



**Comprehensive Annual Financial Report  
For Fiscal Year Ended  
September 30, 2016**

**CITY OF WHITE SETTLEMENT, TEXAS**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**For the Fiscal Year Ended  
September 30, 2016**

**Prepared by the Finance Department.**

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# CITY OF WHITE SETTLEMENT, TEXAS

## Comprehensive Annual Financial Report

For the Year Ended September 30, 2016

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# CITY OF WHITE SETTLEMENT, TEXAS

## Comprehensive Annual Financial Report

For the Year Ended September 30, 2016

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## **INTRODUCTORY SECTION**

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February 6, 2017

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, 2016.

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, 2016. 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 17,077. 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 (CCPD) and the White Settlement Economic Development Corporation (EDC, 4B Corporation) are both 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 1<sup>st</sup>. 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 ten 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 29, 2016, the U.S. Bureau of Labor Statistics reported on the number of jobs added for the whole nation. The report stated Dallas/Fort Worth showed a 3.3% increase in job growth over the last year. And, the 2015 Annual Report for the Federal Reserve Bank of Dallas (FRBD) forecast 233,000 jobs will be added in the state this year and employment in December 2017 will be 12.3 million. The report also state the region's transformation into a more highly diversified economy has been aided by a steady migration of people and firms to Texas. Since 2000, the state's average rate of population growth has been almost a full percentage point higher than the U.S. as a whole. 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 17,077 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 2016-2017 budget gives added emphasis to its efforts of long-term strategic plans developed by City Council and City Management. Data has been included to quantify the strategic plan and its projected effect on future year's operational budgets. These plans provide vision for the future, are helpful in the evaluation of Capital Improvement Projects, and serve to help shape the current budget.

The biggest challenge for the City as a whole is the water park. In 2013-2014, a water park was constructed as a promising project shared with Hawaiian Falls. The City's cost for development, construction and start-up was \$12.5 Million, with financing through Economic Development Corporation (EDC) issued bonds. The Debt payments were to be paid by Hawaiian Falls from the proceeds of a 40 year lease where Hawaiian Falls would fully operate and maintain the Park during the lease term. Hawaiian Falls was acquired by a venture capital group which operated the park during the 2015 season. At the end of the season, the venture capital group informed the City that they would not make the 10/01/15 scheduled debt payment, but that they were working on new financing. In January, 2016, the venture capital group informed the City that they would not be making the currently due debt service payments, but wished to continue to operate the park. City Council and the Economic Development Board decided to terminate the lease agreement based on breach of contract. A budget amendment was authorized by City Council and the City opened and operated SPLASH DAYZ water park for about 66 days of a 100 day season.

In spite of the current financial strain, this endeavor has shown signs of boosting our economy by bringing in thousands of visitors and enhancing business growth. The financial impact of the water park is two-fold – operational requirements and debt service requirements. In the 2016-

2017 Budget, operational requirements are subsidized by the General Fund in the form of a \$1,282,324 transfer while the debt service is budgeted in the Economic Development Corporation (EDC). Operationally, the park is expected to be self-sustaining in 3-5 years, which will help the General Fund stabilize and rebuild. Debt service payments will continue to be made by the EDC. While the EDC can support the debt service payments, serious consideration must be given to funding that is currently going to fund league functions at the City's parks.

#### Future economic outlook

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, a decrease of 19.13% in 2014-15 and a modest 4.4% increase in 2015-16. In 2015-16, sales tax revenues were the lowest they have been in ten years and have dropped 40.37% since 2011-2012. Therefore, 2016-2017 sales tax revenues are conservatively projected in the General Fund at \$1.9M. As the oil industry stabilizes and recovers, sales tax revenues could add an additional \$1.2M back to revenues.

2016 taxable property values increased \$32,134,034 (4.97%) to \$679,319,341 from prior year values at \$647,185,307. 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 2016 has increased to \$49,861 compared to the average home in 2015 at \$49,785. The City continues to take steps in developing areas to attract commercial customers and residents. For this current 2016-2017 Budget, the City Council adopted the tax rate of \$0.755693 (which was above the effective rate but equal to the rollback rate), and an increase of 3.08% compared to the prior year at \$0.733103 per \$100 valuation. The General Fund Ad Valorem tax revenue carries a \$4.2M budget.

#### 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; and
- The attraction and promotion of commercial business within the City.

Major initiatives included in the 2016-2017 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 2016-2017, the CDBG 43<sup>rd</sup> year project shared with Tarrant County will include wastewater improvements of \$85,000. The City's Street Improvement overlay program will continue with \$244,242 in projects funded by bonds.

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 2016-2017, for maintenance and operation of the City's park system, the General Fund has allocated \$321,809 compared to \$352,061 last year and the Economic Development Corporation has allocated \$1,962,461 compared to \$1,818,287 last year.

Commercial business – Several years ago, the Economic Development Corporation initiated a small business incentive program. For 2016-2017, \$105,000 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 2016-2017 (0.755693) is 3.08% 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. In 2015-2016, plans were being made to refinance an additional portion of the City's existing debt which will save approximately \$1.2M over the next thirteen years.

During the 2015-2016 fiscal year, capital equipment purchases consisted of three new vehicles for the Police Department, a new command vehicle for the Fire Department, a new bus for the Senior Services and Recreation, golf carts for Parks, Public Safety, and Splash Dayz customer transportation, and other equipment for the Parks Department. Capital facilities upgrades were made to the Fire Department, Animal Shelter, and Utility Billing/Customer Service. Infrastructure projects included completion of Cherry Lane, the street overlay program, paving the parking lots at City Hall and the Fire Department, curb and gutter work, and upgrading a portion of Hannon, Mirike and Meadow Park from blacktop to concrete. Other infrastructure improvements include the addition of sidewalks along a portion of White Settlement Road and additional erosion control along the Farmer's Branch Creek.

Projects planned for 2016-2017 include remodeling and upgrades to City buildings, the possible relocation of ballfields, continued upgrades to the Water Department's meter reading equipment and software, revitalization of City water wells, improvements to the sewer system to reduce inflow and infiltration, and improvements to City streets and storm water drainage system. 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.

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, 2016, approximately \$1.5M 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 2015-2016 the corporation provided \$69,778 in direct economic incentives known as the Business Incentive Grant (B.I.G.) to local businesses for upgrading their facilities. Another \$93,300 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 10/31/2016, Standard & Poor's Ratings Services ("Rating Services") notified the City: Based on our review, we have affirmed the underlying rating (SPUR) of AA- while affirming the stable outlook. (See [standardandpoors.com](http://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, 2015. This was the thirtieth 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-ninth consecutive year for its annual budget for the fiscal year beginning October 1, 2015 and ending September 30, 2016. 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, 2016**

**Mayor  
Ronald White**

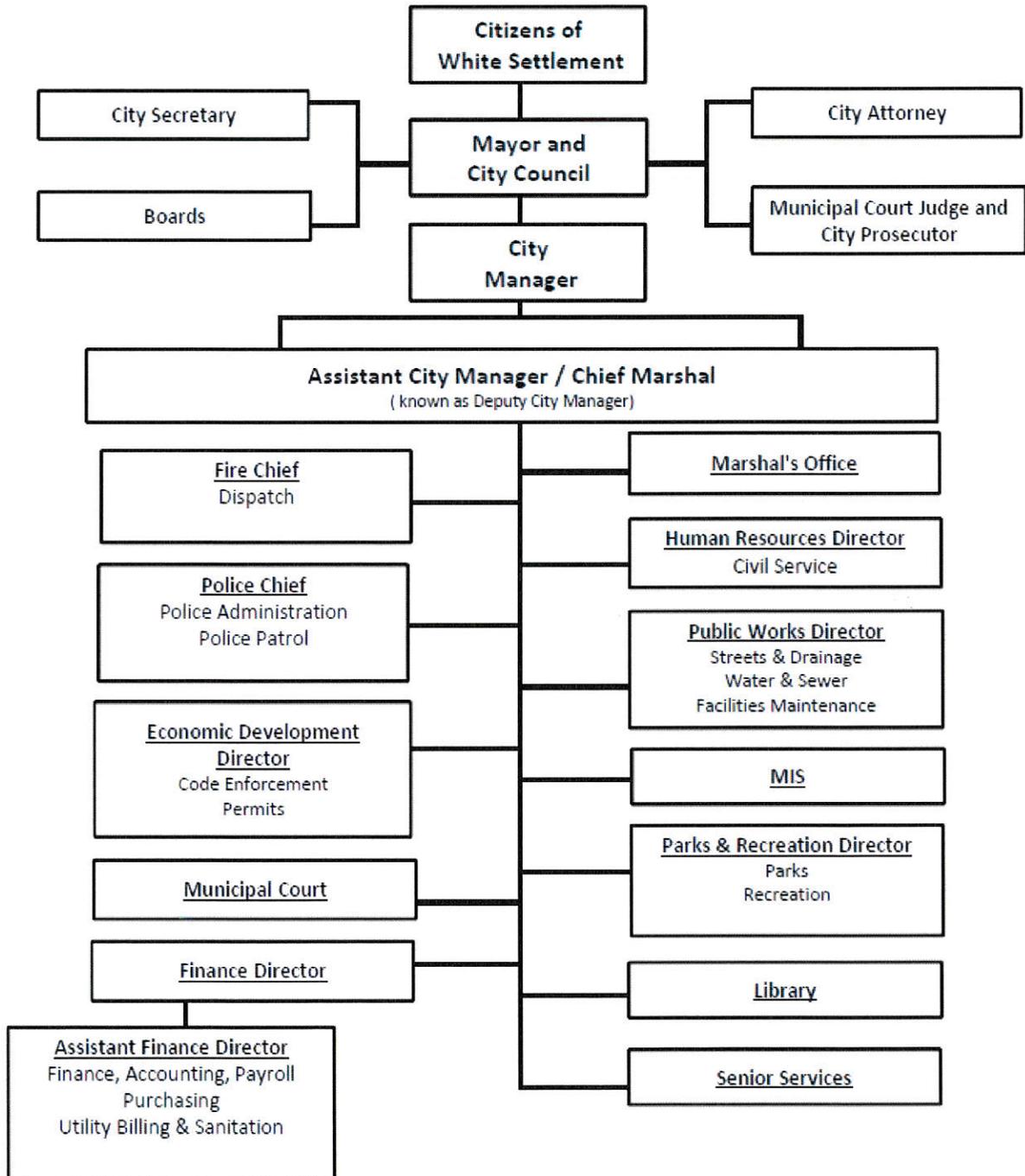
### **CITY COUNCIL**

<b>Paul Moore</b>	<b>Councilmember</b>	<b>Place 1</b>
<b>Elzie Clements</b>	<b>Mayor Pro-Tem</b>	<b>Place 2</b>
<b>Vacant</b>	<b>Councilmember</b>	<b>Place 3</b>
<b>David Mann</b>	<b>Councilmember</b>	<b>Place 4</b>
<b>Steve Ott</b>	<b>Councilmember</b>	<b>Place 5</b>

### **CITY STAFF**

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

# CITY OF WHITE SETTLEMENT ORGANIZATIONAL CHART 2015-2016





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, 2015**

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, 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, 2016, 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, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2016, 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 56-81 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***

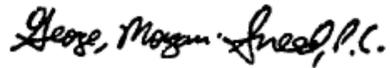
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, combining nonmajor funds financial statements, individual fund schedules, and statistical section, are presented for purposes of 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 February 6, 2017, 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  
February 6, 2017

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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, 2016. 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 and deferred inflows of resources at the close of the most recent fiscal year by \$62,226,454 (*net position*) compared to \$62,371,427, as restated, for the prior year. Of this amount, \$18,523,729 (*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 \$144,973. The City's operations decreased the governmental activities by \$1,735,662 and increased the business-type activities by \$1,590,689.
- As of the close of the current fiscal year, the City of White Settlement's governmental funds reported combined ending fund balances of \$26,868,066 compared to \$30,403,001, as restated, for the prior year. \$8,436,493 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 \$8,436,493, or 88% 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, storm water utility, and Splash Dayz.

The government-wide financial statements include not only the City itself (known as the primary government), but also a legally separate Economic Development Corporation and a legally separate Crime Control and Prevention District for which the City is financially accountable. Although legally separate, they function for all practical purposes as departments of the City, and therefore have 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, Economic Development Corporation, debt service fund, 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, storm water utility district and Splash Dayz.

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 storm water utility fund which are considered major funds and the Splash Dayz 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 28-55 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 are presented immediately following the required supplementary information. These statements can be found on Exhibits F-1 through F-6 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 and deferred inflows of resources by \$62,226,454 as of September 30, 2016.

The largest portion of the City's net position (56%) 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 (15%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$18,523,729 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. The governmental activities for 2015 have been restated to include the Economic Development Corporation.

**Condensed Statement of Net Position**

	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	2016	2015	2016	2015	2016	2015
Current and other assets	\$ 27,788,520	\$ 31,343,025	\$ 14,723,850	\$ 13,893,845	\$ 42,512,370	\$ 45,236,870
Capital assets	42,137,011	41,996,205	20,411,585	20,284,747	62,548,596	62,280,952
Total Assets	<u>69,925,531</u>	<u>73,339,230</u>	<u>35,135,435</u>	<u>34,178,592</u>	<u>105,060,966</u>	<u>107,517,822</u>
Deferred outflows of resources	<u>1,703,569</u>	<u>685,261</u>	<u>197,288</u>	<u>71,622</u>	<u>1,900,857</u>	<u>756,883</u>
Long-term liabilities	35,405,443	36,230,776	7,232,961	7,635,160	42,638,404	43,865,936
Other liabilities	886,130	846,386	1,070,990	1,190,956	1,957,120	2,037,342
Total liabilities	<u>36,291,573</u>	<u>37,077,162</u>	<u>8,303,951</u>	<u>8,826,116</u>	<u>44,595,524</u>	<u>45,903,278</u>
Deferred inflows of resources	<u>125,860</u>	<u>-</u>	<u>13,985</u>	<u>-</u>	<u>139,845</u>	<u>-</u>
Net Position:						
Net investment in capital assets	20,969,268	22,319,840	13,614,773	13,463,428	34,584,041	35,783,268
Restricted	5,181,632	4,552,787	3,937,052	3,134,404	9,118,684	7,687,191
Unrestricted	9,060,767	10,074,702	9,462,962	8,826,266	18,523,729	18,900,968
Total Net Position	<u>\$ 35,211,667</u>	<u>\$ 36,947,329</u>	<u>\$ 27,014,787</u>	<u>\$ 25,424,098</u>	<u>\$ 62,226,454</u>	<u>\$ 62,371,427</u>

### Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 1,092,407	\$ 1,935,872	\$ 8,293,846	\$ 7,604,554	\$ 9,386,253	\$ 9,540,426
Operating grants and contributions	92,910	70,393	-	-	92,910	70,393
Capital grants and contributions	-	130,272	436,337	468,334	436,337	598,606
General revenues:						
Property taxes	4,712,833	4,324,727	-	-	4,712,833	4,324,727
Sales taxes	4,461,628	4,290,594	-	-	4,461,628	4,290,594
Franchise taxes	1,218,433	1,329,368	-	-	1,218,433	1,329,368
Hotel Occupancy taxes	318,010	268,954	-	-	318,010	268,954
Oil & gas revenues	38,836	32,265	-	-	38,836	32,265
Investment earnings	125,753	54,204	38,370	21,351	164,123	75,555
Gain (loss) on sale of capital assets	25,359	-	24,842	-	50,201	-
Other revenue	198,943	2,003,108	23,040	-	221,983	2,003,108
Total revenues	12,285,112	14,439,757	8,816,435	8,094,239	21,101,547	22,533,996
Expenses						
General government	1,770,465	3,236,070	-	-	1,770,465	3,236,070
Public safety	6,165,619	6,047,017	-	-	6,165,619	6,047,017
Public works	1,310,577	1,092,938	-	-	1,310,577	1,092,938
Public health	218,176	232,981	-	-	218,176	232,981
Economic development	194,280	506,997	-	-	194,280	506,997
Culture and recreation	3,073,280	3,463,576	-	-	3,073,280	3,463,576
Non departmental	468,674	554,996	-	-	468,674	554,996
Interest on long-term debt	1,283,842	1,017,142	-	-	1,283,842	1,017,142
Bond issuance costs	-	247,157	-	-	-	247,157
Water and wastewater	-	-	5,337,586	5,093,589	5,337,586	5,093,589
Storm water utility	-	-	43,225	65,735	43,225	65,735
Sanitation	-	-	638,722	636,180	638,722	636,180
Splash Dayz	-	-	742,074	-	742,074	-
Total expenses	14,484,913	16,398,874	6,761,607	5,795,504	21,246,520	22,194,378
Increase (decrease) in net position before transfers	(2,199,801)	(1,959,117)	2,054,828	2,298,735	(144,973)	339,618
Transfers	464,139	670,000	(464,139)	(670,000)	-	-
Increase (decrease) in net position	(1,735,662)	(1,289,117)	1,590,689	1,628,735	(144,973)	339,618
Net Position October 1	36,947,329	39,997,790	25,424,098	24,001,293	62,371,427	63,999,083
Prior Period Adjustment	-	(1,761,344)	-	(205,930)	-	(1,967,274)
Net Position September 30	\$ 35,211,667	\$ 36,947,329	\$ 27,014,787	\$ 25,424,098	\$ 62,226,454	\$ 62,371,427

In the prior year, the Economic Development Corporation was a discretely presented component unit of the City. In the current year, it is a blended component unit and reported in governmental activities. The governmental activities beginning net position in the current year includes both the governmental activities and the Economic Development Corporation prior year ending net position of \$30,311,723 and \$6,635,606, respectively.

