporation
September 30, 2015

ASSETS

Assets:

Cash and cash equivalents	\$ 953,391
Certificates of Deposit	406,554
Receivables (Net of allowances for uncollectibles)	
Miscellaneous	85
Due from other governments	172,755
Restricted cash and cash equivalents	1,752,653

Total assets \$ 3,285,438

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$ 10,710
Accrued liabilities	9,481
Total liabilities	20,191

Fund Balances:

Restricted	1,752,653
Unassigned	1,512,594
Total fund balances	3,265,247

Total liabilities and fund balances \$ 3,285,438

Reconciliation to government-wide statement of net assets:

Fund Balances \$ 3,265,247

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. The cost of these assets was \$19,075,022 and the accumulated depreciation was \$2,778,848. 16,296,174

Some liabilities, including \$12,600,000 of sales tax revenue bonds, interest payable of \$210,840, and a \$24,104 liability for compensated absences are not due and payable in the current period and are not included in the fund financial statements, but are included in the Statement of Net Position. (12,834,944)

Included in the items related to noncurrent liabilities is the recognition of the City's proportionate share of the net pension liability required by GASB 68 in the amount of \$121,781 and a deferred resource outflow related to TMRS in the amount of \$30,910. This amounted to a decrease in net position in the amount of \$90,871. (90,871)

Net Position of Governmental Activities \$ 6,635,606

CITY OF WHITE SETTLEMENT, TEXAS
Statement of Revenues, Expenditures and Changes in Fund Balances
Economic Development Corporation
For the Year Ended September 30, 2015

REVENUES

Taxes:

Sales and use	\$ 1,078,003
Charges for service	909,953
Investment Earnings	4,911
Other revenue	849,403
Total revenues	2,842,270

EXPENDITURES

Current

Economic Development	444,585
Culture and recreation	787,411
Debt service:	
Interest and fiscal charges	969,864
Total expenditures	2,201,860

EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES 640,410

OTHER FINANCING SOURCES (USES)

Proceeds from sale of capital assets	81,600
Total other financing sources (uses)	81,600

NET CHANGE IN FUND BALANCE 722,010

FUND BALANCE, OCTOBER 1, 2014 2,543,237

FUND BALANCE, SEPTEMBER 30, 2015 \$ 3,265,247

Reconciliation to government-wide statement of activities:

Net Change in Fund Balance \$ 722,010

Current year capital outlays are expenditures in the fund financial statements but are increases in capital assets in the government-wide financial statements. 44,999

Depreciation is not recognized as an expense in the governmental funds since it does not require the use of current financial resources. (1,231,461)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins and disposals) is to decrease net position. (155,900)

Certain liabilities are not due and payable in the current period and therefore are not reported as liabilities of the funds. The \$2,832 decrease in the liability for the compensated absences and the \$337,008 decrease in interest payable are reported as expenses in the governmental activities of the Statement of Activities. 339,840

GASB required the City to recognize their proportionate share of net pension liability, deferred resource inflow related to TMRS and deferred resource outflow related to TMRS. The changes in these balances The changes in these balances decreased net position. 5,299

Change in Net Position of Governmental Activities \$ (275,213)

STATISTICAL SECTION
(Unaudited)

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STATISTICAL SECTION (Unaudited)

This part of the City of White Settlement'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

Financial Trends

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Net Position by Component	91-92
Changes in Net Position	93-94
Fund Balances - Governmental Funds	95-96
Changes in Fund Balances - Governmental Funds	97

Revenue Capacity

These schedules contain information to help the reader assess the City's most significant local revenue sources.

Assessed Value and Estimated Actual Value of Taxable Property	98
Property Tax Levies and Collections	99-100
Direct and Overlapping Property Tax Rates	101
Principal Property Taxpayers	102

Debt Capacity

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.

Ratio of Outstanding Debt by Type	103
Ratio of General Obligation Bonded Debt to Assessed Value And Net General Obligation Bonded Debt Per Capita	104
Computation of Direct and Overlapping Bonded Debt - General Obligation Bonds	105
Legal Debt Margin Information	106
Revenue Bond Coverage – Water and Wastewater Bonds	107

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Demographic and Economic Statistics	108
Principal Employers	109

Operating Information

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.

Full Time Equivalent City Government Employees by Function/Program	110
Operating Indicators by Function/Program	111
Capital Assets Statistics by Function/Program	112

Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant year. The City implemented GASB Statement 34 in Fiscal Year 2003; schedules presenting government-wide information include information beginning in that year.

CITY OF WHITE SETTLEMENT, TEXAS

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS (UNAUDITED)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Governmental activities:				
Invested in capital assets, net of related debt	\$ 12,333,128	\$ 12,876,732	\$ 10,699,737	\$ 12,411,227
Restricted	452,258	483,140	1,998,862	494,855
Unrestricted	<u>7,970,504</u>	<u>8,922,203</u>	<u>7,671,504</u>	<u>7,576,201</u>
Total governmental activities net position	<u>\$ 20,755,890</u>	<u>\$ 22,282,075</u>	<u>\$ 20,370,103</u>	<u>\$ 20,482,283</u>
Business-type activities:				
Invested in capital assets, net of related debt	\$ 7,561,400	\$ 8,139,623	\$ 9,938,336	\$ 11,097,198
Restricted	711,832	-	-	-
Unrestricted	<u>4,023,800</u>	<u>5,493,975</u>	<u>5,127,688</u>	<u>5,270,789</u>
Total business-type activities net position	<u>\$ 12,297,032</u>	<u>\$ 13,633,598</u>	<u>\$ 15,066,024</u>	<u>\$ 16,367,987</u>
Primary government:				
Invested in capital assets, net of related debt	\$ 19,894,528	\$ 21,016,355	\$ 20,638,073	\$ 23,508,425
Restricted	1,164,090	483,140	1,998,862	494,855
Unrestricted	<u>11,994,304</u>	<u>14,416,178</u>	<u>12,799,192</u>	<u>12,846,990</u>
Total primary government net position	<u>\$ 33,052,922</u>	<u>\$ 35,915,673</u>	<u>\$ 35,436,127</u>	<u>\$ 36,850,270</u>

Notes:

The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

The EDC fund was reclassified as a discretely presented component unit from a blended component unit and the Crime District was reclassified as a blended component unit from a discretely presented component unit in fiscal year 2008.