**Governmental Activities.** Governmental activities decreased the City's net position by \$1,735,662 in the current year compared with a decrease of \$1,289,117 in the prior year.

Total governmental activities revenues decreased \$2,154,645 (15%) to \$12,285,112. Key elements of this change are as follows:

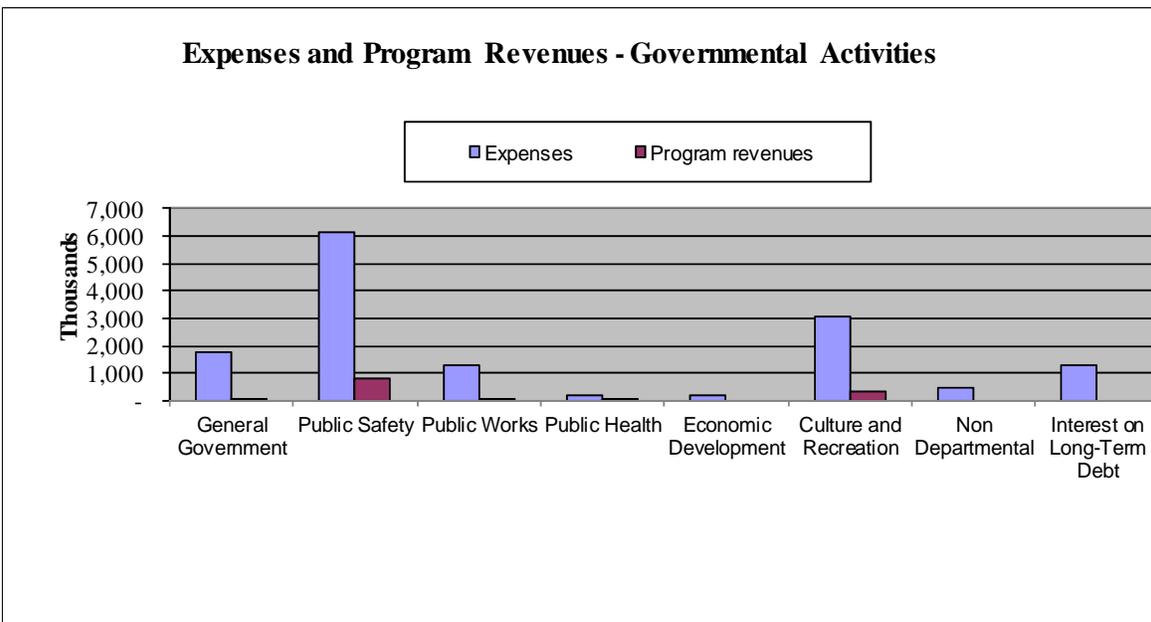
- Charges for services decreased \$843,465 primarily due to not receiving a payment from Hawaiian Falls in the current year.
- Property taxes increased \$388,106 due to an increase in rate and an increase in appraised property values.

- Sales taxes increased \$171,034 as a result of a sales tax audit and an upturn in the local economy.
- Other revenue decreased \$1,804,165 primarily due to insurance proceeds of \$1,042,718 received in the prior year for hail damage from May 2011 and a \$840,000 loan from the General fund to the EDC that was forgiven in the prior year. A donation fund was created during the year and received \$47,027 in donations for various departments.

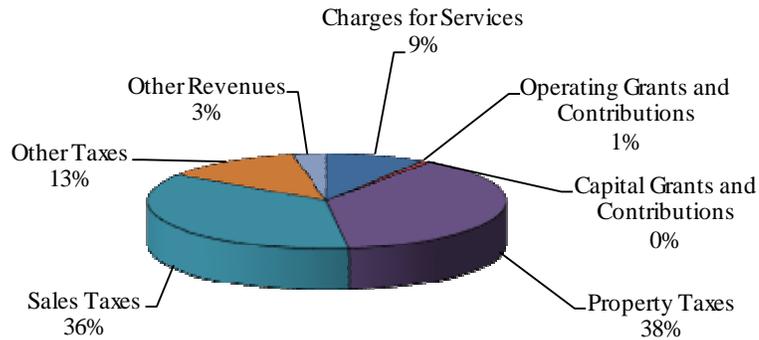
Total governmental activities expenses decreased \$1,913,961 to \$14,484,913. Key changes are as follows.

- General government expenses decreased \$1,465,605 (45%) primarily due to a \$840,000 EDC loan that was forgiven in the prior year and a \$617,306 loss on the sale of land in the prior year that was acquired during the Farmer’s Branch project and the cost included a house, demolition, and relocation expenses.
- Public works expenses increased \$217,639 (20%) primarily due to a \$193,677 increase in depreciation due to approximately \$1,300,000 in assets related to street improvements added.
- Economic development decreased \$312,717 (62%) primarily due to financial assistance provided to a hotel in the prior year in the amount of \$275,000.
- Culture and recreation decreased \$390,296 (11%) primarily due to two unfilled positions during the current year and an effort made to reduce spending in this department.
- Interest on long-term debt increased due to \$13,230,000 in bonds issued towards the end of the prior year.
- Bond issuance costs of \$247,157 in the prior year.

Below are two graphs summarizing governmental revenue and expense:



### Revenues by Source - Governmental Activities



**Business-type activities.** Business-type activities increased the City's net position by \$1,590,689 in the current year compared to an increase in net position of \$1,628,735 in the prior year.

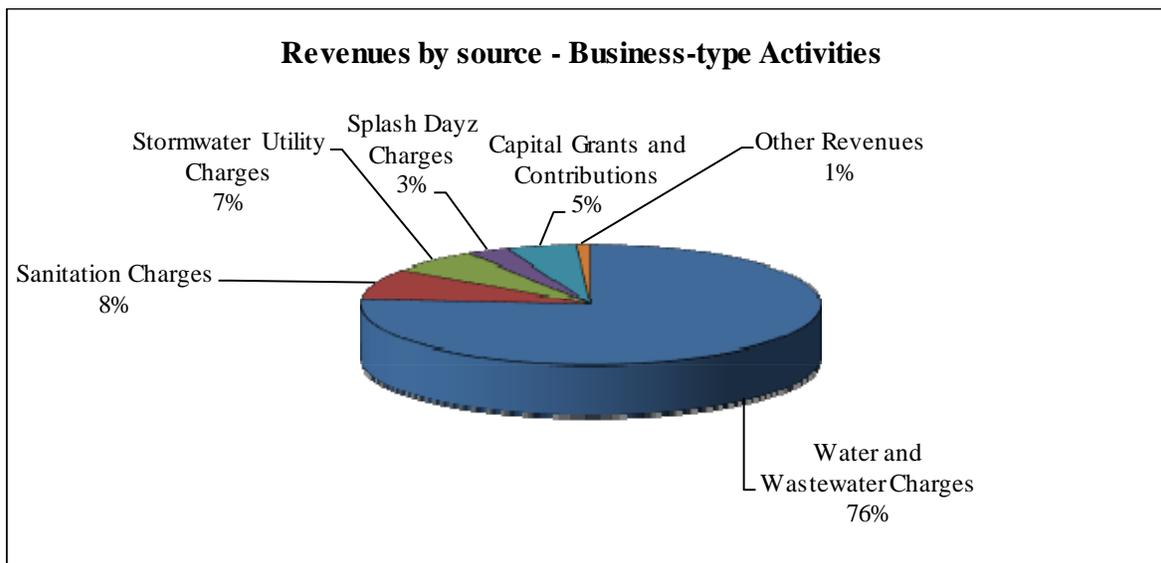
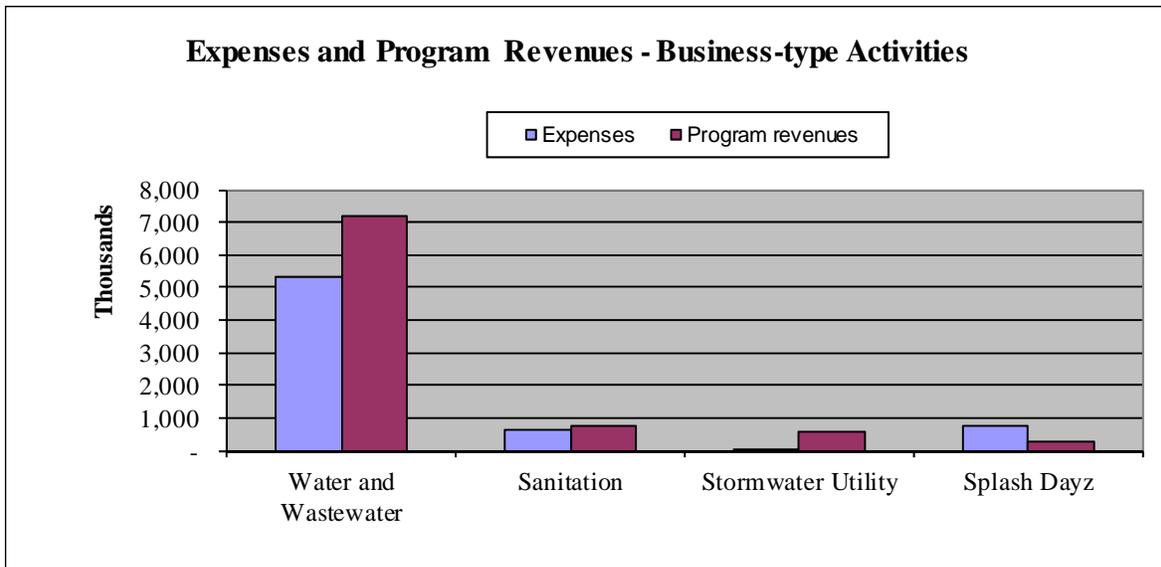
Total revenues increased \$722,196 (9%) to \$8,816,435. Key elements of these changes are as follows.

- Charges for services increased \$689,292 (9%) primarily due to water and wastewater rate increases effective 4/1/15 and another increase effective 5/1/16.

Total expenses increased \$966,103 (17%) to \$6,761,607. Key elements of these changes are as follows.

- Wastewater treatment increased \$250,435 due to an increase in volume treated and increase in rates.
- The City took over operations at the water park during the current year when Hawaiian Parks – White Settlement, LLC defaulted on their lease. Splash Dayz had expenses of \$742,074 in the current year.

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 \$26,868,066. \$8,436,493 (31%) 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 \$8,436,493. 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 88% of the total general fund expenditures. Fund balance of the general fund decreased \$292,477 compared to a decrease of \$248,151 in the prior year. Key factors in this decline are as follows:

- Revenues increased \$317,014. Property taxes increased \$369,933 due to a rate increase and an increase in appraisal values. Sales tax increased \$93,410 due to a sales tax audit and improvement of the local economy. Franchise fees decreased \$87,912 due to a decrease in electricity sold.
- Total expenditures decreased \$1,069,100. General government expenditures decreased \$909,371 primarily due to a \$840,000 EDC loan forgiven and a compensated absences payout to a retiring City Manager in the prior year. Non departmental expenses decreased \$92,572 for repairs primarily related to hail damage from May 2011 completed in the current year.
- Other financing sources decreased \$1,430,440 from the prior year primarily due to a decrease in insurance proceeds received in the prior year from hail damage in May 2011 in the amount of \$1,044,976 and a decrease in net transfers of \$410,725.

The White Settlement Economic Development Corporation (the "EDC") was created to stimulate economic growth for the City of White Settlement. It is funded with a .5% sales tax. Fund balance of the EDC decreased \$509,540 to \$2,755,707. Revenues decreased \$1,517,513 primarily because charges for service revenue decreased \$690,906 because the City did not receive a lease payment from Hawaiian Falls in the current year and the general fund forgave a \$840,000 EDC loan in the prior year. Expenditures decreased \$422,524 primarily due to a \$275,000 in financial assistance provided to a hotel in the prior year and 2 vacant positions during 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 Splash Dayz fund are enterprise funds that comprise the City's proprietary funds. Unrestricted net position of the water and wastewater fund, stormwater utility fund and Splash Dayz fund at the end of the year amounted to \$6,222,262, \$3,186,170 and \$54,530 respectively. The total change in net position for the three funds was an increase of \$743,410, \$677,479 and \$169,800 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. Expenditures were increased \$26,503 and transfers out were increased \$2,460,956.

During the year, actual revenues were \$265,412 greater than budgeted and actual expenditures were \$319,039 less than budgeted.

## Capital Assets

The City's investment in capital assets for its governmental and business type activities as of September 30, 2016, amounts to \$62,548,596 (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:

- \$215,956 for a Freightliner Chassis with Elgin sweeper.
- \$112,404 for a Freightliner dump truck.
- \$103,316 for a fire station remodel.
- \$189,721 for fire station and City Hall parking lots.
- \$1,391,666 for improvements on various streets.

### Business-type activities:

- \$73,789 for two Ford F-350 trucks.
- \$150,000 for a well rehab.
- \$64,361 for a Ford F-750 dump truck.
- \$219,515 for the Municipal Complex retaining wall and creek project.

### The City of White Settlement's Capital Assets (Net of Depreciation)

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Land	\$ 6,150,835	\$ 6,150,835	\$ 195,139	\$ 36,995	\$ 6,345,974	\$ 6,187,830
Construction in progress	-	806,985	462,654	-	462,654	806,985
Land improvements	7,439,014	7,808,159	3,242	171,274	7,442,256	7,979,433
Buildings and improvements	5,293,919	5,445,681	118,474	100,020	5,412,393	5,545,701
Machinery and equipment	9,050,625	9,362,504	442,289	313,838	9,492,914	9,676,342
Infrastructure	14,202,618	12,422,041	-	-	14,202,618	12,422,041
Water and sewer systems	-	-	17,794,944	18,235,765	17,794,944	18,235,765
Stormwater systems	-	-	1,394,843	1,426,855	1,394,843	1,426,855
Total	\$ <u>42,137,011</u>	\$ <u>41,996,205</u>	\$ <u>20,411,585</u>	\$ <u>20,284,747</u>	\$ <u>62,548,596</u>	\$ <u>62,280,952</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 \$37,423,728 in bonds outstanding, a decrease of \$2,368,312 from the prior year. \$8,643,295 are general obligation bonds that are backed by the full faith and credit of the City, \$16,585,433 are certificates of obligation secured by surplus revenues of the water and wastewater fund and ad valorem taxes, and \$12,195,000 are sales tax revenue bonds.

### City of White Settlement's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Capital leases	\$ -	\$ 730,226	\$ -	\$ -	\$ -	\$ 730,226
Tax Notes	-	155,000	-	-	-	155,000
Sales Tax Revenue Bonds	12,195,000	12,600,000	-	-	12,195,000	12,600,000
General Obligation Bonds	7,722,367	8,120,863	920,928	1,094,223	8,643,295	9,215,086
Certificates of Obligation	10,709,548	10,876,979	5,875,885	6,214,749	16,585,433	17,091,728
Total	\$ 30,626,915	\$ 32,483,068	\$ 6,796,813	\$ 7,308,972	\$ 37,423,728	\$ 39,792,040

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.

**AD VALOREM TAX:** 2016 taxable property values increased \$32,134,034 (4.97%) to \$679,319,341 from prior year values at \$647,185,307. 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 in 2016 has increased to \$49,861 compared to the average home in 2015 at \$49,785. The City continues to take steps in developing areas to attract commercial customers and residents. For the 2016-2017 Budget, the City Council adopted the tax rate of \$0.755693 (which was above the effective rate but equal to the rollback rate), and an increase of 3.08% compared to the prior year at \$0.733103 per \$100 valuation. The General Fund Ad Valorem tax revenue carries a \$4.2M budget.