TABLE 1

2010	2011	2012	2013	2014	2015
\$ 12,556,237	\$ 12,013,563	\$ 12,329,870	\$ 13,128,490	\$ 19,869,406	\$ 18,623,666
527,060	3,938,972	4,285,434	8,399,605	2,160,407	2,800,134
<u>8,529,045</u>	<u>8,204,043</u>	<u>9,621,093</u>	<u>11,773,232</u>	<u>10,972,022</u>	<u>8,887,923</u>
<u>\$ 21,612,342</u>	<u>\$ 24,156,578</u>	<u>\$ 26,236,397</u>	<u>\$ 33,301,327</u>	<u>\$ 33,001,835</u>	<u>\$ 30,311,723</u>
\$ 10,951,282	\$ 11,694,923	\$ 11,949,257	\$ 12,677,910	\$ 13,428,324	\$ 13,463,428
149,824	527,239	771,491	1,666,924	2,345,747	3,134,404
<u>6,391,323</u>	<u>7,042,561</u>	<u>8,034,022</u>	<u>7,743,655</u>	<u>8,227,222</u>	<u>8,826,266</u>
<u>\$ 17,492,429</u>	<u>\$ 19,264,723</u>	<u>\$ 20,754,770</u>	<u>\$ 22,088,489</u>	<u>\$ 24,001,293</u>	<u>\$ 25,424,098</u>
\$ 23,507,519	\$ 23,708,486	\$ 24,279,127	\$ 25,806,400	\$ 33,297,730	\$ 32,087,094
676,884	4,466,211	5,056,925	10,066,529	4,506,154	5,934,538
<u>14,920,368</u>	<u>15,246,604</u>	<u>17,655,115</u>	<u>19,516,887</u>	<u>19,199,244</u>	<u>17,714,189</u>
<u>\$ 39,104,771</u>	<u>\$ 43,421,301</u>	<u>\$ 46,991,167</u>	<u>\$ 55,389,816</u>	<u>\$ 57,003,128</u>	<u>\$ 55,735,821</u>

**CITY OF WHITE SETTLEMENT, TEXAS
CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS
(UNAUDITED)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
EXPENSES										
Governmental activities:										
General government	\$ 1,628,581	\$ 1,583,555	\$ 1,581,711	\$ 1,827,445	\$ 1,581,559	\$ 1,362,135	\$ 1,419,423	\$ 1,467,221	\$ 2,622,855	\$ 3,236,070
Public safety	4,111,378	4,173,538	4,799,134	5,072,660	5,214,067	5,136,644	5,499,077	5,768,084	5,908,877	6,047,017
Public works	873,125	1,048,929	954,898	998,121	1,019,006	986,818	1,203,843	1,196,989	1,349,597	1,092,938
Public health	132,213	128,437	134,283	160,127	214,752	214,829	198,373	206,776	227,709	232,981
Culture and recreation	2,043,922	2,068,259	1,404,433	1,449,217	1,432,284	1,412,396	1,467,194	1,458,161	1,489,447	1,485,946
Non departmental	-	-	-	-	-	-	-	-	-	554,996
Economic development and assistance	67,414	107,449	-	-	-	-	-	-	-	-
Interest on long-term debt	-	-	-	-	-	-	-	-	-	247,157
Bond issuance costs	83,929	112,118	124,618	341,143	373,587	303,458	292,201	275,917	303,809	384,286
Total governmental activities expenses	8,940,562	9,222,285	8,999,077	9,848,713	9,835,255	9,416,280	10,080,111	10,373,148	11,902,294	13,281,391
Business-type activities:										
Water and wastewater	3,632,072	3,758,579	3,829,200	3,683,618	4,463,414	3,733,018	4,457,221	4,747,179	4,687,161	5,093,589
Stormwater utility	87,122	12,277	44,230	16,389	24,038	25,219	32,503	31,317	40,032	65,735
Sanitation	471,116	482,168	530,470	558,063	597,957	577,472	588,997	603,783	618,654	636,180
Total business-type activities expenses	4,190,310	4,253,024	4,403,900	4,258,070	5,085,409	4,335,709	5,078,721	5,382,279	5,345,847	5,795,504
Total primary government expenses	\$ 13,130,872	\$ 13,475,309	\$ 13,402,977	\$ 14,106,783	\$ 14,920,664	\$ 13,751,989	\$ 15,158,832	\$ 15,755,427	\$ 17,248,141	\$ 19,076,895
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 100,781	\$ 221,061	\$ 46,051	\$ 358,346	\$ 64,788	\$ 66,130	\$ 79,808	\$ 62,618	\$ 66,622	\$ 66,705
Public safety	768,359	766,412	306,812	335,813	530,914	653,561	881,978	1,073,862	986,861	846,975
Culture and recreation	227,983	242,618	43,300	45,289	71,538	112,572	115,632	114,145	80,133	89,450
Other	18,684	18,036	33,323	44,473	43,661	35,319	34,416	44,109	25,839	22,789
Operating grants and contribution	19,396	5,574	7,028	17,357	26,868	59,407	13,762	53,723	67,809	70,393
Capital grants and contributions	405,156	206,052	-	-	591,989	174,806	-	-	6,642,294	130,272
Total governmental activities program revenues	1,540,359	1,459,753	436,514	801,278	1,329,758	1,101,795	1,125,596	1,348,457	7,869,558	1,226,584
Business-type activities:										
Charges for services:										
Water and wastewater	5,320,338	4,980,882	5,457,394	5,037,370	5,306,756	5,778,390	5,608,481	5,912,656	6,101,311	6,330,324
Stormwater utility	312,658	513,853	529,541	564,784	530,991	534,690	518,382	546,704	551,483	554,576
Sanitation	478,587	561,410	612,239	618,274	654,088	663,700	641,663	686,457	705,652	719,654
Capital grants and contributions	26,127	-	-	179,689	382,830	571,511	375,116	430,624	553,865	468,334
Total business-type activities program revenues	6,137,710	6,056,145	6,599,174	6,400,117	6,874,665	7,548,291	7,143,642	7,576,441	7,912,311	8,072,888
Total primary government program revenues	\$ 7,678,069	\$ 7,515,898	\$ 7,035,688	\$ 7,201,395	\$ 8,204,423	\$ 8,650,086	\$ 8,269,238	\$ 8,924,898	\$ 15,781,869	\$ 9,299,472