**SALES TAX:** 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, a decrease of 19.13% in 2014-15 and a modest 4.4% increase in 2015-16. In 2014-15, sales tax revenues were the lowest they have been in ten years and had dropped 40.37% since 2011-2012. Therefore, 2016-2017 sales tax revenues are conservatively projected in the General Fund at \$1.9M. As the oil industry stabilizes and recovers, sales tax could add an additional \$1.2M back to revenues.

**BUDGET:** The 2016-2017 adopted budget had no cost-of-living increase for employees in contrast to the 4% increase in 2015-2016. However, City Council made a plan rate change to the Texas Municipal Retirement Program (TMRS), changing the 5%, 2 to 1 rate to the more competitive 7%, 2 to 1 rate which is offered by 60% of the area cities. 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 health insurance coverage for full-time employees and dependents may be added at the expense of the employee.

**DEBT:** 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 2015-2016, plans were being made to refinance an additional portion of the City's existing debt which will save approximately \$1.2M over the next thirteen years.

**CAPITAL:** During the 2015-2016 fiscal year, capital equipment purchases consisted of three new vehicles for the Police Department, a new command vehicle for the Fire Department, a new bus for the Senior Services and Recreation, golf carts for Parks, Public Safety, and Splash Dayz customer transportation, and other equipment for the Parks Department. Capital facilities upgrades were made to the Fire Department, Animal Shelter, and Utility Billing/Customer Service. Infrastructure projects included completion of Cherry Lane, the street overlay program, paving the parking lots at City Hall and the Fire Department, curb and gutter work, and upgrading a portion of Hannon, Mirike and Meadow Park from blacktop to concrete. Other infrastructure improvements include the addition of sidewalks along a portion of White Settlement Road and additional erosion control along the Farmer's Branch Creek.

**PROJECTS:** Projects planned for 2016-2017 include remodeling and upgrades to City buildings, the possible relocation of ballfields, continued upgrades to the Water Department's meter reading equipment and software, revitalization of City water wells, improvements to the sewer system to reduce inflow and infiltration, and improvements to City streets and storm water drainage system. The City will also install additional street lights to make the streets safer for the residents and will invest in building sidewalks. 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.

**LOOKING FORWARD:** In the last few years, redevelopment efforts along with conservative fiscal policy have shown signs of stabilization and economic revitalization in the City. The 2016-2017 budget gives added emphasis to its efforts of long-term strategic plans developed by City Council and City Management. Data has been included to quantify the strategic plan and its projected effect on future year's operational budgets. These plans provide vision for the future, are helpful in the evaluation of Capital Improvement Projects, and serve to help shape the current budget.

The biggest challenge for the City as a whole is the water park. In 2013-2014, a water park was constructed as a promising project shared with Hawaiian Falls. The City's cost for development, construction and start-up was \$12.5 Million, with financing through Economic Development Corporation (EDC) issued bonds. The Debt payments were to be paid by Hawaiian Falls from the proceeds of a 40 year lease where Hawaiian Falls would fully operate and maintain the Park during the lease term. Hawaiian Falls was acquired by a venture capital group which operated the park during the 2015 season. At the end of the season, the venture capital group informed the City that they would not make the 10/01/15 scheduled debt payment, but that they were working on new financing. In January, 2016, the venture capital group informed the City that they would not be making the currently due debt service payments, but wished to continue to operate the park. City Council and the Economic Development Board decided to terminate the lease agreement based on breach of contract. A budget amendment was authorized by City Council and the City opened and operated SPLASH DAYZ water park for about 66 days of a 100 day season.

In spite of the current financial strain, this endeavor has shown signs of boosting our economy by bringing in thousands of visitors and enhancing business growth. The financial impact of the water park is two-fold - operational requirements and debt service requirements. In the 2016-2017 Budget, operational requirements are subsidized by the General Fund in the form of a \$1,282,324 transfer while the debt service is budgeted in the Economic Development Corporation (EDC). Operationally, the park is expected to be self-sustaining in 3-5 years, which will help the General Fund stabilize and rebuild. Debt service payments will continue to be made by the EDC. While the EDC can support the debt service payments, serious consideration must be given to funding that is currently going to fund league functions at the City's parks.

The 2016-2017 White Settlement Economic Development Corporation (EDC) budget includes \$100,000 for financial assistance of new developments, and \$105,000 for BIG grants and other business incentives. The EDC budgeted \$1,962,461 in expenditures and \$1,141,800 in revenue resulting in a deficit of \$820,661 for the fiscal year. The primary reason for the deficit is the \$1,026,522 debt service payment for the water park.

The Cherry Lane and Interstate Highway I-30 intersection serves as one of the major arteries for the City. It is a major conduit for the south east entrances to the City. This area has experienced major growth over the last few years and shows signs of continued growth and development in the years to come. This has been helped in large part by the upgrades made to Cherry Lane itself. A brief summary of growth in this part of the City is as follows:

- Region XI - Completed in 2013-2014, the relocation of Region XI Education Service Center continues to boost the economy within our City. Region XI has up to 1,500 visitors per day from 77 public school districts and 42 charter schools in a 10 - county area in North Texas. Region XI is 1 of the 20 education service centers established by the Texas State Legislature in 1967.
- In January, 2011, Co-Operative Industries Aerospace & Defense (CIA&D) relocated to the City and has recently been issued a building permit to construct a new 100,000 square foot facility at their current location on South Cherry Lane. Co-operative Industries specializes in supporting the aerospace industry with electrical wiring harness, cable assemblies, and interconnect solutions.
- Opening their doors in 2016, Dirt Cheap is the newest general retail store located on South Cherry Lane. The first Dirt Cheap store opened in 1998, in Petal, Mississippi. Since that time, the retail chain has grown nationwide to over 70 stores. Dirt Cheap is located in a 34,265 square foot junior anchor space next to Academy. The City has also seen the remodel and update of several other businesses in the south east corridor.
- 2015-2016 saw the first full year of operation for All Storage, a self-storage facility, in the old red iron building. After standing as an eyesore for decades, the unfinished red iron building now stands as one of the City's best and brightest businesses. This state of the art, multistory, climate controlled facility is visible from the highway and is an excellent ambassador that shows the type of high quality commercial development that is happening in White Settlement.

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 dedicated 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, 2016**

	Primary Government		
	Governmental Activities	Business-type Activities	Total
<b>ASSETS:</b>			
Cash and cash equivalents	\$ 14,408,358	\$ 4,123,446	\$ 18,531,804
Certificates of Deposit	10,124,027	4,976,511	15,100,538
Receivables (Net of allowances for uncollectibles)			
Property taxes	106,320	-	106,320
Franchise taxes	251,214	-	251,214
Accounts	-	1,072,281	1,072,281
Miscellaneous	178,158	-	178,158
Interest	15,811	-	15,811
Due from other governments	769,114	-	769,114
Prepaid expenses	55,247	-	55,247
Inventory	64,984	-	64,984
Restricted assets:			
Cash and cash equivalents	1,815,287	4,551,612	6,366,899
Capital assets:			
Nondepreciable	6,150,835	657,793	6,808,628
Depreciable, net of accumulated depreciation	35,986,176	19,753,792	55,739,968
<b>Total Assets</b>	<b>69,925,531</b>	<b>35,135,435</b>	<b>105,060,966</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Deferred outflows related to pensions	1,663,987	197,288	1,861,275
Deferred charges on refunding	39,582	-	39,582
<b>Total Deferred Outflows of Resources</b>	<b>1,703,569</b>	<b>197,288</b>	<b>1,900,857</b>
<b>LIABILITIES:</b>			
Accounts payable	392,255	431,952	824,207
Accrued liabilities	200,855	23,928	224,783
Customer deposits	1,400	-	1,400
Current Liabilities Payable from Restricted Assets:			
Interest payable	291,620	33,997	325,617
Customer deposits	-	581,113	581,113
Noncurrent liabilities:			
Due Within One Year	1,655,643	550,889	2,206,532
Due in More Than One Year	33,749,800	6,682,072	40,431,872
<b>Total Liabilities</b>	<b>36,291,573</b>	<b>8,303,951</b>	<b>44,595,524</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Deferred inflows related to pensions	125,860	13,985	139,845
<b>Total Deferred Inflows of Resources</b>	<b>125,860</b>	<b>13,985</b>	<b>139,845</b>
<b>NET POSITION:</b>			
Net Investment in Capital Assets	20,969,268	13,614,773	34,584,041
Restricted Net Position (Expendable)			
Debt service	585,896	3,937,052	4,522,948
Police and court	930,268	-	930,268
Tourism, library and senior services	3,665,468	-	3,665,468
Unrestricted Net Position	9,060,767	9,462,962	18,523,729
<b>Total Net Position</b>	<b>\$ 35,211,667</b>	<b>\$ 27,014,787</b>	<b>\$ 62,226,454</b>

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, 2016**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government</b>				
Governmental activities:				
General government	\$ 1,770,465	\$ 11,348	\$ -	\$ -
Public safety	6,165,619	745,345	56,910	-
Public works	1,310,577	29,863	36,000	-
Public health	218,176	13,573	-	-
Economic development	194,280	-	-	-
Culture and recreation	3,073,280	292,278	-	-
Non departmental	468,674	-	-	-
Interest on long-term debt	1,283,842	-	-	-
Total governmental activities	<u>14,484,913</u>	<u>1,092,407</u>	<u>92,910</u>	<u>-</u>
Business-type activities:				
Water and wastewater	5,337,586	6,724,402	-	436,337
Sanitation	638,722	739,835	-	-
Stormwater utility	43,225	568,176	-	-
Splash Dayz	742,074	261,433	-	-
Total business-type activities	<u>6,761,607</u>	<u>8,293,846</u>	<u>-</u>	<u>436,337</u>
Total primary government	<u>\$ 21,246,520</u>	<u>\$ 9,386,253</u>	<u>\$ 92,910</u>	<u>\$ 436,337</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

Gain (loss) on sale of capital assets

Other revenue

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning - Restated

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		
Governmental Activities	Business-type Activities	Total
\$ (1,759,117)	\$ -	\$ (1,759,117)
(5,363,364)	-	(5,363,364)
(1,244,714)	-	(1,244,714)
(204,603)	-	(204,603)
(194,280)	-	(194,280)
(2,781,002)	-	(2,781,002)
(468,674)	-	(468,674)
(1,283,842)	-	(1,283,842)
<u>(13,299,596)</u>	<u>-</u>	<u>(13,299,596)</u>
-	1,823,153	1,823,153
-	101,113	101,113
-	524,951	524,951
-	<u>(480,641)</u>	<u>(480,641)</u>
-	<u>1,968,576</u>	<u>1,968,576</u>
<u>\$ (13,299,596)</u>	<u>\$ 1,968,576</u>	<u>\$ (11,331,020)</u>
\$ 3,728,550	\$ -	\$ 3,728,550
984,283	-	984,283
4,461,628	-	4,461,628
1,218,433	-	1,218,433
318,010	-	318,010
38,836	-	38,836
125,753	38,370	164,123
25,359	24,842	50,201
198,943	23,040	221,983
464,139	(464,139)	-
<u>11,563,934</u>	<u>(377,887)</u>	<u>11,186,047</u>
(1,735,662)	1,590,689	(144,973)
<u>36,947,329</u>	<u>25,424,098</u>	<u>62,371,427</u>
<u>\$ 35,211,667</u>	<u>\$ 27,014,787</u>	<u>\$ 62,226,454</u>

## CITY OF WHITE SETTLEMENT, TEXAS

## Balance Sheet

## Governmental Funds

September 30, 2016

	General	Economic Development Corporation	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Assets:						
Cash and investments	\$ 5,226,138	\$ 814,457	\$ 855,372	\$ 4,437,822	\$ 3,074,569	\$ 14,408,358
Certificates of Deposit	4,932,528	-	-	5,191,499	-	10,124,027
Receivables (Net of allowances for uncollectibles)						
Property taxes	83,988	-	22,332	-	-	106,320
Franchise taxes	229,395	-	-	-	21,819	251,214
Miscellaneous	99,098	4,889	-	-	74,171	178,158
Interest	-	-	-	15,811	-	15,811
Due from other governments	391,261	192,711	-	-	185,142	769,114
Prepays	55,247	-	-	-	-	55,247
Inventory - supplies	64,984	-	-	-	-	64,984
Restricted Assets:						
Cash and investments	-	1,769,100	-	-	46,187	1,815,287
Total assets	<u>\$ 11,082,639</u>	<u>\$ 2,781,157</u>	<u>\$ 877,704</u>	<u>\$ 9,645,132</u>	<u>\$ 3,401,888</u>	<u>\$ 27,788,520</u>
<b>LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 192,550	\$ 19,599	\$ 188	\$ 170,147	\$ 9,771	\$ 392,255
Accrued liabilities	195,004	5,851	-	-	-	200,855
Customer deposits	1,400	-	-	-	-	1,400
Total liabilities	<u>388,954</u>	<u>25,450</u>	<u>188</u>	<u>170,147</u>	<u>9,771</u>	<u>594,510</u>
Deferred inflows of resources:						
Deferred property tax	83,988	-	22,332	-	-	106,320
Other deferred revenue	219,624	-	-	-	-	219,624
Total deferred inflows of resources	<u>303,612</u>	<u>-</u>	<u>22,332</u>	<u>-</u>	<u>-</u>	<u>325,944</u>
Fund Balances:						
Nonspendable	120,231	-	-	-	-	120,231
Restricted	-	2,755,707	855,184	9,474,985	1,840,029	14,925,905
Committed	-	-	-	-	1,552,088	1,552,088
Assigned	1,833,349	-	-	-	-	1,833,349
Unassigned	8,436,493	-	-	-	-	8,436,493
Total fund balances	<u>10,390,073</u>	<u>2,755,707</u>	<u>855,184</u>	<u>9,474,985</u>	<u>3,392,117</u>	<u>26,868,066</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 11,082,639</u>	<u>\$ 2,781,157</u>	<u>\$ 877,704</u>	<u>\$ 9,645,132</u>	<u>\$ 3,401,888</u>	<u>\$ 27,788,520</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, 2016**

Total Fund Balances - Governmental Funds		\$ 26,868,066
Capital assets used in governmental activities are not financial resources and therefore are reported in the governmental funds. The cost of these assets was \$74,305,670 and the accumulated depreciation was \$32,168,659.		42,137,011
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	(291,620)	
General obligation and certificates of obligation bonds	(17,685,000)	
Premium on bonds	(746,915)	
Sales tax revenue bonds	(12,195,000)	
Compensated absences	<u>(1,111,789)</u>	
		(32,030,324)
Deferred charges for refunding related to governmental activity debt are not financial resources and, therefore, are not reported in the governmental funds.		39,582
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 \$3,666,739, a deferred resource inflow related to pensions of \$125,860, and a deferred resource outflow related to pensions in the amount of \$1,663,987. This amounted to a decrease in net position of \$2,128,612.		(2,128,612)
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	106,320	
Court fines	60,685	
Franchise taxes	<u>158,939</u>	
		325,944
Net Position of Governmental Activities		<u><u>\$ 35,211,667</u></u>

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

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended September 30, 2016**

	General	Economic Development Corporation	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes:						
Property	\$ 3,813,041	\$ -	\$ 1,004,927	\$ -	\$ -	\$ 4,817,968
Sales and use	2,280,010	1,093,220	-	-	1,088,398	4,461,628
Franchise	901,835	-	-	-	314,941	1,216,776
Hotel occupancy tax	-	-	-	-	318,010	318,010
Fines and forfeitures	492,184	-	-	-	-	492,184
Licenses and permits	296,454	-	-	-	-	296,454
Intergovernmental revenue	36,000	-	-	-	56,910	92,910
Charges for service	130,530	219,047	-	-	-	349,577
Oil and gas revenues	38,836	-	-	-	-	38,836
Investment Earnings	30,329	3,835	3,209	80,220	8,160	125,753
Other revenue	49,238	8,655	-	9,557	106,611	174,061
Total revenues	<u>8,068,457</u>	<u>1,324,757</u>	<u>1,008,136</u>	<u>89,777</u>	<u>1,893,030</u>	<u>12,384,157</u>
<b>EXPENDITURES</b>						
Current						
General government	1,688,726	-	-	-	-	1,688,726
Public safety	5,423,459	-	-	-	313,838	5,737,297
Public works	467,602	-	-	-	90,470	558,072
Public health	224,739	-	-	-	-	224,739
Economic development	-	192,363	-	-	-	192,363
Culture and recreation	1,280,752	553,368	-	-	120,593	1,954,713
Non departmental	462,424	6,250	-	-	-	468,674
Capital outlay	-	-	-	2,424,366	-	2,424,366
Debt service:						
Principal	-	405,000	1,405,226	-	-	1,810,226
Interest and fiscal charges	-	622,355	785,801	-	-	1,408,156
Total expenditures	<u>9,547,702</u>	<u>1,779,336</u>	<u>2,191,027</u>	<u>2,424,366</u>	<u>524,901</u>	<u>16,467,332</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>\$ (1,479,245)</u>	<u>\$ (454,579)</u>	<u>\$ (1,182,891)</u>	<u>\$ (2,334,589)</u>	<u>\$ 1,368,129</u>	<u>\$ (4,083,175)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from insurance recoveries	24,882	-	-	-	-	24,882
Proceeds from sale of general capital assets	59,219	-	-	-	-	59,219
Transfers in	1,705,330	-	638,826	-	2,056	2,346,212
Transfers out	(602,663)	(54,961)	-	(319,246)	(905,203)	(1,882,073)
Total other financing sources (uses)	<u>1,186,768</u>	<u>(54,961)</u>	<u>638,826</u>	<u>(319,246)</u>	<u>(903,147)</u>	<u>548,240</u>
<b>NET CHANGE IN FUND BALANCES</b>	(292,477)	(509,540)	(544,065)	(2,653,835)	464,982	(3,534,935)
<b>FUND BALANCE, OCTOBER 1, 2015-RESTATED</b>	10,682,550	3,265,247	1,399,249	12,128,820	2,927,135	30,403,001
<b>FUND BALANCE, SEPTEMBER 30, 2016</b>	<u>\$ 10,390,073</u>	<u>\$ 2,755,707</u>	<u>\$ 855,184</u>	<u>\$ 9,474,985</u>	<u>\$ 3,392,117</u>	<u>\$ 26,868,066</u>

**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, 2016**

Total Net Change in Fund Balances - Governmental Funds		\$(3,534,935)
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 \$2,512,254 of capital outlays and \$1,810,226 of debt principal payments is to increase net position.		4,322,480
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.		(33,860)
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.		(2,337,588)
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	89,972	
Premium on general obligation bonds	34,342	
Compensated absences	136,906	
		261,220
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(149,286)
GASB required the City to recognize their net pension liability and deferred resource outflow related to pensions. The changes in these balances decreased net position.		(263,693)
Change in Net Position of Governmental Activities		\$(1,735,662)

**CITY OF WHITE SETTLEMENT, TEXAS**

**Statement of Net Position**

**Proprietary Funds**

**September 30, 2016**

	Enterprise Funds			Totals
	Water and Wastewater	Stormwater Utility	Splash Dayz	
<b>ASSETS:</b>				
Current Assets:				
Cash and cash equivalents	\$ 2,629,949	\$ 1,434,859	\$ 58,638	\$ 4,123,446
Certificates of Deposit	3,297,971	1,678,540	-	4,976,511
Receivables (Net of allowance for uncollectibles):				
Accounts	990,221	73,505	8,555	1,072,281
Restricted Assets:				
Cash and cash equivalents	4,551,612	-	-	4,551,612
Total current assets	11,469,753	3,186,904	67,193	14,723,850
Noncurrent Assets:				
Capital assets, at cost:				
Land	158,144	36,995	-	195,139
Construction in progress	212,395	240,615	9,644	462,654
Buildings and improvements	147,403	-	-	147,403
Land improvements	38,484	-	-	38,484
Waterworks and wastewater system	28,165,596	-	-	28,165,596
Stormwater systems	-	1,616,773	-	1,616,773
Machinery and equipment	1,367,694	75,005	110,910	1,553,609
	30,089,716	1,969,388	120,554	32,179,658
Less: accumulated depreciation	(11,525,444)	(237,345)	(5,284)	(11,768,073)
Capital assets, net	18,564,272	1,732,043	115,270	20,411,585
Total noncurrent assets	18,564,272	1,732,043	115,270	20,411,585
Total assets	30,034,025	4,918,947	182,463	35,135,435
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>				
Deferred outflows related to pensions	191,421	-	5,867	197,288
Total deferred outflows of resources	\$ 191,421	\$ -	\$ 5,867	\$ 197,288

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

	Enterprise Funds			Totals
	Water and Wastewater	Stormwater Utility	Splash Dayz	
<b>LIABILITIES:</b>				
Current Liabilities:				
Accounts payable	\$ 417,118	\$ 734	\$ 14,100	\$ 431,952
Accrued liabilities	21,132	-	2,796	23,928
Current portion of long-term liabilities	549,805	-	1,084	550,889
Current Liabilities Payable from Restricted Assets:				
Interest payable	33,997	-	-	33,997
Customer deposits payable	580,563	-	550	581,113
Total current liabilities	1,602,615	734	18,530	1,621,879
Noncurrent Liabilities:				
Bonds payable	6,274,654	-	-	6,274,654
Net pension liability	407,418	-	-	407,418
Total noncurrent liabilities	6,682,072	-	-	6,682,072
Total liabilities	8,284,687	734	18,530	8,303,951
<b>DEFERRED INFLOWS OF RESOURCES:</b>				
Deferred inflows related to pensions	13,985	-	-	13,985
Total deferred inflows of resources	13,985	-	-	13,985
<b>NET POSITION:</b>				
Net investment in capital assets	11,767,460	1,732,043	115,270	13,614,773
Restricted for debt service (Expendable)	3,937,052	-	-	3,937,052
Unrestricted	6,222,262	3,186,170	54,530	9,462,962
Total net position	\$ 21,926,774	\$ 4,918,213	\$ 169,800	\$ 27,014,787

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2016**

	Enterprise Funds			Totals
	Water and Wastewater	Stormwater Utility	Splash Dayz	
Operating revenues:				
Charges for sales and services	\$ 7,464,237	\$ 568,176	\$ 261,433	\$ 8,293,846
Total operating revenue	<u>7,464,237</u>	<u>568,176</u>	<u>261,433</u>	<u>8,293,846</u>
Operating expenses:				
Utility Billing	531,103	-	-	531,103
Water production and distribution	2,033,392	-	-	2,033,392
Wastewater collection and treatment	1,780,106	-	-	1,780,106
Stormwater utility	-	3,299	-	3,299
Sanitation	638,722	-	-	638,722
Splash Dayz	-	-	736,790	736,790
Depreciation	718,838	39,926	5,284	764,048
Total operating expenses	<u>5,702,161</u>	<u>43,225</u>	<u>742,074</u>	<u>6,487,460</u>
Operating income (loss)	<u>1,762,076</u>	<u>524,951</u>	<u>(480,641)</u>	<u>1,806,386</u>
Nonoperating revenues (expenses):				
Proceeds from insurance recoveries	23,040	-	-	23,040
Gain (loss) on disposal of capital assets	24,842	-	-	24,842
Investment earnings	30,088	8,282	-	38,370
Interest expense	(274,147)	-	-	(274,147)
Total nonoperating revenues (expenses)	<u>(196,177)</u>	<u>8,282</u>	<u>-</u>	<u>(187,895)</u>
Income (loss) before contributions and transfers	1,565,899	533,233	(480,641)	1,618,491
Capital contributions and transfers:				
Capital Contributions	436,337	-	-	436,337
Transfers in	-	319,246	650,441	969,687
Transfers out	(1,258,826)	(175,000)	-	(1,433,826)
Change in Net Position	743,410	677,479	169,800	1,590,689
Net Position, October 1, 2015	<u>21,183,364</u>	<u>4,240,734</u>	<u>-</u>	<u>25,424,098</u>
Net Position, September 30, 2016	<u>\$ 21,926,774</u>	<u>\$ 4,918,213</u>	<u>\$ 169,800</u>	<u>\$ 27,014,787</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, 2016**

	Enterprise Funds			Totals
	Water and Wastewater Fund	Stormwater Utility	Splash Dayz	
Cash flows from operating activities:				
Cash received from customers	\$ 7,465,828	\$ 560,650	\$ 253,428	\$ 8,279,906
Cash paid to suppliers	(4,452,604)	(3,282)	(387,277)	(4,843,163)
Cash paid to employees	(672,503)	-	(337,400)	(1,009,903)
Net cash provided by operating activities	<u>2,340,721</u>	<u>557,368</u>	<u>(471,249)</u>	<u>2,426,840</u>
Cash flow from noncapital financing activities:				
Transfers from other funds	-	319,246	650,441	969,687
Transfers to other funds	(1,258,826)	(175,000)	-	(1,433,826)
Net cash provided (used) by noncapital financing activities	<u>(1,258,826)</u>	<u>144,246</u>	<u>650,441</u>	<u>(464,139)</u>
Cash flow from capital and related financing activities:				
Principal payments on long-term debt	(510,000)	-	-	(510,000)
Capital contribution for debt service	436,337	-	-	436,337
Capital outlay	(549,959)	(240,615)	(120,554)	(911,128)
Proceeds from insurance recoveries	23,040	-	-	23,040
Proceeds from the sale of capital assets	42,925	-	-	42,925
Interest paid on bonds	(277,498)	-	-	(277,498)
Net cash (used) by capital and related financing activities	<u>(835,155)</u>	<u>(240,615)</u>	<u>(120,554)</u>	<u>(1,196,324)</u>
Cash flow from investing activities:				
Investment earnings	30,088	8,282	-	38,370
Purchase of Certificates of Deposit	(1,373,257)	(1,678,540)	-	(3,051,797)
Net cash provided by investing activities	<u>(1,343,169)</u>	<u>(1,670,258)</u>	<u>-</u>	<u>(3,013,427)</u>
Net increase (decrease) in cash and cash equivalents	(1,096,429)	(1,209,259)	58,638	(2,247,050)
Cash and cash equivalents, beginning	<u>8,277,990</u>	<u>2,644,118</u>	<u>-</u>	<u>10,922,108</u>
Cash and cash equivalents, ending	<u>\$ 7,181,561</u>	<u>\$ 1,434,859</u>	<u>\$ 58,638</u>	<u>\$ 8,675,058</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	<u>\$ 1,762,076</u>	<u>\$ 524,951</u>	<u>\$ (480,641)</u>	<u>\$ 1,806,386</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	718,838	39,926	5,284	764,048
(Increase) decrease in accounts receivable	(9,177)	(7,526)	(8,555)	(25,258)
Increase (decrease) in accounts payable	(144,203)	17	14,100	(130,086)
Increase (decrease) in accrued liabilities	(643)	-	2,796	2,153
Increase (decrease) in accrued net pension balances	7,488	-	-	7,488
Increase (decrease) in customer deposits	10,768	-	550	11,318
Increase (decrease) in compensated absences payable	(4,426)	-	(4,783)	(9,209)
Total adjustments	<u>578,645</u>	<u>32,417</u>	<u>9,392</u>	<u>620,454</u>
Net cash provided by operating activities	<u>\$ 2,340,721</u>	<u>\$ 557,368</u>	<u>\$ (471,249)</u>	<u>\$ 2,426,840</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, 2016**

**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.

**Blended Component Units**

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. The Economic Development Corporation is presented as a special revenue fund. Separate unaudited financial statements may be obtained at the City's administrative office.

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

**A. Reporting Entity** (Continued)

Blended Component Units (Continued)

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.

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, 2016**

**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 *Economic Development Corporation* ("EDC") is a blended component unit that is financed with a ½ percent sales tax. The EDC was created to develop, implement, provide and finance projects allowed under the Development Corporation Act.

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

The *debt service fund* is used to account for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

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 sanitation, 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, 2016**

**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 accounts over 5 years old and 85% respectively of the outstanding balances at September 30, 2016.

**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, 2016, 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, 2016**

**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 \$274,147. 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, 2016**

**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, 2016**

**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	Economic Development Corporation	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:						
Prepays and inventory	\$ 120,231	\$ -	\$ -	\$ -	\$ -	\$ 120,231
Restricted:						
Debt Service	-	-	855,184	-	-	855,184
Construction	-	-	-	9,474,985	-	9,474,985
Police and court	-	-	-	-	930,268	930,268
Tourism, library and senior services	-	2,755,707	-	-	909,761	3,665,468
Committed:						
Street improvement	-	-	-	-	1,552,088	1,552,088
Assigned:						
Pride Commission	5,231	-	-	-	-	5,231
Subsequent year budget deficit	1,828,118	-	-	-	-	1,828,118
Unassigned	8,436,493	-	-	-	-	8,436,493
	<u>\$ 10,390,073</u>	<u>\$ 2,755,707</u>	<u>\$ 855,184</u>	<u>\$ 9,474,985</u>	<u>\$ 3,392,117</u>	<u>\$ 26,868,066</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.

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 \$8,436,493 was \$4,543,861 above the minimum fund balance requirement of \$3,892,632.

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

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

**10. Net Position**

Net position represents the difference between assets and liabilities. Net position net investment in capital assets 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)	\$ 14,925,905
Adjustments	
Accrued interest payable restricted for debt service	(291,620)
Deferred property tax revenue restricted for debt service	22,332
Restricted for construction	(9,474,985)
Total adjustments	(9,744,273)
Restricted Net Position (Exhibit A-1)	\$ 5,181,632

**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.

**NOTE 2: DEPOSITS AND INVESTMENTS**

Substantially all operating cash and investments 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.

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 2: DEPOSITS AND INVESTMENTS** (Continued)

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, 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). TexPool is a local government investment pool organized under the authority of the Interlocal Cooperation Act Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. All investments of the Pool are stated at amortized cost, which in most cases approximates the market value of the securities. The objective of TexPool is to maintain a stable \$1.00 net asset value; however, the \$1.00 net asset value is not guaranteed or insured by the State of Texas.

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, 2016, 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.

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, 2016, 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.

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 2: DEPOSITS AND INVESTMENTS** (Continued)

The City's investments at September 30, 2016 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	83 days	100.00%	\$ 5,409,310	\$ 5,409,310
				<u>\$ 5,409,310</u>	<u>\$ 5,409,310</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	\$ 580,563
Interest and sinking funds	3,971,049
Total	<u>\$ 4,551,612</u>

Cash and investments in the amount of \$1,769,100 in the Economic Development Corporation are restricted for debt service.

Investment earnings of \$197,021 are reported net of advisory service fees of \$32,909.

**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 2015 was computed based on 100% of appraised value.

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, 2016, was \$0.733103 per \$100 of assessed valuation.

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 3: PROPERTY TAX** (Continued)

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 99% of the 2015 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:

	General	Economic Development Corporation	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental	Water and Wastewater	Stormwater Utility	Splash Dayz
Receivables:								
Property taxes	\$ 205,371	\$ -	\$ 54,608	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise taxes	229,395	-	-	-	21,819	-	-	-
Occupancy tax	-	-	-	-	74,171	-	-	-
Water and wastewater	-	-	-	-	-	497,563	-	-
Stormwater utility	-	-	-	-	-	-	40,781	-
Sanitation	-	-	-	-	-	59,478	-	-
Earned and unbilled services	-	-	-	-	-	493,929	36,857	-
Miscellaneous	442,977	4,889	-	-	-	-	-	8,555
Interest	-	-	-	15,811	-	-	-	-
Gross Receivables	877,743	4,889	54,608	15,811	95,990	1,050,970	77,638	8,555
Less: allowance for uncollectibles	(465,262)	-	(32,276)	-	-	(60,749)	(4,133)	-
Net total receivables	\$ 412,481	\$ 4,889	\$ 22,332	\$ 15,811	\$ 95,990	\$ 990,221	\$ 73,505	\$ 8,555

**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.

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 4: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES** (Continued)

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 an 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)	\$ 83,988
Franchise tax receivable	158,939
Court fees receivable	60,685
Deferred property taxes receivable (Debt Service Fund)	<u>22,332</u>
 Total deferred inflows of resources for governmental funds	 <u><u>\$ 325,944</u></u>

**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, 2016, is as follows:

Transfer In	Transfer Out	Amount	Purpose
General	Crime District	\$ 720,051	Crime prevention
	Economic Development Corp	54,961	Payments in lieu of taxes
	Other Governmental	60,318	Close funds
	Water and Wastewater	770,000	Payments in lieu of taxes
	Stormwater Utility	100,000	Payments in lieu of taxes
Debt Service	Street Improvement	75,000	Debt service
	Stormwater Utility	75,000	Debt service
	Utility Capital Projects	488,826	Debt service
Other	General	<u>2,056</u>	Grant match
Total Governmental Funds Transfers In		<u><u>\$ 2,346,212</u></u>	

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 5: INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS (Continued)**

Stormwater Utility	Capital Projects	\$ 319,246	Transfer capital assets
Splash Dayz	General	600,441	Transfer water park
	Occupancy Tax	50,000	Transfer water park
Total Enterprise Funds Transfers In		\$ 969,687	