(continued)

**CITY OF WHITE SETTLEMENT, TEXAS
CHANGES IN NET POSITION**

**LAST TEN FISCAL YEARS
(UNAUDITED)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
NET (EXPENSE) REVENUES										
Governmental activities	\$(7,400,203)	\$(7,762,532)	\$(8,562,563)	\$(9,047,435)	\$(8,505,497)	\$(8,314,485)	\$(8,954,515)	\$(9,024,691)	\$(4,032,736)	\$(12,054,807)
Business-type activities	1,947,400	1,803,121	2,195,274	2,142,047	1,789,256	3,212,582	2,064,921	2,194,162	2,566,464	2,277,384
Total primary government net expense	<u>(5,452,803)</u>	<u>(5,959,411)</u>	<u>(6,367,289)</u>	<u>(6,905,388)</u>	<u>(6,716,241)</u>	<u>(5,101,903)</u>	<u>(6,889,594)</u>	<u>(6,830,529)</u>	<u>(1,466,272)</u>	<u>(9,777,423)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property	2,969,860	3,231,498	3,519,246	3,585,249	4,208,683	3,475,352	3,797,676	3,954,575	3,919,467	4,324,727
Sales	3,057,056	2,929,980	3,210,348	3,366,590	3,250,703	4,162,050	4,655,270	3,615,774	3,979,692	3,212,591
Franchise	1,079,735	919,659	887,330	878,989	1,115,058	1,210,396	1,189,497	1,168,219	1,247,023	1,329,368
Occupancy	155,226	213,763	168,524	138,664	113,712	133,505	194,549	185,394	206,043	268,954
Payments from Crime District	649,351	648,000	-	-	-	-	-	-	-	-
Oil and gas royalties	-	-	1,724,928	76,429	63,080	349,979	498,998	126,346	178,041	32,265
Investment earnings	366,391	483,665	269,426	75,754	33,442	16,119	15,823	25,035	31,932	49,293
Other	-	5,901	275,049	142,130	160,531	58,387	97,821	536,713	(34,809)	1,153,705
Transfers	-	-	901,717	895,810	690,347	1,452,933	584,700	584,700	670,000	670,000
Total governmental activities	<u>8,277,619</u>	<u>8,432,466</u>	<u>10,956,568</u>	<u>9,159,615</u>	<u>9,635,556</u>	<u>10,858,721</u>	<u>11,034,334</u>	<u>10,196,756</u>	<u>10,197,389</u>	<u>11,040,903</u>
Business-type activities:										
Investment earnings	169,864	263,479	138,867	48,367	23,350	12,645	9,826	16,769	16,066	21,351
Other	-	-	-	7,359	2,183	-	-	2,988	274	-
Transfers	-	-	(901,717)	(895,810)	(690,347)	(1,452,933)	(584,700)	(584,700)	(670,000)	(670,000)
Total business-type activities	<u>169,864</u>	<u>263,479</u>	<u>(762,850)</u>	<u>(840,084)</u>	<u>(664,814)</u>	<u>(1,440,288)</u>	<u>(574,874)</u>	<u>(564,943)</u>	<u>(653,660)</u>	<u>(648,649)</u>
Total primary government	<u>8,447,483</u>	<u>8,695,945</u>	<u>10,193,718</u>	<u>8,319,531</u>	<u>8,970,742</u>	<u>9,418,433</u>	<u>10,459,460</u>	<u>9,631,813</u>	<u>9,543,729</u>	<u>10,392,254</u>
CHANGE IN NET POSITION										
Governmental activities	877,416	669,934	2,394,005	112,180	1,130,059	2,544,236	2,079,819	1,172,065	6,164,653	(1,013,904)
Business-type activities	2,117,264	2,066,600	1,432,424	1,301,963	1,124,442	1,772,294	1,490,047	1,629,219	1,912,804	1,628,735
Total primary government	<u>\$ 2,994,680</u>	<u>\$ 2,736,534</u>	<u>\$ 3,826,429</u>	<u>\$ 1,414,143</u>	<u>\$ 2,254,501</u>	<u>\$ 4,316,530</u>	<u>\$ 3,569,866</u>	<u>\$ 2,801,284</u>	<u>\$ 8,077,457</u>	<u>\$ 614,831</u>

Notes:

The City began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003.

The EDC fund was reclassified as a discretely presented component unit from a blended component unit and the Crime District was reclassified as a blended component unit from a discretely presented component unit in fiscal year 2008.

CITY OF WHITE SETTLEMENT, TEXAS

**FUND BALANCES
GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS
(UNAUDITED)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General fund				
Reserved	\$ -	\$ -	\$ -	\$ 69,978
Unreserved, designated	1,267,628	1,335,990	1,335,990	-
Unreserved, undesignated	3,178,607	3,450,403	5,681,925	6,852,466
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total general fund	<u>\$ 4,446,235</u>	<u>\$ 4,786,393</u>	<u>\$ 7,017,915</u>	<u>\$ 6,922,444</u>
All other governmental funds				
Reserved	\$ 464,510	\$ 499,467	\$ 448,310	\$ 425,482
Unreserved, reported in:				
Special revenue funds	2,811,271	3,254,478	775,811	923,650
Capital projects funds	1,259,705	2,007,900	1,669,634	4,290,930
Permanent funds	-	-	59,428	60,177
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Total all other governmental funds	<u>\$ 4,535,486</u>	<u>\$ 5,761,845</u>	<u>\$ 2,953,183</u>	<u>\$ 5,700,239</u>

Notes:

The City implemented GASB 34 in fiscal year 2003.

The EDC fund was reclassified as a discretely presented component unit from a blended component unit and the Crime District was reclassified as a blended component unit from a discretely presented component unit in fiscal year 2008.

The city implemented GASB No. 54, Fund Balance Reporting and Governmental Fund Type Definitions in 2011. The following definitions related to the pre-GASB 54 fund balance categories. Definitions of GASB 54 fund balance categories can be found on page 34 of the notes to the financial statements.

Reserved - Amounts that are not available for appropriation or are legally restricted by an outside party for a specific use.

Designated - Represents management's tentative plans that are subject to change.

Unreserved, undesignated - Fund balance that is not reserved or designated.

TABLE 3

<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
\$ 57,978	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
7,183,003	-	-	-	-	-
	152,637	1,179,416	906,253	618,971	65,900
	-	-	-	-	-
	-	42,079	-	-	-
	155,598	2,123	2,175	2,882	813,615
	<u>8,216,770</u>	<u>8,777,947</u>	<u>9,991,494</u>	<u>10,308,848</u>	<u>9,803,035</u>
<u>\$ 7,240,981</u>	<u>\$ 8,525,005</u>	<u>\$ 10,001,565</u>	<u>\$ 10,899,922</u>	<u>\$ 10,930,701</u>	<u>\$ 10,682,550</u>
\$ 417,777	\$ -	\$ -	\$ -	\$ -	\$ -
992,163	-	-	-	-	-
2,400,099	-	-	-	-	-
60,664	-	-	-	-	-
-	1,523,210	1,523,210	764,785	23,210	23,210
-	2,391,058	2,744,166	5,752,858	5,861,970	15,033,521
-	<u>930,960</u>	<u>987,098</u>	<u>1,045,473</u>	<u>1,100,267</u>	<u>1,398,473</u>
<u>\$ 3,870,703</u>	<u>\$ 4,845,228</u>	<u>\$ 5,254,474</u>	<u>\$ 7,563,116</u>	<u>\$ 6,985,447</u>	<u>\$ 16,455,204</u>

CITY OF WHITE SETTLEMENT, TEXAS
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(UNAUDITED)

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
REVENUES										
Taxes	\$ 7,594,680	\$ 7,260,764	\$ 7,799,194	\$ 7,962,834	\$ 8,384,833	\$ 8,969,708	\$ 9,870,555	\$ 8,940,215	\$ 9,326,432	\$ 9,083,636
Fines and fees	412,811	410,081	342,224	309,408	254,318	279,934	400,481	488,501	498,862	499,021
Licenses and permits	260,330	311,793	359,486	273,757	247,562	342,630	436,309	552,803	446,404	344,623
Charges for services	239,942	249,676	98,198	125,207	158,449	174,879	164,229	191,455	160,882	124,355
Intergovernmental	13,597	207,350	64,028	75,127	671,644	199,737	93,205	116,070	133,228	126,934
Oil and gas royalties	-	-	1,724,928	76,429	63,080	349,979	498,998	126,346	178,041	32,265
Interest income	366,391	483,665	269,425	75,754	33,442	16,119	15,823	25,035	31,932	49,293
Other revenues	210,987	238,363	19,330	39,064	123,801	27,334	56,719	72,239	52,926	83,847
Payment from Crime District	656,454	648,000	-	-	-	-	-	-	-	-
Total revenues	9,755,192	9,809,692	#####	8,937,580	9,937,129	#####	#####	#####	#####	#####
EXPENDITURES										
General government	1,569,431	1,569,230	1,583,241	1,786,477	1,485,075	1,279,852	1,357,354	1,437,870	2,540,547	2,598,097
Public safety	3,721,407	4,334,527	4,443,963	4,673,324	6,138,940	4,917,947	5,199,391	6,360,243	5,517,720	5,959,393
Public works	597,991	885,616	618,629	626,014	633,289	586,341	805,338	840,737	796,387	505,010
Public health	129,905	122,337	128,901	151,706	210,076	201,574	183,025	199,625	220,462	233,778
Culture and recreation	1,802,114	1,925,376	1,259,425	1,281,192	1,321,603	1,253,404	1,373,062	1,310,124	1,349,977	1,367,904
Other	66,459	107,297	-	-	-	-	-	-	-	554,996
Capital outlay	258,527	614,639	2,255,806	4,178,475	2,219,038	197,453	62,788	912,951	907,948	1,609,706
Debt service										
Principal	678,712	625,377	731,040	671,961	749,563	888,956	1,049,756	711,284	490,000	488,110
Interest and fiscal charges	103,595	124,242	109,595	273,388	362,650	487,098	280,289	247,915	280,789	277,076
Debt issuance cost	-	-	-	-	-	-	-	48,558	-	247,157
Total expenditures	8,928,141	#####	#####	#####	#####	9,812,625	#####	#####	#####	#####
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	827,051	(498,949)	(453,787)	(4,704,957)	(3,183,105)	547,695	1,225,316	(1,556,643)	(1,275,123)	(3,497,253)
OTHER FINANCING SOURCES (USES)										
Proceeds from insurance recoveries	-	-	220,997	105,161	26,949	24,343	59,449	30,341	3,234	1,069,858
Proceeds from sale of capital assets	17,933	40,276	36,562	35,756	13,381	213,578	16,341	25,265	54,999	33,958
Transfers in	731,487	47,940	2,605,671	1,635,347	1,678,022	2,339,048	1,448,931	1,682,245	1,500,024	1,513,392
Transfers out	(198,695)	(36,779)	(704,313)	(739,537)	(715,572)	(886,115)	(864,231)	(1,097,545)	(830,024)	(843,392)
Proceeds from capital lease	-	-	-	-	689,326	-	-	798,336	-	-
Proceeds from debt issuance	1,025,000	1,433,676	-	6,150,000	-	-	-	3,325,000	-	#####
Premium (discount) on bonds	-	(577,325)	-	169,815	-	-	-	-	-	677,968
Payment to refunded bond escrow agent	-	1,215,000	-	-	-	-	-	-	-	(2,962,925)
Total other financing sources (uses)	1,575,725	2,122,788	2,158,917	7,356,542	1,692,106	1,690,854	660,490	4,763,642	728,233	#####
NET CHANGE IN FUND BALANCES	\$ 2,402,776	\$ 1,623,839	\$ 1,705,130	\$ 2,651,585	\$(1,490,999)	\$ 2,238,549	\$ 1,885,806	\$ 3,206,999	\$(546,890)	\$ 9,221,606
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	9.02%	7.73%	9.47%	9.99%	11.73%	14.62%	13.31%	10.00%	6.94%	8.66%

Notes:

The City implemented GASB 34 in fiscal year 2003.