**NOTE 6: CAPITAL ASSETS**

Capital asset activity for the year ended September 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Transfers & Adjustments	Ending Balance
<b>Governmental activities:</b>					
Non - Depreciable Assets:					
Land	\$ 5,189,737	\$ -	\$ -	\$ 961,098	\$ 6,150,835
Construction in Progress	806,985	-	(33,860)	(773,125)	-
Total non-depreciable assets	5,996,722	-	(33,860)	187,973	6,150,835
Depreciable Assets:					
Land improvements	2,690,138	221,220	-	8,344,825	11,256,183
Building and improvements	7,157,736	113,816	-	2,030,853	9,302,405
Machinery and equipment	8,299,823	785,552	(318,399)	7,738,246	16,505,222
Infrastructure	28,926,234	1,391,666	-	773,125	31,091,025
Total capital assets being depreciated	47,073,931	2,512,254	(318,399)	18,887,049	68,154,835
Accumulated Depreciation:					
Land improvements	(1,668,408)	(590,365)	-	(1,558,396)	(3,817,169)
Building and improvements	(3,660,172)	(265,578)	-	(82,736)	(4,008,486)
Machinery and equipment	(5,771,655)	(1,097,431)	318,399	(903,910)	(7,454,597)
Infrastructure	(16,270,387)	(384,214)	-	(233,806)	(16,888,407)
Total accumulated depreciation	(27,370,622)	(2,337,588)	318,399	(2,778,848)	(32,168,659)
Governmental activities capital assets, net	\$ 25,700,031	\$ 174,666	\$ (33,860)	\$ 16,296,174	\$ 42,137,011

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 6: CAPITAL ASSETS (Continued)**

	Beginning Balance	Increases	Decreases	Transfers & Adjustments	Ending Balance
<b>Business-type activities:</b>					
Non - Depreciable Assets:					
Land	\$ 36,995	\$ -	\$ -	\$ 158,144	\$ 195,139
Construction in Progress	-	428,794	-	33,860	462,654
Total non-depreciable assets	<u>36,995</u>	<u>428,794</u>	<u>-</u>	<u>192,004</u>	<u>657,793</u>
Depreciable Assets:					
Land improvements	211,511	-	-	(173,027)	38,484
Building and improvements	125,366	22,037	-	-	147,403
Machinery and equipment	1,570,493	274,688	(291,572)	-	1,553,609
Water and wastewater systems	28,001,435	150,000	(720)	14,881	28,165,596
Stormwater systems	1,616,773	-	-	-	1,616,773
Total capital assets being depreciated	<u>31,525,578</u>	<u>446,725</u>	<u>(292,292)</u>	<u>(158,146)</u>	<u>31,521,865</u>
Accumulated Depreciation:					
Land improvements	(40,237)	(1,589)	-	6,584	(35,242)
Building and improvements	(25,346)	(3,585)	-	2	(28,929)
Machinery and equipment	(1,256,655)	(114,878)	273,489	(13,276)	(1,111,320)
Water and wastewater systems	(9,765,670)	(611,571)	-	6,589	(10,370,652)
Stormwater systems	(189,918)	(32,425)	-	413	(221,930)
Total accumulated depreciation	<u>(11,277,826)</u>	<u>(764,048)</u>	<u>273,489</u>	<u>312</u>	<u>(11,768,073)</u>
Business-type activities capital assets, net	<u>\$ 20,284,747</u>	<u>\$ 111,471</u>	<u>\$ (18,803)</u>	<u>\$ 34,170</u>	<u>\$ 20,411,585</u>

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

Governmental activities:	
General government	\$ 36,982
Public safety	400,664
Public works	810,957
Public health	769
Culture and recreation	1,088,216
Total depreciation expense - governmental activities	<u>\$2,337,588</u>
Business-type activities:	
Water and wastewater	\$ 718,838
Stormwater utility	39,926
Splash Dayz	5,284
Total depreciation expense - business-type activities	<u>\$ 764,048</u>

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 7: LONG-TERM LIABILITIES**

**A. Bonds Payable**

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 and certificates of obligation 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	\$ 4,700,000
General government	06/01/15	02/15/35	2.0 - 5.0%	9,540,000	9,450,000
Governmental refunding	06/01/15	02/15/25	2.0 - 3.0%	2,980,000	2,870,000
General government	09/10/15	02/15/28	3.07%	710,000	665,000

The annual debt service requirements to maturity for general obligation bonds and certificates of obligation outstanding as of September 30, 2016, are as follows:

Year Ending September 30,	Governmental Activities					
	General Obligation Bonds			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
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	645,000	190,881	835,881	185,000	409,322	594,322
2022 - 2026	3,215,000	591,460	3,806,460	1,320,000	1,955,652	3,275,652
2027 - 2031	1,325,000	92,450	1,417,450	3,625,000	1,533,960	5,158,960
2032 - 2036	-	-	-	4,280,000	441,500	4,721,500
	<u>\$ 7,570,000</u>	<u>\$ 1,826,791</u>	<u>\$ 9,396,791</u>	<u>\$ 10,115,000</u>	<u>\$ 6,026,253</u>	<u>\$ 16,141,253</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	\$ 12,195,000

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 7: LONG-TERM LIABILITIES** (Continued)

**A. Bonds Payable** (Continued)

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

<u>Year Ending September 30,</u>	<u>Economic Development Corporation</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	525,000	506,392	1,031,392
2022 - 2026	3,050,000	2,098,360	5,148,360
2027 - 2031	3,910,000	1,229,900	5,139,900
2032 - 2036	2,865,000	220,815	3,085,815
	<u>\$ 12,195,000</u>	<u>\$ 6,324,884</u>	<u>\$ 18,519,884</u>

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:

<u>Purpose</u>	<u>Date Issued</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Principal</u>	<u>Amount Outstanding</u>
Water and wastewater	05/01/09	02/15/29	2.5 - 4.625%	\$ 8,000,000	\$ 5,890,000
Enterprise refunding	07/15/11	02/15/21	2.0 - 3.0%	1,705,000	905,000

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 \$304,453 and was reported as a capital contribution in the water and wastewater fund.

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 7: LONG-TERM LIABILITIES** (Continued)

**A. 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
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	605,000	185,231	790,231
2022 - 2026	2,325,000	638,097	2,963,097
2027 - 2031	1,665,000	116,449	1,781,449
	\$ 6,795,000	\$ 1,886,289	\$ 8,681,289

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, 2016.

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 7: LONG-TERM LIABILITIES** (Continued)

**B. Changes in Long-term Liabilities**

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Certificates of obligation	\$ 10,250,000	\$ -	\$ 135,000	\$ 10,115,000	\$ 170,000
General obligation bonds	7,955,000	-	385,000	7,570,000	570,000
Sales tax revenue bonds	12,600,000	-	405,000	12,195,000	425,000
Issuance premium	792,842	-	45,927	746,915	45,927
Total bonds payable	<u>31,597,842</u>	<u>-</u>	<u>970,927</u>	<u>30,626,915</u>	<u>1,210,927</u>
Capital leases	730,226	-	730,226	-	-
Tax notes	155,000	-	155,000	-	-
Net pension liability	2,499,013	1,167,726	-	3,666,739	-
Compensated absences	<u>1,248,695</u>	<u>362,571</u>	<u>499,477</u>	<u>1,111,789</u>	<u>444,716</u>
Total Governmental Activities	<u>\$ 36,230,776</u>	<u>\$ 1,530,297</u>	<u>\$ 2,355,630</u>	<u>\$ 35,405,443</u>	<u>\$ 1,655,643</u>
<b>Business-type Activities:</b>					
Certificates of obligation	\$ 6,230,000	\$ -	\$ 340,000	\$ 5,890,000	\$ 350,000
General obligation bonds	1,075,000	-	170,000	905,000	170,000
Issuance premium	19,224	-	3,296	15,928	3,296
Issuance discount	<u>(15,252)</u>	<u>-</u>	<u>(1,137)</u>	<u>(14,115)</u>	<u>(1,137)</u>
Total bonds payable	<u>7,308,972</u>	<u>-</u>	<u>512,159</u>	<u>6,796,813</u>	<u>522,159</u>
Net pension liability	294,116	113,302	-	407,418	-
Compensated absences	<u>32,072</u>	<u>28,730</u>	<u>32,072</u>	<u>28,730</u>	<u>28,730</u>
Total Business-type Activities	<u>\$ 7,635,160</u>	<u>\$ 142,032</u>	<u>\$ 544,231</u>	<u>\$ 7,232,961</u>	<u>\$ 550,889</u>
<b>Total Long-term Liabilities</b>	<u>\$ 43,865,936</u>	<u>\$ 1,672,329</u>	<u>\$ 2,899,861</u>	<u>\$ 42,638,404</u>	<u>\$ 2,206,532</u>

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

**C. 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.

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

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

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

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 10: DEFINED BENEFIT PENSION PLANS (Continued)**

**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 2016
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, 2015 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	70
Inactive employees entitled to but not yet receiving benefits	101
Active employees	109
	280

**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.

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 10: DEFINED BENEFIT PENSION PLANS** (Continued)

**C. Contributions** (Continued)

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 10.80% and 10.52% in calendar years 2015 and 2016, respectively. The city's contributions to TMRS for the year ended September 30, 2016, were \$655,291, and were equal to the required contributions.

**D. Net Pension Liability**

The city's Net Pension Liability (NPL) was measured as of December 31, 2015, 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, 2015 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.0% per year
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct RP2000 Combined Healthy Mortality Table with Blue Collar Adjustment, 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 are projected on a fully generational basis by scale BB to account to future mortality improvements. For disable annuitants, the gender-distinct RP2000 Combined Healthy Mortality Tables with Blue Collar Adjustment are used with male rates multiplied by 109% and female rates multiplied by 103% with a 3-year set-forward for both males and females. In addition, a 3% minimum mortality rate is applied to reflect the impairment for younger members who become disabled. The rates are projected on a fully generational basis by scale BB to account for future mortality improvements subject to the 3% floor.

Actuarial assumptions used in the December 31, 2015, valuation were based on results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2010 through December 31, 2014. Healthy post-retirement mortality rates and annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011, and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2014 valuation. After the Asset Allocation Study analysis and experience investigation study, the Board amended the long-term

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
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**NOTE 10: DEFINED BENEFIT PENSION PLANS** (Continued)

**D. Net Pension Liability** (Continued)

expected rate of return on pension plan investments from 7% to 6.75%. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. In determining their best estimate of a recommended investment return assumption under the various alternate asset allocation portfolios, GRS focused on the area between (1) arithmetic mean (aggressive) without an adjustment for time (conservative) and (2) the geometric mean (conservative) with an adjustment for time (aggressive). At its meeting on July 30, 2015, the TMRS Board approved a new portfolio target allocation. The target allocation and best estimates of real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return (Arithmetic)</u>
Domestic Equity	17.5%	4.55%
International Equity	17.5%	6.10%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	3.65%
Real Return	10.0%	4.03%
Real Estate	10.0%	5.00%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	8.00%
Total	<u>100.0%</u>	

*Discount Rate*

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

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 10: DEFINED BENEFIT PENSION PLANS** (Continued)

**D. Net Pension Liability** (Continued)

*Changes in the Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at 12/31/2014	\$ 24,358,258	\$ 21,565,129	\$ 2,793,129
Changes for the year:			
Service cost	713,205	-	713,205
Interest	1,696,468	-	1,696,468
Change of benefit terms	-	-	-
Difference between expected and actual experience	(196,008)	-	(196,008)
Changes of assumptions	46,941	-	46,941
Contributions - employer	-	661,737	(661,737)
Contributions - employee	-	306,360	(306,360)
Net investment income	-	31,821	(31,821)
Benefit payments, including refunds of employee contributions	(959,214)	(959,214)	-
Administrative expense	-	(19,382)	19,382
Other changes	-	(958)	958
Net changes	1,301,392	20,364	1,281,028
Balance at 12/31/2015	<u>\$ 25,659,650</u>	<u>\$ 21,585,493</u>	<u>\$ 4,074,157</u>

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

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

	1% Decrease Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase Discount Rate (7.75%)
City's Net Pension Liability	\$ 7,880,622	\$ 4,074,157	\$ 973,628

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 10: DEFINED BENEFIT PENSION PLANS** (Continued)

**D. Net Pension Liability** (Continued)

*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](http://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, 2016, the City recognized pension expense of \$927,063.

At September 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual economic experience	\$ 12,005	\$ 139,845
Changes in actuarial assumptions	\$ 33,491	\$ -
Difference between projected and actual investment earnings.	\$ 1,338,382	\$ -
Contributions subsequent to the measurement date	<u>\$ 477,397</u>	<u>\$ -</u>
Total	\$ 1,861,275	\$ 139,845

\$477,397 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, 2016. 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	\$ 312,970
2017	308,833
2018	326,684
2019	295,546
2020	-
Thereafter	-
Total	<u>\$ 1,244,033</u>

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**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.

The city's contributions to the TMRS SDBF for the years ended 2016, 2015, and 2014 were \$13,969, \$13,161, and \$11,938, 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
2014	0.03%	0.03%	100.0%
2015	0.03%	0.03%	100.0%
2016	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.

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 12: CONTINGENT LIABILITIES** (Continued)

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 2016 for the purchase of treated water were \$1,275,952 and payments made for the treatment of wastewater by the City of Fort Worth were \$1,554,236.

**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 leased the Park to Hawaiian Parks – White Settlement, LLC for an initial term of forty years. Hawaiian Parks – White Settlement, LLC defaulted on their lease during the current year. The water park is now operated by the City and is reported as an enterprise fund. The capital assets and long-term liabilities are reported in the EDC and governmental activities.

**NOTE 15: SUBSEQUENT EVENTS**

On November 8, 2016, the City issued \$8,145,000 General Obligation Refunding Bonds, Series 2016. The bonds will refund the Combination Tax & Surplus Revenue Certificates of Obligation, Series 2009 and the General Obligation Bonds, Series 2009.

On October 11, 2016, the City Council authorized an increase in the TMRS contribution rate from 5% to 7% of individual earnings effective January 1, 2017.

Subsequent events were evaluated through February 6, 2017, which is the date the financial statements were available to be issued.

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Notes to Financial Statements**  
**September 30, 2016**

**NOTE 16: 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.

**NOTE 17: CHANGE IN REPORTING ENTITY**

The presentation of the White Settlement Economic Development Corporation has changed from a discretely presented component unit to a blended component unit because the EDC's primary goals are City park maintenance and improvement. The change moves the EDC to a special revenue fund. Beginning governmental fund balance increased \$3,265,247 and beginning governmental activities net position increased \$6,635,606 as a result of the change.

In the previous year the City reported a separate sanitation enterprise fund. The sanitation activities are reported with the water and wastewater fund on the City's books therefore the activities were reported as one fund in the current year.