The EDC fund was reclassified as a discretely presented component unit from a blended component unit and the Crime District was reclassified as a blended component unit from a discretely presented component unit in fiscal year 2008.

CITY OF WHITE SETTLEMENT, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value	Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
2006	380,034,561	87,009,094	467,043,655	100.00%	0.613
2007	426,471,402	102,395,711	528,867,113	100.00%	0.613
2008	486,428,300	145,521,653	631,949,953	100.00%	0.613
2009	440,762,127	139,680,959	580,443,086	100.00%	0.614
2010	453,224,861	148,067,129	601,291,990	100.00%	0.686
2011	403,002,445	97,937,333	500,939,778	100.00%	0.686
2012	406,457,750	102,904,198	509,361,948	100.00%	0.742
2013	421,769,496	198,713,308	620,482,804	100.00%	0.615
2014	429,425,350	147,399,652	576,825,002	100.00%	0.671
2015	458,903,066	218,088,768	676,991,834	100.00%	0.691

Source: Tarrant Appraisal District Totals for Roll Instance - 220 07/23/15

CITY OF WHITE SETTLEMENT, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

**LAST TEN FISCAL YEARS
(UNAUDITED)**

<u>Fiscal Year Ended</u>	<u>Taxes Levied for the Fiscal Year</u>	<u>Adjustments to Levy in Subsequent Years</u>	<u>Adjusted Taxes Levied for the Fiscal Year</u>	<u>Collected within the Fiscal Year of the Levy</u>	
				<u>Amount</u>	<u>Percentage of Levy</u>
2006	2,927,217	4,967	2,932,184	2,858,555	97.65%
2007	3,241,955	(45,103)	3,196,852	3,098,420	95.57%
2008	3,468,077	13,361	3,481,438	3,422,417	98.68%
2009	3,562,322	896	3,563,218	3,483,686	97.79%
2010	4,125,086	(1,473)	4,123,612	4,024,396	97.56%
2011	3,436,632	277	3,436,909	3,358,329	97.72%
2012	3,752,309	(948)	3,751,361	3,688,395	98.32%
2013	3,810,645	(2,669)	3,807,975	3,759,012	98.65%
2014	3,846,840	(5,425)	3,841,415	3,791,609	98.56%
2015	4,281,718	-	4,281,718	4,214,837	98.44%

TABLE 6

Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Adjusted Levy
	Total Tax Amount	Percentage of Levy		
61,056	2,919,611	99.57%	12,573	0.43%
83,768	3,182,188	99.54%	14,664	0.46%
46,298	3,468,715	99.63%	12,722	0.37%
60,991	3,544,677	99.48%	18,541	0.52%
79,043	4,103,439	99.51%	20,174	0.49%
62,055	3,420,385	99.52%	16,525	0.48%
50,191	3,738,586	99.66%	12,775	0.34%
26,521	3,785,533	99.41%	22,443	0.59%
25,292	3,816,901	99.36%	24,514	0.64%
-	4,214,837	98.44%	66,881	1.56%

CITY OF WHITE SETTLEMENT, TEXAS
DIRECT AND OVERLAPPING PROPERTY TAX RATES
(Per \$100 Assessed Value)
LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	City Direct Rates			Overlapping Rates				
	General	Debt Service	Total Direct Rate	County College	School District	Hospital District	County	Total
2006	0.456	0.157	0.613	0.139	1.790	0.235	0.273	3.050
2007	0.476	0.137	0.613	0.139	1.768	0.235	0.272	3.027
2008	0.481	0.132	0.613	0.139	1.466	0.230	0.267	2.715
2009	0.487	0.127	0.614	0.138	1.498	0.228	0.264	2.742
2010	0.517	0.169	0.686	0.138	1.540	0.228	0.264	2.856
2011	0.460	0.226	0.686	0.149	1.540	0.228	0.264	2.867
2012	0.501	0.241	0.742	0.149	1.540	0.228	0.264	2.923
2013	0.450	0.165	0.615	0.149	1.540	0.228	0.264	2.796
2014	0.536	0.135	0.671	0.150	1.540	0.228	0.264	2.852
2015	0.550	0.140	0.691	0.150	1.540	0.228	0.264	2.872

Notes:

Ad Valorem Tax Limitation. The City of White Settlement, Texas, has the power to levy taxes to the extent of the constitutional limit State of Texas. The constitutional limitation is \$2.50 per hundred dollars valuation for all purposes. This limitation is \$1.50 per hundred dollars valuation purposes in the City Charter.

Due Date of Current Taxes. Full payment of taxes is due on or before January 31st. No provision is made for partial payments.

Penalties for Delinquents. Failure to make full payments before February 1st causes the tax to become delinquent immediately, subject to a penalty in accordance with the State Property Tax Code 33.01.

Delinquent Tax Collections. A tax lien is placed on property on which the taxes have not been paid. The Tax Collector sends tax demand letters from the attorney's office setting a final date for payment. If payment is not made by the final date, the City of White Settlement instigates legal procedures.

TABLE 8

CITY OF WHITE SETTLEMENT, TEXAS

PRINCIPAL PROPERTY TAXPAYERS

CURRENT YEAR AND TEN YEARS AGO

(UNAUDITED)

Taxpayer	Type of Business	2015			2006		
		Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
SPM Flow Control	1 Industrial-Petroleum	\$ 126,671,379	1	18.71%	\$ -		- %
Lowe's Home Center, Inc.	2 Retail outlet	11,629,656	2	1.45%	-		- %
Lowrance Properties	3 Industrial	9,783,202	3	1.72%	-		- %
Chesapeake Operating	4 Real estate	8,734,460	4	1.29%	-		- %
Deepdale Investments, LTD	5 Real estate	6,070,000	5	0.90%	-		- %
ESS Prisa II TX, Lp	6 Real estate	5,858,004	6	0.87%	-		- %
Oncor Electric Delivery Co., LLC	7 Electric utility	5,827,815	7	0.86%	-		- %
Graham Realty Investments, Ltd.	8 Real estate	5,425,000	8	0.80%	-		- %
AV Vrickell Pointe Ltd	9 Real estate	5,363,854	9	0.79%	-		- %
Panther City Classic Autos LLC	10 Auto dealership	5,327,188	10	0.79%	-		- %
SPM Flow Control	Industrial-Petroleum	-		- %	22,537,559	1	4.83%
Lowe's Home Center, Inc.	Retail outlet	-		- %	12,780,343	2	2.74%
Sam's East Inc.	Retail outlet	-		- %	11,648,235	3	2.49%
Pro Auto Group Inc	Auto dealership	-		- %	9,766,333	4	2.09%
Graham Realty Investments, Ltd.	Real estate	-		- %	8,940,166	5	1.91%
Wal-Mart Stores Texas LP	Retail outlet	-		- %	6,721,917	6	1.44%
ESS Prisa II TX, Lp	Real estate	-		- %	6,507,489	7	1.39%
TXU Electric Delivery Co	Electric utility	-		- %	5,142,925	8	1.10%
PDX Inc	Wholesale	-		- %	4,996,889	9	1.07%
Armet Data St Ltd Partnership	Real estate	-		- %	4,931,753	10	1.06%
Total	Total	<u>\$ 190,690,558</u>		<u>28.18%</u>	<u>\$ 93,973,609</u>		<u>20.12%</u>

Source: Tarrant Appraisal District

CITY OF WHITE SETTLEMENT, TEXAS

RATIO OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Governmental Activities			Business-type Activities			Total Primary Government	Total Debt Per Capita	Debt as % of Personal Income
	General & Certificates of Obligation	Tax Notes	Capital Leases	General & Certificates of Obligation	Revenue Bonds	Capital Leases			
2006	1,525,000	1,025,000	395,669	2,190,000	595,000	900,780	6,631,449	421	2.50%
2007	1,155,000	2,110,000	318,233	2,090,000	515,000	743,102	6,931,335	436	2.60%
2008	770,000	1,905,000	177,193	1,985,000	435,000	579,662	5,851,855	366	2.20%
2009	6,720,000	1,580,000	30,232	9,875,000	350,000	410,248	18,965,480	1,174	4.90%
2010	6,495,000	1,065,000	709,996	9,555,000	270,000	345,092	18,440,088	1,124	4.70%
2011	6,345,000	580,000	456,039	9,205,000	185,000	123,990	16,895,029	1,043	4.30%
2012	5,985,000	125,000	221,283	8,745,000	100,000	35,456	15,211,739	944	4.80%
2013	5,620,000	3,325,000	798,336	8,275,000	-	-	18,018,336	1,099	6.50%
2014	5,240,000	3,215,000	798,336	7,800,000	-	-	17,053,336	1,015	6.30%
2015	18,205,000	155,000	730,226	7,305,000	-	-	26,395,226	1,554	7.20%

Notes: Excludes bond issuance and other costs.
 Excludes \$12.5M Tax & Revenue Bond bank loan to EDC which is fully funded by a water/adventure park lease agreement.
 Governmental Fund 2013 Capital Lease: \$710,000 refinance included in 2015 GO Bonds.

CITY OF WHITE SETTLEMENT, TEXAS

RATIO OF GENERAL OBLIGATION BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL OBLIGATION BONDED DEBT PER CAPITALAST TEN FISCAL YEARS
(UNAUDITED)

<u>Fiscal Year</u>	<u>Population¹</u>	<u>Assessed Value (In Thousands)²</u>	<u>Gross Bonded Debt³</u>	<u>Less Debt Service Funds⁴</u>	<u>Net Bonded Debt</u>	<u>Ratio of Net Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt Per Capita</u>
2006	15,750	467,044	1,525,000	410,560	1,114,440	0.38%	71
2007	15,900	528,867	1,155,000	442,207	712,793	0.46%	45
2008	16,000	631,949	770,000	379,090	390,910	0.53%	24
2009	16,150	580,443	6,720,000	364,883	6,355,117	0.69%	394
2010	16,300	601,292	6,495,000	359,284	6,135,716	1.02%	376
2011	16,350	500,940	8,050,000	357,495	7,692,505	1.54%	470
2012	16,116	509,362	7,535,000	382,938	7,152,062	1.40%	444
2013	16,390	620,483	7,015,000	587,712	6,427,288	1.04%	392
2014	16,800	578,247	6,480,000	603,891	5,876,109	1.02%	350
2015	16,980	649,733	18,205,000	#####	16,805,751	2.59%	990

(1) Source: North Central Texas Council of Governments

(2) Table 5

(3) Table 9 - Amount does not include Revenue Bonds.