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**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, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
<b>General Property Taxes</b>				
Current property taxes	\$ 3,747,780	\$ 3,747,780	\$ 3,695,913	\$ (51,867)
Miscellaneous property tax revenue	8,000	8,000	5,069	(2,931)
Delinquent tax collections	42,000	42,000	72,774	30,774
Taxes - penalties and interest	27,000	27,000	39,285	12,285
Total general property taxes	<u>3,824,780</u>	<u>3,824,780</u>	<u>3,813,041</u>	<u>(11,739)</u>
<b>Sales and Use Taxes</b>				
General sales tax	1,962,000	1,962,000	2,244,239	282,239
Mixed beverage tax	2,000	2,000	2,424	424
Bingo tax	32,000	32,000	33,347	1,347
Total sales and use taxes	<u>1,996,000</u>	<u>1,996,000</u>	<u>2,280,010</u>	<u>284,010</u>
<b>Franchise Tax</b>				
Telephone franchise fees	75,000	75,000	67,905	(7,095)
Electric franchise fees	485,000	485,000	465,173	(19,827)
Cable TV franchise fees	112,000	112,000	130,481	18,481
Gas franchise fees	90,000	90,000	86,293	(3,707)
Refuse franchise fees	160,000	160,000	151,983	(8,017)
Total franchise tax	<u>922,000</u>	<u>922,000</u>	<u>901,835</u>	<u>(20,165)</u>
<b>Fines and Fees</b>				
Municipal court fees	326,000	326,000	347,944	21,944
Deferred disposition fee	40,000	40,000	45,114	5,114
Court administrative fee	7,500	7,500	5,844	(1,656)
Extension fee - City	8,500	8,500	9,800	1,300
Warrant fees	81,200	81,200	77,004	(4,196)
ACO fees	2,500	2,500	1,636	(864)
Code compliance fine	6,500	6,500	4,842	(1,658)
Total fines and fees	<u>472,200</u>	<u>472,200</u>	<u>492,184</u>	<u>19,984</u>
<b>Licenses and Permits</b>				
Building permits	126,765	126,765	86,434	(40,331)
Mechanical permits	12,000	12,000	7,395	(4,605)
Appeal/variance permits	2,500	2,500	1,510	(990)
Plumbing permits	20,000	20,000	11,841	(8,159)
Electrical permits	56,500	56,500	46,668	(9,832)
Alarm permits	7,500	7,500	5,610	(1,890)
Sign permits	4,000	4,000	2,839	(1,161)
Garage sale permits	6,500	6,500	6,340	(160)
Curb and gutter permits	100	100	1,076	976
Miscellaneous permits	-	-	3,973	3,973
Demolition fees	1,500	1,500	600	(900)
Occupancy permits	45,000	45,000	47,875	2,875
Fence permits	4,000	4,000	3,810	(190)
Fire sprinkler system permits	12,000	12,000	2,300	(9,700)

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, 2016**

**Exhibit E-1 (Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES (Continued)</b>				
<b>Licenses and Permits (Continued)</b>				
Other license	\$ -	\$ -	\$ 875	\$ 875
Contractor registration fee	25,000	25,000	35,900	10,900
Fire inspections	15,000	15,000	18,430	3,430
Recreational license	5,000	5,000	7,000	2,000
Recreational machine permits	5,000	5,000	1,380	(3,620)
Platting fees	2,000	2,000	2,673	673
False Alarm Fine	2,000	2,000	1,925	(75)
Total licenses and permits	<u>352,365</u>	<u>352,365</u>	<u>296,454</u>	<u>(55,911)</u>
<b>Intergovernmental</b>	<u>34,000</u>	<u>34,000</u>	<u>36,000</u>	<u>2,000</u>
<b>Charges for Services</b>				
Copying Fee	100	100	3	(97)
Returned check fee	100	100	-	(100)
Building rental - cultural center	2,000	2,000	3,770	1,770
Building rental - recreation	22,000	22,000	13,580	(8,420)
Supervised recreation	46,000	46,000	38,375	(7,625)
Mowing fees	12,000	12,000	29,863	17,863
Gas well inspector fees	5,500	5,500	7,000	1,500
Animal control fees	17,000	17,000	11,937	(5,063)
Library revenue	13,500	13,500	17,052	3,552
Library memorial	50	50	-	(50)
Library processing	200	200	220	20
Reimburse lost/damaged books	400	400	234	(166)
Fingerprinting fees	300	300	550	250
Police report fees	500	500	616	116
Wrecker service fees	2,400	2,400	2,985	585
Credit card processing fees	-	-	940	940
Clearview kiosk signage	1,000	1,000	3,405	2,405
Total charges for services	<u>123,050</u>	<u>123,050</u>	<u>130,530</u>	<u>7,480</u>
<b>Oil and Gas Royalties</b>	<u>45,000</u>	<u>45,000</u>	<u>38,836</u>	<u>(6,164)</u>
<b>Investment Earnings</b>	<u>18,000</u>	<u>18,000</u>	<u>30,329</u>	<u>12,329</u>
<b>Other Revenue</b>				
Pay phone income	500	500	338	(162)
Council filing fee	150	150	126	(24)
Over/short	-	-	218	218
Interlocal radio support fee	5,000	5,000	5,000	-
Miscellaneous revenues	10,000	10,000	43,556	33,556
Total other revenue	<u>15,650</u>	<u>15,650</u>	<u>49,238</u>	<u>33,588</u>
Total revenues	<u>7,803,045</u>	<u>7,803,045</u>	<u>8,068,457</u>	<u>265,412</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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>EXPENDITURES</b>				
Current				
<b>General Government:</b>				
<b>City Council</b>				
Regular salaries	\$ -	\$ -	\$ (426)	\$ 426
Part-time temporary salaries	9,000	8,800	3,517	5,283
FICA	689	689	237	452
Workers' compensation	33	233	148	85
Unemployment insurance	378	378	44	334
Office supplies	3,000	3,000	1,994	1,006
Legal costs	36,400	63,594	63,594	0
Audit services	25,000	25,000	22,500	2,500
Professional services	18,500	42,856	42,856	(0)
Communications	2,834	2,934	2,838	96
Insurance	25,000	25,000	17,811	7,189
Dues/subscriptions/memberships	15,000	15,000	5,791	9,209
Marketing and promotional services	500	500	395	105
Travel and training	10,000	5,700	1,672	4,028
Appreciation	1,000	1,000	529	471
Plaques, awards and recognition	3,500	3,500	1,797	1,703
Hawaiian Falls escrow - 75% of sales tax	20,250	-	-	-
Community chest	1,500	1,500	716	784
City council reserve	52,418	25,318	-	25,318
Total City council	225,002	225,002	166,013	58,989
<b>Administration</b>				
Regular salaries	159,323	186,008	185,979	29
Overtime	-	1,700	1,699	1
Part-time temporary salaries	-	1,651	-	1,651
Certification pay	-	200	151	49
Longevity pay	346	350	348	2
FICA	12,215	12,615	11,622	993
TMRS	17,272	20,492	20,334	158
Workers' compensation	558	598	528	70
Unemployment insurance	300	480	473	7
Health insurance	-	3,212	2,942	270
Dental insurance	300	455	356	99
Life insurance	109	149	95	54
Office supplies	2,500	2,500	1,550	950
Postage and freight	155	155	50	105
Copy rental/lease	4,300	4,300	2,852	1,448
Communications	1,740	1,840	1,774	66
Dues/subscriptions/memberships	200	300	250	50
Marketing and promotional services	1,000	1,000	301	699
Travel and training	2,500	4,500	4,120	380
Employee appreciation	14,000	3,100	1,667	1,433

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, 2016**

**Exhibit E-1 (Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>Administration (Continued)</b>				
City manager reserve	\$ 52,418	\$ 23,631	\$ 986	\$ 22,645
Other professional services	2,000	2,000	547	1,453
Total administration	<u>271,236</u>	<u>271,236</u>	<u>238,624</u>	<u>32,612</u>
<b>City Secretary</b>				
Regular salaries	58,378	59,678	59,597	81
Certification pay	300	330	322	8
Longevity pay	364	364	364	-
FICA	4,517	4,517	4,424	93
TMRS	6,387	8,487	6,519	1,968
Workers' compensation	206	206	195	11
Unemployment insurance	300	300	171	129
Health insurance	6,416	7,216	7,165	51
Dental insurance	300	300	267	33
Life insurance	109	109	91	18
Office supplies	1,200	1,500	1,464	36
Postage and freight	160	160	120	40
Copy rental/lease	4,300	4,300	2,852	1,448
Election services	50,000	47,350	17,542	29,808
Other professional services	5,000	5,000	23	4,977
Communications	400	420	414	6
Dues/subscriptions/memberships	450	450	220	230
Travel and training	2,885	2,885	2,298	587
Advertisement/notices	10,500	10,500	7,701	2,799
Total City secretary	<u>152,172</u>	<u>154,072</u>	<u>111,749</u>	<u>42,323</u>
<b>Finance</b>				
Regular salaries	339,458	339,458	335,668	3,790
Overtime	10,415	10,415	4,959	5,456
Certification pay	4,200	4,400	4,351	49
Longevity pay	917	927	920	7
FICA	27,157	27,157	24,722	2,435
TMRS	38,401	38,401	37,412	989
Workers' compensation	1,240	1,240	1,174	66
Unemployment insurance	1,500	1,500	1,026	474
Health insurance	22,412	29,812	26,793	3,019
Dental insurance	1,500	1,500	1,335	165
Life insurance	545	545	401	144
Office supplies	4,000	7,100	7,030	70
Miscellaneous materials and supplies	-	400	390	10
Postage and freight	3,750	4,050	3,984	66
Copy rental/lease	1,850	1,850	1,242	608
Other professional services	47,000	47,000	43,541	3,459
Communications	2,100	2,100	1,156	944

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, 2016**

**Exhibit E-1 (Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>Finance (Continued)</b>				
Computer maintenance	\$ 20,000	\$ 8,590	\$ 3,376	\$ 5,214
Insurance	2,100	2,100	1,742	358
Dues/subscriptions/memberships	5,000	5,000	3,311	1,689
Travel and training	11,000	11,000	8,616	2,384
Advertisement/notices	4,000	4,000	168	3,832
Total finance	548,545	548,545	513,317	35,228
<b>Human Resources</b>				
Regular salaries	81,052	100,452	100,441	11
Part-time/temporary salaries	26,391	4,391	4,254	137
Longevity pay	535	537	536	1
FICA	8,261	7,839	7,838	1
TMRS	8,826	11,126	11,100	26
Workers' compensation	377	377	357	20
Unemployment insurance	900	700	174	526
Health insurance	6,398	7,298	7,253	45
Dental insurance	300	300	294	6
Life insurance	109.0	109.0	91.0	18.0
Office supplies	1,400	1,400	1,060	340
Education materials	4,000	4,000	1,980	2,020
Postage and freight	420	420	264	156
Legal services	5,000	5,000	3,623	1,377
Copier lease/rental	850	850	532	318
Other professional services	21,200	21,200	20,359	841
Communications	450	470	467	3
Insurance	2,750	2,750	2,626	124
Dues/subscriptions/memberships	265	265	75	190
Travel and training	1,400	1,400	175	1,225
Employee appreciation	500	500	164	336
Advertisement/notices	4,000	4,000	1,366	2,634
Plaques, awards & recognition	500	500	-	500
Total human resources	175,884	175,884	165,029	10,855
<b>Management Information Services</b>				
Regular salaries	88,713	100,013	99,941	72
Overtime	12,795	17,495	17,464	31
Longevity pay	356	356	356	-
FICA	7,793	8,493	8,436	57
TMRS	11,019	12,819	12,728	91
Workers' compensation	356	356	337	19
Unemployment insurance	600	600	446	154
Health insurance	8,040	12,140	12,118	22
Dental insurance	600	600	589	11
Life insurance	218	218	182	36

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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>Management Information Services (Continued)</b>				
Office supplies	\$ 3,000	\$ 3,200	\$ 3,154	\$ 46
Tools and equipment < \$5,000	500	500	-	500
Copier lease/rental	8,500	8,500	8,257	243
Other professional services	10,000	9,500	9,127	373
Communications	18,200	18,600	18,593	7
Computer maintenance	-	10,400	10,341	59
Equipment maintenance/repair	41,500	41,880	41,678	202
Dues/subscriptions/memberships	1,000	1,000	702	298
Travel and training	-	20	10	10
Total management information services	213,190	246,690	244,459	2,231
<b>Purchasing/Warehouse</b>				
Regular salaries	73,549	74,849	74,843	6
Overtime	1,909	1,909	211	1,698
Longevity pay	1,453	1,458	1,456	2
FICA	5,884	5,884	5,670	214
TMRS	8,320	8,320	8,278	42
Workers' compensation	4,434	4,434	4,197	237
Unemployment insurance	600	600	342	258
Health insurance	12,795	14,395	14,330	65
Dental insurance	600	600	589	11
Life insurance	218	218	182	36
Office supplies	1,500	1,100	394	706
Janitorial supplies	150	150	19	131
Building, electrical and plumbing supplies	500	900	847	53
Uniforms	500	500	162	338
Postage and freight	50	50	-	50
Fuel and lubricants	2,900	2,690	2,519	171
Safety supplies and equipment	100	100	24	76
Tools and equipment < \$5,000	2,000	2,000	62	1,938
Pest control services	100	100	61	39
Copier lease/rental	700	700	565	135
Other professional services	-	250	246	4
Communications	1,800	1,800	1,315	485
Utilities	6,030	6,030	4,188	1,842
Vehicle/equipment non-target	2,000	2,000	-	2,000
Vehicle maintenance/repairs	18,700	15,695	703	14,992
Equipment maintenance/repairs	400	400	107	293
Building maintenance and repair	1,000	1,000	-	1,000
Insurance	3,600	3,600	2,564	1,036
Dues/subscriptions/memberships	1,000	1,000	875	125
Travel and training	3,498	3,098	1,326	1,772
Advertisement/notices	400	850	844	6

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, 2016**

**Exhibit E-1 (Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>Purchasing/Warehouse (Continued)</b>				
Employee testing/physicals	\$ 100	\$ 100	\$ 40	\$ 60
First aid and medical supplies	250	260	257	3
Total purchasing/warehouse	<u>157,040</u>	<u>157,040</u>	<u>127,216</u>	<u>29,824</u>
<b>Municipal Facilities</b>				
Regular salaries	45,059	45,059	42,128	2,931
Overtime	1,014	1,014	315	699
Longevity pay	749	754	752	2
FICA	3,582	3,582	3,220	362
TMRS	5,065	5,065	4,683	382
Workers' compensation	2,006	2,006	1,899	107
Unemployment insurance	300	300	171	129
Health insurance	8,040	8,040	6,172	1,868
Dental insurance	300	300	200	100
Life insurance	109	109	91	18
Office supplies	1,500	1,500	1,216	284
Janitorial supplies	1,000	1,000	795	205
Building, electrical and plumbing supplies	2,000	2,400	2,312	88
Miscellaneous materials and supplies	1,000	1,000	726	274
Uniforms	750	750	81	669
Fuel and lubricants	2,000	2,000	1,483	517
Safety supplies and equipment	250	250	5	245
Tools and equipment < \$5,000	2,000	2,000	1,130	870
First aid and medical supplies	500	500	259	241
Janitorial services	12,000	12,000	9,853	2,147
Pest control services	600	600	381	219
Other professional services	3,000	3,000	2,405	595
Communications	500	500	274	226
Utilities	29,162	29,162	24,960	4,202
Vehicle/equipment non-target	500	500	-	500
Vehicle maintenance/repairs	7,100	7,100	3,356	3,744
Equipment maintenance/repairs	1,000	1,000	-	1,000
Building maintenance and repair	25,000	24,575	12,435	12,140
Rental equipment and building	250	250	-	250
Insurance	1,500	1,500	852	648
Travel and training	250	250	-	250
Employee testing/physicals	150	170	165	5
Total municipal facilities	<u>158,236</u>	<u>158,236</u>	<u>122,319</u>	<u>35,917</u>
<b>Total general government</b>	<u>1,901,305</u>	<u>1,936,705</u>	<u>1,688,726</u>	<u>247,979</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)**  
**General Fund**  
**For the Year Ended September 30, 2016**

**Exhibit E-1 (Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>Public Safety:</b>				
<b>Police Administration</b>				
Regular salaries	\$ 683,398	\$ 644,098	\$ 644,075	\$ 23
Overtime	12,378	18,778	18,701	77
Part-time temporary salaries	25,405	46,205	46,153	52
Certification pay	8,400	10,700	10,646	54
Longevity pay	7,224	7,224	7,212	12
FICA	56,366	55,966	55,963	3
TMRS	76,956	76,956	76,868	88
Workers' compensation	9,319	8,919	8,820	99
Unemployment insurance	5,389	3,489	3,420	69
Health insurance	101,133	129,833	129,765	68
Dental insurance	4,500	4,500	4,104	396
Life insurance	1,635	1,635	1,385	250
Office supplies	9,695	8,795	8,745	50
Janitorial supplies	1,428	1,428	1,293	135
Building, electrical and plumbing supplies	3,600	2,100	2,067	33
Batteries	200	200	-	200
Miscellaneous materials and supplies	8,800	6,300	6,247	53
Uniforms	2,550	2,570	2,565	5
Postage and freight	1,000	1,000	738	262
Fuel and lubricants	6,190	2,590	2,551	39
Safety supplies and equipment	590	600	596	4
Tools and equipment < \$5,000	2,000	15,500	15,481	19
First aid and medical supplies	1,000	1,000	764	236
Janitorial services	16,000	13,700	13,610	90
Pest control services	500	500	349	151
Copier lease/rental	5,000	8,859	8,767	92
Other professional services	-	1,183	1,083	100
Communications	8,350	8,550	8,546	4
Utilities	38,034	33,834	33,817	17
Vehicle/equipment non-target	650	50	-	50
Equipment maintenance/repairs	-	17	-	17
Building maintenance and repair	5,916	3,657	3,619	38
Insurance	33,000	22,900	22,895	5
Employee appreciation	1,000	600	571	29
Total police administration	1,137,606	1,144,236	1,141,416	2,820
<b>Police Patrol/CID</b>				
Regular salaries	1,998,189	2,019,789	2,019,766	23
Overtime	42,927	40,527	37,059	3,468
Certification pay	48,900	48,900	44,767	4,133
Longevity pay	17,002	17,002	16,644	358
FICA	161,187	161,187	157,825	3,362
TMRS	227,927	230,327	230,277	50
Workers' compensation	66,791	66,791	63,413	3,378