(4) Amount available for repayment of General Obligation Bonds

CITY OF WHITE SETTLEMENT, TEXAS

COMPUTATION OF DIRECT AND OVERLAPPING BONDED DEBT
GENERAL OBLIGATION BONDSAS OF SEPTEMBER 30, 2015
(UNAUDITED)

<u>Jurisdiction</u>	<u>Net General Obligation Bonded Debt Outstanding</u>	<u>Percentage Applicable to City of White Settlement</u>	<u>Amount Applicable to City of White Settlement</u>
Direct:			
City of White Settlement	<u>25,665,000</u>	100.00%	<u>\$ 25,665,000</u>
Total direct debt	<u>25,665,000</u>		<u>25,665,000</u>
Overlapping:			
White Settlement Independent School District	163,570,817	38.92%	63,661,762
Fort Worth Independent School District ¹	782,490,000	0.07%	547,743
Tarrant County	361,420,000	0.41%	1,481,822
Tarrant County Hospital District	23,440,000	0.41%	96,104
Tarrant County College District	<u>-</u>	0.45%	<u>-</u>
Total overlapping debt	<u>1,330,920,817</u>		<u>65,787,431</u>
Total direct and overlapping debt	<u>\$ 1,356,585,817</u>		<u>\$ 91,452,431</u>
Ratio of overlapping bonded debt to taxable assessed valuation			13.51%
Per capita overlapping bonded debt			\$ 5,386

- (1) The portion of White Settlement which overlaps Fort Worth Independent School District is federal land and not subject to taxation.

CITY OF WHITE SETTLEMENT, TEXAS

LEGAL DEBT MARGIN INFORMATION

AS OF SEPTEMBER 30, 2015
(UNAUDITED)

No direct funded debt limitation is imposed on the City under current state law or the City's Home rule Charter.

The City Charter empowers the City Council, under the provisions of the Texas Constitution, Article II, Section 5, to levy, assess and collect an annual tax upon taxable property within the City. The Charter further states the tax is not to exceed a total of one dollar and fifty cents (\$1.50) on the one hundred dollars (\$100.00) assessed valuation of said property. No provisions are made limiting the amount of this tax rate that can be used for debt service. The City may issue only those bonds and amounts approved by the voters of the City.

CITY OF WHITE SETTLEMENT, TEXAS

REVENUE BOND COVERAGE
WATER AND WASTEWATER BONDSLAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Gross Revenue	Direct Operating Expenses ¹	Net Revenue Available for Debt Service	Debt Service ²			Coverage ³
				Principal	Interest	Total	
2006	5,487,914	3,588,884	1,899,030	180,000	124,215	304,215	6.24
2007	4,980,882	3,111,019	1,869,863	185,000	117,960	302,960	6.17
2008	5,457,394	3,205,402	2,251,992	195,000	112,511	307,511	7.32
2009	5,037,370	3,000,353	2,037,017	400,000	490,418	890,418	2.29
2010	5,612,715	3,549,671	2,063,044	500,000	386,487	886,487	2.33
2011	6,082,219	2,859,218	3,223,001	500,000	392,495	892,495	3.61
2012	5,913,597	3,467,865	2,445,732	545,000	335,851	880,851	2.78
2013	6,236,016	3,745,929	2,490,087	570,000	318,594	888,594	2.80
2014	6,418,402	3,729,545	2,688,857	475,000	305,131	780,131	3.45
2015	6,650,938	4,132,793	2,518,145	495,000	292,181	787,181	3.20

Notes:

- (1) Total operating expenses exclusive of depreciation and administrative cost sharing.
- (2) Revenue bonded debt only
- (3) Based on current debt service as opposed to maximum annual debt service as specified in the bond

CITY OF WHITE SETTLEMENT, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Population ¹	Median Income ²	Per Capita Income	Personal Income ²	School Enrollment ⁴	Unemployment Rate ⁵
2006	15,750	45,530	17,052 ²	268,569,000	5,464	3.0%
2007	15,900	45,530	17,052 ²	271,126,800	5,432	3.8%
2008	16,000	54,089	24,093 ²	385,488,000	5,732	4.3%
2009	16,150	54,089	24,093 ²	389,101,950	5,882	8.3%
2010	16,400	55,425	24,093 ²	395,125,200	5,864	7.9%
2011	16,200	45,886	19,551 ²	316,726,200	6,369	7.8%
2012	16,116	56,532	20,969 ³	337,933,869	6,548	7.4%
2013	16,390	45,427	16,850 ³	276,167,852	6,556	5.3%
2014	16,800	43,358	16,082 ³	270,183,383	6,697	5.0%
2015	16,980	57,890	21,473 ³	364,603,932	6,646	5.0%

Sources:

- (1) North Texas Council of Governments
- (2) Department of Housing and Urban Development - American Community Survey (5-year estimates).
- (3) City staff calculation based on family median income for 2.696 members per family.
- (4) White Settlement Independent School District
- (5) Texas Workforce Commission-Tarrant County

CITY OF WHITE SETTLEMENT, TEXAS

PRINCIPAL EMPLOYERS

CURRENT YEAR
(UNAUDITED)

Employer	Type of Business	2015	
		Employees	Percentage of Total City Employment
White Settlement I.S.D.	Education	840	11.00%
Weir SPM	Oil field equipment	600 B	7.85%
PDX Inc.	Software Development	512	6.70%
Trinity Healthcare Courtyards	Rehabilitation/nursing	215	2.81%
Education Service Center Region XI	Resource Provider for School Districts	185	2.42%
City of White Settlement	Municipal government	154	2.01%
Lowe's Home Center #1619	Building materials/hardware retail	142	1.85%
Co-Operative Industries	Electrical wiring harnesses mfg.	101	1.32%
Southside Bank	Financial institution	95	1.24%
Academy Sports & Outdoors #97	Retail	85	1.11%
Toys R Us	Retail	35	0.45%
Tech Tool Plastics	Fiberglass & Plastic Products	21	0.27%
Totals		<u>2,985</u>	<u>39.03%</u>

2015 Total City employment 7,636 **A**

Estimate based on 3.12% decrease in top 10 **A**

Estimate **B**

GASB 44 was implemented for the fiscal year ended September 30, 2006. The schedules are not required to be adopted

CITY OF WHITE SETTLEMENT, TEXAS
FULLTIME EQUIVALENT CITY GOVERNMENT EMPLOYEES
BY FUNCTION/PROGRAM
LAST NINE FISCAL YEARS
(UNAUDITED)