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, 2016**

**Exhibit E-1 (Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>Police Patrol/CID (Continued)</b>				
Unemployment insurance	\$ 9,600	\$ 9,600	\$ 5,814	\$ 3,786
Health insurance	221,811	219,381	209,006	10,375
Dental insurance	9,600	9,600	8,873	727
Life insurance	3,488	3,488	2,849	639
Office supplies	4,500	4,500	4,263	237
Shop and lab supplies	3,000	3,000	1,861	1,139
Photo and duplication supplies	1,000	1,000	78	922
Building, electrical and plumbing supplies	1,000	1,000	14	986
Batteries	1,500	2,085	2,084	1
Miscellaneous materials and supplies	2,000	2,000	695	1,305
Uniforms	5,000	5,000	2,329	2,671
Fuel and lubricants	85,000	59,000	41,867	17,133
Safety supplies and equipment	500	912	261	651
Tools and equipment < \$5,000	4,500	3,503	662	2,841
First aid and medical supplies	1,500	1,500	388	1,112
Other professional services	-	-	(165)	165
Vehicle/equipment non-target	8,170	8,170	5,379	2,791
Insurance	16,300	16,500	16,429	71
Total police patrol/CID	2,941,392	2,934,762	2,872,438	62,324
<b>Municipal Court</b>				
Regular salaries	86,182	89,182	89,140	42
Overtime	7,325	6,325	6,138	187
Certification pay	1,200	1,300	1,286	14
Longevity pay	918	918	916	2
FICA	7,315	7,315	7,257	58
TMRS	10,344	10,544	10,542	2
Workers' compensation	334	334	316	18
Unemployment insurance	600	600	342	258
Health insurance	12,858	14,358	14,330	28
Dental insurance	600	600	589	11
Life insurance	218	218	205	13
Office supplies	5,000	5,000	4,601	399
Miscellaneous materials and supplies	500	500	-	500
Uniforms	250	250	-	250
Postage and freight	2,600	2,600	2,214	386
Legal services	50,000	50,000	44,197	5,803
Copier lease/rental	700	700	355	345
Other professional services	1,800	1,800	1,450	350
Communications	1,100	1,100	-	1,100
Computer maintenance	3,500	3,500	2,639	861
Dues/subscriptions/memberships	1,000	1,000	359	641
Travel and training	5,000	1,200	915	285
Total municipal court	199,344	199,344	187,791	11,553

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, 2016**

**Exhibit E-1 (Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>City Marshal</b>				
Regular salaries	\$ 140,920	\$ 158,220	\$ 158,139	\$ 81
Overtime	-	300	231	69
Certification pay	2,400	2,400	1,925	475
Longevity pay	310	410	312	98
FICA	10,988	12,188	12,173	15
TMRS	15,537	17,437	17,359	78
Workers' compensation	4,625	4,625	4,377	248
Unemployment insurance	600	600	342	258
Health insurance	6,557	7,257	7,209	48
Dental insurance	600	600	294	306
Life insurance	218	218	68	150
Office supplies	1,000	1,000	790	210
Miscellaneous materials and supplies	200	200	-	200
Uniforms	1,000	4,300	4,237	63
Fuel and lubricants	4,400	1,000	777	223
Communications	2,400	1,800	1,786	14
Vehicle maintenance/repairs	2,650	3,550	3,491	59
Dues/subscriptions/memberships	500	500	256	244
Travel and training	2,500	2,700	2,652	48
Employee testing/physicals	300	300	95	205
Total city marshal	197,705	219,605	216,513	3,092
<b>Fire Department</b>				
Regular salaries	54,102	59,002	58,991	11
Overtime	-	200	163	37
Part-time temporary salaries	134,651	115,051	106,202	8,849
Certification pay	8,365	8,665	8,642	23
Longevity pay	104	104	104	-
FICA	15,087	15,087	13,319	1,768
TMRS	6,769	7,069	7,035	34
Workers' compensation	3,061	3,061	73	2,988
Unemployment insurance	5,400	5,400	1,622	3,778
Health insurance	6,398	7,998	7,913	85
Dental insurance	300	300	294	6
Life insurance	109	109	91	18
Volunteer injury insurance	6,754	6,754	6,432	322
Volunteer worker's compensation	8,500	8,500	6,870	1,630
Volunteer fire retirement	4,800	4,800	4,800	-
Office supplies	2,200	2,200	1,116	1,084
Janitorial supplies	1,200	1,200	691	509
Building, electrical and plumbing supplies	450	450	332	118
Batteries	300	300	4	296
Miscellaneous materials and supplies	2,500	2,500	1,119	1,381
Uniforms	7,000	8,700	8,621	79

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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>Fire Department (Continued)</b>				
Postage and freight	\$ 165	\$ 165	\$ 154	\$ 11
Fuel and lubricants	18,750	18,750	10,429	8,321
Safety supplies and equipment	23,500	23,500	16,074	7,426
Tools and equipment < \$5,000	3,500	12,200	12,131	69
Chemicals	250	250	-	250
EMO Supplies	820	820	198	622
First aid and medical supplies	4,000	4,000	196	3,804
Janitorial services	200	200	-	200
Pest control services	300	300	229	71
Copier lease/rental	1,500	1,500	1,418	82
Other professional services	1,000	2,400	2,375	25
Hazmat clean-up	2,000	2,000	-	2,000
Communications	950	950	274	676
Utilities	17,461	17,461	15,180	2,281
Vehicle/equipment non-target	3,550	1,328	325	1,003
Vehicle maintenance/repairs	39,850	39,850	38,558	1,292
Equipment maintenance/repairs	15,000	15,000	12,811	2,189
Building maintenance and repair	3,000	3,000	2,355	645
Insurance	13,800	13,800	11,175	2,625
Dues/subscriptions/memberships	1,885	2,285	2,285	-
Marketing and promotional services	3,000	1,700	897	803
Travel and training	7,000	7,000	2,914	4,086
VFD utility service	20,000	20,000	14,831	5,169
Employee testing/physicals	700	700	170	530
Firefighter incentive program	196,500	197,900	197,895	5
Total fire department	646,731	644,509	577,308	67,201
<b>Code Compliance</b>				
Regular salaries	246,616	242,806	234,206	8,600
Overtime	3,031	3,631	2,269	1,362
Certification pay	1,800	2,050	1,015	1,035
Longevity pay	1,062	1,087	909	178
FICA	19,317	20,817	17,974	2,843
TMRS	27,315	29,465	25,605	3,860
Workers' compensation	1,558	1,713	1,475	238
Unemployment insurance	1,800	2,100	1,374	726
Health insurance	28,764	32,714	29,693	3,021
Dental insurance	1,800	1,950	1,440	510
Life insurance	654	709	502	207
Office supplies	3,000	3,000	2,736	264
Photo and duplication supplies	2,500	3,810	3,582	228
Uniforms	1,000	1,000	810	190
Postage and freight	3,100	3,100	3,003	97
Fuel and lubricants	3,500	3,500	2,287	1,213

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, 2016**

**Exhibit E-1 (Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>Code Compliance (Continued)</b>				
Tools and equipment < \$5,000	\$ 500	\$ 2,250	\$ 1,329	\$ 921
Legal services	2,000	150	-	150
Copier lease/rental	2,500	5,900	4,851	1,049
Other professional services	5,500	15,200	11,343	3,857
Demolitions and lot clearing	50,000	63,800	61,795	2,005
Communications	2,100	2,300	2,206	94
Computer maintenance	3,650	3,440	3,299	141
Vehicle/equipment non-target	450	450	16	434
Vehicle maintenance/repairs	10,230	5,830	5,313	517
Equipment maintenance/repairs	-	100	96	4
Insurance	1,600	1,600	896	704
Dues/subscriptions/memberships	500	500	296	204
Travel and training	3,000	1,600	1,553	47
Advertisement/notices	5,000	5,800	5,780	20
Employee testing/physicals	200	400	340	60
Total code compliance	434,047	462,772	427,993	34,779
<b>Total public safety</b>	5,556,825	5,605,228	5,423,459	181,769
<b>Public Works:</b>				
<b>Streets and Drainage</b>				
Regular salaries	188,112	153,812	136,886	16,926
Overtime	10,202	10,202	3,922	6,280
Part-time/temporary salaries	18,252	18,252	18,076	176
Certification pay	2,100	2,100	497	1,603
Longevity pay	705	705	608	97
FICA	16,782	16,782	11,585	5,197
TMRS	21,721	21,721	15,387	6,334
Workers' compensation	17,942	17,942	16,981	961
Unemployment insurance	2,100	2,100	1,026	1,074
Health insurance	38,366	38,366	36,405	1,961
Dental insurance	1,800	1,800	1,034	766
Life insurance	654	654	365	289
Office supplies	200	200	65	135
Janitorial supplies	200	200	171	29
Building, electrical and plumbing supplies	200	200	-	200
Batteries	250	250	126	124
Miscellaneous materials and supplies	500	500	311	189
Uniforms	2,500	2,500	1,245	1,255
Fuel and lubricants	19,500	19,500	9,225	10,275
Safety supplies and equipment	3,000	3,000	2,396	604
Tools and equipment < \$5,000	5,000	5,090	5,088	2
Chemicals	2,000	2,000	639	1,361
Parts for equipment	2,000	2,000	433	1,567

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, 2016**

**Exhibit E-1 (Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>Streets and Drainage (Continued)</b>				
Street maintenance	\$ 75,000	\$ 75,000	\$ 34,174	\$ 40,826
Street sign supplies	6,500	6,500	4,510	1,990
First aid and medical supplies	250	260	257	3
Sanitation services	8,500	8,500	-	8,500
Pest control service	100	100	61	39
Copier lease/rental	700	700	565	135
Street lights and signals	135,000	139,600	126,488	13,112
Other professional services	2,000	2,000	801	1,199
Communications	8,300	8,300	1,315	6,985
Utilities	1,717	1,717	830	887
Vehicle/equipment non-target	5,000	5,000	10	4,990
Vehicle maintenance/repairs	62,000	28,500	16,330	12,170
Equipment maintenance/repairs	1,500	7,300	7,236	64
Building maintenance and repair	1,000	1,000	26	974
Building and equipment rental	2,000	2,000	-	2,000
Insurance	12,700	12,700	12,112	588
Dues/subscriptions/memberships	250	250	-	250
Travel and training	1,440	1,440	6	1,434
Employee testing/physicals	1,000	1,000	410	590
Total streets and drainage	679,043	621,743	467,602	154,141
<b>Total public works</b>	679,043	621,743	467,602	154,141
<b>Public Health:</b>				
<b>Animal Control</b>				
Regular salaries	107,879	107,879	102,978	4,901
Overtime	6,805	6,805	2,465	4,340
Certification pay	3,600	3,600	2,708	892
Longevity pay	974	974	532	442
FICA	9,123	9,123	7,973	1,150
TMRS	12,901	12,901	11,774	1,127
Workers' compensation	4,775	4,775	4,519	256
Unemployment insurance	900	900	554	346
Health insurance	20,723	20,723	20,338	385
Dental insurance	900	900	834	66
Life insurance	327	327	258	69
Office supplies	4,500	3,200	3,178	22
Janitorial supplies	3,500	3,500	1,745	1,755
Building, electrical and plumbing supplies	3,000	3,000	1,667	1,333
Miscellaneous materials and supplies	11,000	6,000	5,288	712
Uniforms	1,250	1,250	559	691
Postage and freight	260	260	69	191
Fuel and lubricants	2,600	2,600	2,036	564
Safety supplies and equipment	900	900	89	811

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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>Animal Control (Continued)</b>				
Tools and equipment < \$5,000	\$ 5,250	\$ 3,250	\$ 1,196	\$ 2,054
Street sign supplies	200	200	54	146
First aid and medical supplies	4,500	4,500	1,885	2,615
Pest control service	300	500	374	126
Copier lease/rental	400	400	177	223
Other professional services	7,000	9,700	9,628	72
Communications	1,700	1,700	1,513	187
Utilities	21,557	21,557	19,308	2,249
Vehicle/equipment non-target	500	500	-	500
Vehicle maintenance/repairs	6,850	2,850	1,953	897
Equipment maintenance/repairs	800	-	-	-
Building maintenance and repair	5,000	14,700	14,621	79
Rental equipment and building	250	250	-	250
Insurance	3,400	4,200	3,783	417
Dues/subscriptions/memberships	200	200	11	189
Travel and training	750	450	427	23
Employee testing/physicals	250	250	245	5
Total animal control	254,824	254,824	224,739	30,085
<b>Total public health</b>	254,824	254,824	224,739	30,085
<b>Culture and Recreation:</b>				
<b>Senior Services</b>				
Regular salaries	194,212	181,162	179,987	1,175
Overtime	7,927	1,877	474	1,403
Part-time temporary salaries	-	9,500	9,489	11
Certification pay	-	200	122	78
Longevity pay	2,656	2,656	1,980	676
FICA	15,667	15,667	14,457	1,210
TMRS	22,154	22,154	19,755	2,399
Workers' compensation	2,308	2,308	2,184	124
Unemployment insurance	1,500	1,500	1,014	486
Health insurance	19,256	25,256	25,189	67
Dental insurance	1,500	1,500	1,292	208
Life insurance	545	545	297	248
Office supplies	1,850	1,850	1,654	196
Janitorial supplies	1,280	1,280	1,016	264
Building, electrical and plumbing supplies	150	350	271	79
Landscaping supplies	500	500	-	500
Miscellaneous materials and supplies	300	300	210	90
Postage and freight	220	220	91	129
Fuel and lubricants	5,800	5,800	2,920	2,880
Safety supplies and equipment	75	75	-	75
Computer parts and software	-	1,300	1,208	92

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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>Senior Services (Continued)</b>				
Senior special supplies	\$ -	\$ 100	\$ 83	\$ 17
First aid and medical supplies	1,000	1,000	-	1,000
Janitorial services	10,000	9,600	7,664	1,936
Pest control service	600	600	584	16
Copier lease/rental	1,200	1,400	1,342	58
Other professional services	2,600	3,800	3,757	43
Communications	850	850	608	242
Utilities	20,489	20,889	20,806	83
Computer maintenance	2,300	2,300	1,565	735
Vehicle/equipment non-target	1,000	1,000	2	998
Vehicle maintenance/repairs	6,900	7,300	7,230	70
Equipment maintenance/repairs	300	300	-	300
Building maintenance and repair	2,000	2,000	1,483	517
Insurance	5,000	5,000	4,323	677
Dues/subscriptions/memberships	245	245	-	245
Travel and training	1,580	1,580	649	931
Marketing and promotional services	700	700	-	700
Advertisement/notices	250	250	-	250
Employee testing/physicals	500	500	250	250
Total senior services	335,414	335,414	313,956	21,458
<b>Parks Maintenance</b>				
Regular salaries	154,409	166,909	166,846	63
Overtime	8,471	8,471	5,581	2,890
Part-time temporary salaries	-	9,000	8,929	71
Longevity pay	1,999	1,999	1,644	355
FICA	12,797	13,197	13,177	20
TMRS	18,095	19,095	19,086	9
Workers' compensation	5,465	5,465	5,172	293
Unemployment insurance	900	900	851	49
Health insurance	22,352	27,652	27,630	22
Dental insurance	750	950	928	22
Life insurance	273	373	358	15
Vehicle allowance	2,400	2,600	2,572	28
Office supplies	700	700	504	196
Janitorial supplies	1,000	1,600	1,134	466
Building, electrical and plumbing supplies	300	300	3	297
Landscaping supplies	2,950	1,750	900	850
Miscellaneous materials and supplies	1,350	1,350	637	713
Uniforms	1,000	1,000	370	630
Fuel and lubricants	7,000	7,000	4,671	2,329
Safety supplies and equipment	500	500	118	382
Tools and equipment < \$5,000	6,100	6,100	4,520	1,580
Chemicals	500	500	-	500