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General government										
Administration	2.00	3.00	3.00	3.00	2.50	2.00	2.00	1.00	1.00	1.00
City secretary	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Finance	4.00	4.00	4.00	4.00	3.00	3.00	4.00	4.00	4.00	5.00
Facilities services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Personnel	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Purchasing	4.00	4.00	4.00	4.00	3.00	3.00	2.00	2.00	2.00	2.00
Management information systems	2.50	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Public safety										
Police	46.50	46.50	49.00	50.00	50.00	50.00	50.00	50.50	50.50	53.00
Municipal court	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Fire	4.20	4.20	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00
Code compliance	4.50	4.50	5.00	5.50	7.00	6.00	6.00	6.00	6.00	6.00
Public works										
Streets and drainage	7.00	7.00	7.00	7.00	7.00	5.00	5.00	7.00	7.00	7.00
Public health										
Animal control	2.50	2.50	2.00	2.50	3.50	3.00	3.00	3.00	3.00	3.00
Culture and recreation										
Senior services	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Park maintenance and recreation	7.00	7.00	7.50	7.50	7.50	8.00	8.00	7.00	7.00	7.00
Library	7.00	7.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00
EDC operations and parks	6.50	6.50	6.50	6.50	6.50	7.00	6.00	6.50	6.50	6.50
Economic development and assistance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Water production and distribution	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00
Wastewater operations	3.00	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00
Utility billing	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Total	<u>126.70</u>	<u>128.20</u>	<u>130.00</u>	<u>132.00</u>	<u>133.00</u>	<u>130.00</u>	<u>129.00</u>	<u>129.00</u>	<u>130.00</u>	<u>133.50</u>

GASB 44 was implemented for the fiscal year ended September 30, 2006. The schedules are not required to be adopted retroactively, therefore, comparative information available is presented.

CITY OF WHITE SETTLEMENT, TEXAS
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST NINE FISCAL YEARS

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety										
Police department										
Calls for service	25,671	27,253	28,393	27,362	26,161	25,989	27,375	32,976	26,328	30,134
Traffic citations	4,465	3,849	3,044	3,362	2,750		3,722	4,920	4,157	3,928
Criminal offenses	2,306	1,765	1,765	1,495	1,716	1,528	1,943	1,373	1,420	1,279
Number of accidents	241	215	215	162	170	119	204	132	132	115
Persons confined	1,164	942	783	804	872	791	889	963	986	850
Municipal Court										
Active warrants	2,443	4,090	4,051	3,659	3,227	917	2,243	4,442	2,214	1,468
Closed warrants	1,798	2,968	1,415	1,333	1,338	1,905	3,321	3,598	4,434	3,909
Fire department										
Fire runs	357	52	392	432	513	538	460	573	479	627
Emergency runs	1,055	1,322	1,482	1,123	1,232	1,119	1,151	1,241	1,308	1,579
Code compliance										
Permits issued	2,734	2,434	1,836	2,199	1,769	1,849	2,081	2,112	2,218	2,076
Public works										
Streets and drainage										
Streets resurfaced (miles)	2.03	1.53	1.53	1.47	0.27	0.78	0.45	1.29	0.6	0
Public health										
Animal control - calls for service	2,183	2,268	2,135	2,035	2,035	1,953	1,710	1,558	1,562	1,751
Culture and recreation										
Senior services										
Meals served	23,442	22,064	22,504	21,468	23,047	21,740	22,366	20,840	16,804	19,509
Library										
Average daily circulation	265	289	256	333	362	312	320	310	358	464
Average patron visits per month	5,070	4,972	4,860	5,410	5,865	4,683	5,440	5,290	4,577	4,837
EDC operations and parks										
Number of league participants	7,000	7,000	7,600	7,900	8,100	7,578	8,900	7,504	5,640	5,820
Water production and distribution										
Number of water connections	5,400	5,306	5,340	5,417	5,352	5,330	5,370	5,301	5,389	5,541
Average daily consumption (thousands of gallons)	1,860	1,469	1,538	1,450	1,406	1,652	1,552	1,427	1,362	1,949
Wastewater operations										
Number of wastewater connections	5,225	5,209	5,240	5,323	5,265	5,239	5,264	5,252	5,321	5,437

(1) Indicators are not available for the general government and economic development functions.

GASB 44 was implemented for the fiscal year ended September 30, 2006. The schedules are not required to be adopted retroactively, therefore, comparative information available is presented.

CITY OF WHITE SETTLEMENT, TEXAS
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST NINE FISCAL YEARS
(UNAUDITED)

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Public safety										
Police department										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol cars	11	11	11	11	11	11	15	14	15	15
Fire department										
Stations	1	1	1	1	1	1	1	1	1	1
Fire trucks	7	9	9	9	9	11	11	9	9	9
Public works										
Streets and drainage										
Streets (miles)	Approx. 68	Approx. 68	Approx. 68	Approx. 68	Approx. 68	Approx. 68	Approx. 68	Approx. 68	Approx. 68	Approx. 68
Culture and recreation										
Senior services										
Community centers	1	1	1	1	1	1	1	1	1	1
Library										
Volumes	74,693	73,855	73,707	69,513	73,494	70,732	67,012	63,105	65,587	65,445
Parks and recreation										
Acreage	203	203	203	203	203	203	203	203	203	203
Playgrounds	6	6	6	6	6	6	6	6	6	7
Picnic areas	22	22	22	22	22	22	22	22	30	30
EDC parks and operations										
Baseball/softball diamonds	7	7	7	7	7	7	7	7	8	8
Soccer/football fields	1	1	1	1	1	1	1	1	1	1
Water production and distribution										
Water mains (miles)	88	88	88	88	88	88	88	88	89	89
Storage capacity (thousands of gallons)	2,445	2,445	2,445	2,445	2,445	2,445	2,445	2,445	2,445	2,445
Wastewater operations										
Wastewater lines (miles)	70	70	70	70	70	70	70	70	71	71

(1) Indicators are not available for the general government, public health and economic development functions.

GASB 44 was implemented for the fiscal year ended September 30, 2006. The schedules are not required to be adopted retroactively, therefore, comparative information available is f

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