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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>Parks Maintenance (Continued)</b>				
Parts for equipment	\$ 1,300	\$ 1,900	\$ 1,814	\$ 86
Computer parts and software	-	400	360	40
First aid and medical supplies	250	250	-	250
Pest control service	400	400	150	250
Copier lease/rental	700	700	177	523
Other professional services	41,850	32,150	30,158	1,992
Communications	2,200	2,200	1,550	650
Utilities	1,500	2,000	1,948	52
Vehicle/equipment non-target	1,000	1,000	223	777
Vehicle maintenance/repairs	29,700	7,200	6,693	507
Equipment maintenance/repairs	1,000	4,000	3,430	570
Building and equipment rental	7,500	6,900	4,458	2,442
Insurance	6,200	6,200	5,746	454
Dues/subscriptions/memberships	350	390	390	-
Travel and training	1,000	645	218	427
Employee testing/physicals	300	815	740	75
Total parks maintenance	344,561	344,561	323,686	20,875
<b>Recreation</b>				
Regular salaries	77,053	82,253	82,204	49
Overtime	6,935	8,735	8,710	25
Part-time temporary salaries	33,859	33,859	31,242	2,617
Certification pay	-	100	86	14
Longevity pay	354	354	256	98
FICA	9,042	9,242	9,194	48
TMRS	9,113	9,913	9,848	65
Workers' compensation	3,862	3,862	3,655	207
Unemployment insurance	1,200	1,200	673	527
Health insurance	12,795	14,495	14,418	77
Dental insurance	600	600	589	11
Life insurance	218	218	182	36
Office supplies	2,000	2,400	2,299	101
Janitorial supplies	700	2,700	1,842	858
Building, electrical and plumbing supplies	1,500	1,500	1,180	320
Miscellaneous materials and supplies	18,000	10,300	10,061	239
Uniforms	650	650	612	38
Postage and freight	220	220	81	139
Tools and equipment < \$5,000	2,000	1,600	-	1,600
Street sign supplies	150	950	872	78
First aid and medical supplies	300	300	260	40
Pest control service	300	300	229	71
Copier lease/rental	1,800	1,800	1,331	469
Other professional services	2,000	2,000	1,618	382
Program instructors	30,000	29,133	26,854	2,279

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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>Recreation (Continued)</b>				
Communications	\$ 850	\$ 1,100	\$ 1,039	\$ 61
Utilities	22,506	22,506	21,367	1,139
Computer maintenance	6,200	6,200	1,325	4,875
Vehicle maintenance/repairs	-	417	390	27
Building maintenance and repair	11,500	6,600	6,552	48
Rental equipment and building	400	400	376	24
Insurance	2,200	2,200	2,100	100
Dues/subscriptions/memberships	910	910	50	860
Marketing & promotional service	1,200	1,400	1,356	44
Travel and training	575	575	493	82
Employee testing/physicals	400	400	170	230
Total recreation	261,392	261,392	243,514	17,878
<b>Library</b>				
Regular salaries	177,296	177,296	159,342	17,954
Overtime	-	1,200	1,167	33
Part-time temporary salaries	87,899	79,499	65,079	14,420
Longevity pay	1,426	1,426	1,416	10
FICA	20,397	20,397	17,107	3,290
TMRS	19,333	19,333	18,471	862
Workers' compensation	972	972	920	52
Unemployment insurance	3,000	3,000	1,502	1,498
Health insurance	25,580	30,480	30,428	52
Dental insurance	1,200	1,200	974	226
Life insurance	436	436	312	124
Office supplies	6,000	6,000	4,676	1,324
Janitorial supplies	750	750	643	107
Building, electrical, and plumbing supplies	-	100	38	62
Landscaping supplies	300	300	20	280
Miscellaneous materials and supplies	5,550	5,450	3,963	1,487
Uniforms	300	300	71	229
Postage and freight	2,500	2,500	1,870	630
Computer parts and software	5,000	5,100	5,084	16
Books	24,500	24,500	17,776	6,724
First aid and medical supplies	100	100	-	100
Janitorial services	14,000	14,000	11,385	2,615
Copier lease/rental	6,500	7,900	7,841	59
Other professional services	2,500	2,300	210	2,090
Other leases/books	8,715	8,936	8,894	42
Communications	2,550	2,550	2,482	68
Utilities	17,020	17,220	17,189	31
Equipment maintenance/repairs	2,000	2,000	1,235	765
Building maintenance and repair	1,000	1,000	555	445
Insurance	3,200	3,200	3,073	127

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, 2016**

**Exhibit E-1 (Continued)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>Library (Continued)</b>				
Dues/subscriptions/memberships	\$ 5,000	\$ 5,300	\$ 5,212	\$ 88
Marketing and promotional services	3,500	3,600	3,515	85
Travel and training	700	879	-	879
Employee testing/physicals	150	150	85	65
Total library	<u>449,374</u>	<u>449,374</u>	<u>392,535</u>	<u>56,839</u>
<b>Pride Commission</b>				
Office Supplies	100	100	16	84
Landscaping supplies	2,000	1,900	1,715	185
Street sign supplies	500	800	671	129
Dues/subscriptions/memberships	120	120	100	20
Marketing & promotional services	4,780	4,580	4,559	21
Total Pride Commission	<u>7,500</u>	<u>7,500</u>	<u>7,061</u>	<u>439</u>
<b>Total culture and recreation</b>	<u>1,398,241</u>	<u>1,398,241</u>	<u>1,280,752</u>	<u>117,489</u>
<b>Non Departmental</b>				
Insurance claims paid	<u>50,000</u>	<u>50,000</u>	<u>462,424</u>	<u>(412,424)</u>
<b>Total non departmental</b>	<u>50,000</u>	<u>50,000</u>	<u>462,424</u>	<u>(412,424)</u>
<b>Total expenditures</b>	<u>9,840,238</u>	<u>9,866,741</u>	<u>9,547,702</u>	<u>319,039</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(2,037,193)	(2,063,696)	(1,479,245)	584,451
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from insurance refunds/claims	50,000	50,000	24,882	(25,118)
Proceeds from sale of general capital assets	28,000	28,000	59,219	31,219
Transfers in:				
Administrative cost share water/sewer fund	652,800	652,800	652,800	-
Administrative cost share stormwater utility	100,000	100,000	100,000	-
Administrative cost share economic develop	48,265	48,265	54,961	6,696
Administrative cost share crime district fund	48,750	48,750	53,051	4,301
Administrative cost share refuse	40,200	40,200	40,200	-
Administrative cost share customer service	77,000	77,000	77,000	-
Crime district	667,000	667,000	667,166	166
Library endowment	-	-	32,524	32,524
Senior services endowment	-	-	27,628	27,628
Total transfers in	<u>1,634,015</u>	<u>1,634,015</u>	<u>1,705,330</u>	<u>71,315</u>
Transfers out	<u>-</u>	<u>(2,460,956)</u>	<u>(602,663)</u>	<u>1,858,293</u>
<b>Total other financing sources (uses)</b>	<u>1,712,015</u>	<u>(748,941)</u>	<u>1,186,768</u>	<u>1,935,709</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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>NET CHANGE IN FUND BALANCES</b>	\$ (325,178)	\$ (2,812,637)	\$ (292,477)	\$ 2,520,160
<b>FUND BALANCE, OCTOBER 1, 2015-RESTATE</b>	<u>10,682,550</u>	<u>10,682,550</u>	<u>10,682,550</u>	<u>-</u>
<b>FUND BALANCE, SEPTEMBER 30, 2016</b>	<u>\$ 10,357,372</u>	<u>\$ 7,869,913</u>	<u>\$ 10,390,073</u>	<u>\$ 2,520,160</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)**

**Economic Development Corporation**

**For the Year Ended September 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Sales and use taxes	\$ 965,291	\$ 965,291	\$ 1,093,220	\$ 127,929
Charges for services	1,100,900	1,100,900	219,047	(881,853)
Investment earnings	4,200	4,200	3,835	(365)
Other revenue	30,425	30,425	8,655	(21,770)
Total revenues	<u>2,100,816</u>	<u>2,100,816</u>	<u>1,324,757</u>	<u>(776,059)</u>
<b>EXPENDITURES</b>				
Current				
<b>Economic Development:</b>				
<b>Operational</b>				
Business incentive grants	\$ 100,000	\$ 100,000	\$ 69,778	\$ 30,222
Financial assistance projects	100,000	93,300	-	93,300
Total operational	<u>200,000</u>	<u>193,300</u>	<u>69,778</u>	<u>123,522</u>
<b>Director</b>				
Regular salaries	78,070	78,870	78,856	14
Certification pay	900	1,000	965	35
Longevity pay	347	447	348	99
FICA	6,343	6,343	5,958	385
TMRS	8,970	9,170	9,087	83
Workers' compensation	290	290	274	16
Unemployment insurance	300	300	171	129
Health insurance	7,959	8,859	8,793	66
Dental insurance	300	300	294	6
Life insurance	109	109	91	18
Vehicle allowance	3,600	3,900	3,858	42
Office supplies	1,500	1,500	(112)	1,612
Postage and freight	375	375	50	325
Legal	1,000	1,000	-	1,000
Other professional services	500	500	-	500
Communications	800	1,100	1,006	94
Dues/subscriptions/memberships	600	600	30	570
Marketing and promotional services	15,000	15,000	12,773	2,227
Travel and training	4,500	4,200	143	4,057
Hawaiian Falls escrow sales tax	10,125	7,725	-	7,725
Total director	<u>141,588</u>	<u>141,588</u>	<u>122,585</u>	<u>19,003</u>
<b>Total economic development</b>	<u>341,588</u>	<u>334,888</u>	<u>192,363</u>	<u>142,525</u>
<b>Culture and Recreation:</b>				
<b>Parks Operational</b>				
Regular salaries	200,269	200,269	150,613	49,656
Overtime	7,933	7,933	6,509	1,424
Part-time temporary salaries	17,846	17,846	12,330	5,516
Certification pay	300	300	-	300
Longevity pay	1,282	1,282	1,220	62
FICA	17,414	17,414	12,168	5,246

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

**CITY OF WHITE SETTLEMENT, TEXAS** **Exhibit E-2 (Continued)**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)**  
**Economic Development Corporation**  
**For the Year Ended September 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>EXPENDITURES (Continued)</b>				
Current (Continued)				
<b>Parks Operational (Continued)</b>				
TMRS	\$ 22,626	\$ 22,626	\$ 17,128	\$ 5,498
Workers' compensation	7,437	7,437	7,039	398
Unemployment insurance	2,100	2,100	824	1,276
Health insurance	38,326	38,326	31,944	6,382
Dental insurance	1,800	1,800	1,218	582
Life Insurance	654	654	380	274
Office supplies	900	900	588	312
Janitorial supplies	6,000	6,000	4,924	1,076
Building, electrical and plumbing supplies	8,000	8,000	3,186	4,814
Landscaping supplies	11,000	11,000	8,015	2,985
Miscellaneous materials and supplies	19,500	19,500	12,231	7,269
Uniforms	1,800	1,800	496	1,304
Fuel and lubricants	6,200	6,200	3,618	2,582
Safety supplies and equipment	500	500	90	410
Tools and equipment < \$5,000	2,500	2,500	1,345	1,155
Chemicals	5,500	5,500	2,452	3,048
Parts for equipment	1,200	1,200	755	445
Street/park sign supplies	2,500	2,500	946	1,554
First aid and medical supplies	400	400	-	400
Active processing fees	-	100	13	87
Pest control services	700	700	315	385
Unpires/scorers	8,000	9,500	9,013	487
Other professional services	50,000	50,000	46,800	3,200
Communications	4,000	4,000	3,023	977
Utilities	193,331	193,331	164,352	28,979
Parks maintenance	60,000	56,800	18,391	38,409
Vehicle maintenance/repairs	29,700	27,900	6,983	20,917
Equipment maintenance/repairs	2,500	5,900	5,868	32
Building maintenance and repair	14,000	14,000	7,750	6,250
Vehicle/equipment non-target	3,000	3,000	-	3,000
Rental equipment and building	2,500	2,500	-	2,500
Insurance	6,800	6,800	5,941	859
Dues/subscriptions/memberships	920	920	764	156
Awards packages	9,000	9,000	3,706	5,294
Marketing and promotional services	11,000	11,000	430	10,570
Travel and training	950	950	-	950
Employee testing/physicals	700	700	-	700
Total parks operational	781,088	781,088	553,368	227,720
<b>Total culture and recreation</b>	781,088	781,088	553,368	227,720

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

**CITY OF WHITE SETTLEMENT, TEXAS** **Exhibit E-2 (Continued)**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)**  
**Economic Development Corporation**  
**For the Year Ended September 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>Non Departmental</b>				
Insurance claims paid	\$ -	\$ -	\$ 6,250	\$ (6,250)
<b>Total non departmental</b>	<u>-</u>	<u>-</u>	<u>6,250</u>	<u>(6,250)</u>
<b>Debt Service:</b>				
Principal	405,000	405,000	405,000	-
Interest and fiscal charges	622,355	622,355	622,355	-
<b>Total debt service</b>	<u>1,027,355</u>	<u>1,027,355</u>	<u>1,027,355</u>	<u>-</u>
<b>Total expenditures</b>	<u>2,150,031</u>	<u>2,143,331</u>	<u>1,779,336</u>	<u>363,995</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (49,215)	\$ (42,515)	\$ (454,579)	\$ (412,064)
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from sale of capital assets	500	500	-	(500)
Transfers out:				
Administrative cost share to general fund	(48,265)	(54,965)	(54,961)	4
Total transfers out	<u>(48,265)</u>	<u>(54,965)</u>	<u>(54,961)</u>	<u>4</u>
Total other financing sources (uses)	<u>(47,765)</u>	<u>(54,465)</u>	<u>(54,961)</u>	<u>(496)</u>
<b>NET CHANGE IN FUND BALANCES</b>	(96,980)	(96,980)	(509,540)	(412,560)
<b>FUND BALANCE, OCTOBER 1, 2015-RESTATE</b>	<u>3,265,247</u>	<u>3,265,247</u>	<u>3,265,247</u>	<u>-</u>
<b>FUND BALANCE, SEPTEMBER 30, 2016</b>	<u><u>\$ 3,168,267</u></u>	<u><u>\$ 3,168,267</u></u>	<u><u>\$ 2,755,707</u></u>	<u><u>\$ (412,560)</u></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	2015
<b>Total Pension Liability</b>		
Service Cost	\$ 611,630	\$ 713,205
Interest (on the Total Pension Liability)	1,600,861	1,696,468
Changes of benefit terms (TMRS Plan Participation)	-	-
Difference between expected and actual experience	28,147	(196,008)
Change of assumptions	-	46,941
Benefit payments, including refunds of employee contributions	(892,005)	(959,214)
Net Change in Total Pension Liability	1,348,633	1,301,392
Total Pension Liability - Beginning	23,009,625	24,358,258
Total Pension Liability - Ending	\$ 24,358,258	\$ 25,659,650
 <b>Plan Fiduciary Net Position</b>		
Contributions - Employer	\$ 643,713	\$ 661,737
Contributions - Employee	315,411	306,360
Net Investment Income	1,163,983	31,821
Benefit payments, including refunds of employee contributions	(892,005)	(959,214)
Administrative Expense	(12,153)	(19,382)
Other	(999)	(958)
Net Change in Plan Fiduciary Net Position	1,217,950	20,364
Plan Fiduciary Net Position - Beginning	20,347,179	21,565,129
Plan Fiduciary Net Position - Ending	\$ 21,565,129	\$ 21,585,493
 <b>Net Pension Liability - Ending</b>	\$ 2,793,129	\$ 4,074,157
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.53%	84.12%
 Covered Employee Payroll	\$ 5,973,238	\$ 6,127,191
 Net Pension Liability as a Percentage of Covered Employee Payroll	46.76%	66.49%

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**

	<u>2014</u>	<u>2015</u>	<u>2016</u>
Actuarially Determined Contribution	\$ 591,914	\$ 651,832	\$ 655,291
Contributions in relation to the actuarially determined contribution	<u>\$ 591,914</u>	<u>\$ 651,832</u>	<u>\$ 655,291</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 5,684,882	\$ 6,056,693	\$ 6,147,865
Contributions as a percentage of covered employee payroll	10.41%	10.76%	10.66%

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, 2016**

**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, Street Improvement Fund, and Economic Development Corporation. 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, 2016**

**C. Excess of Expenditures Over Appropriations**

The expenditures of the general fund were greater less appropriations by \$407,011.

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		
Non Departmental	Insurance claims paid	\$ 412,424
Economic Development Corporation		
Non Departmental	Insurance claims paid	6,250

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	30 years
Asset Valuation Method	10 Year smoothed market; 15% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 10.50% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2015 valuation pursuant to an experience study of the period 2010-2014
Mortality	RP2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB

**Other Information:**

Notes There were no benefit changes during the year.

**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Nonmajor Governmental Funds**  
**Combining Balance Sheet**  
**September 30, 2016**

	Special Revenue Funds				
	Occupancy Tax	Crime District	Friends of Library	Other Special Revenue	Total Special Revenue
<b>Assets:</b>					
Cash and investments	\$ 765,439	\$ 548,997	\$ 24,117	\$ 205,391	\$1,543,944
Receivables (Net of allowances for uncollectibles)					
Franchise taxes	-	-	-	-	-
Miscellaneous	74,171	-	-	-	74,171
Due from other governments	-	183,761	-	1,381	185,142
<b>Restricted Assets:</b>					
Cash and investments	-	-	-	46,187	46,187
<b>Total assets</b>	<u>\$ 839,610</u>	<u>\$ 732,758</u>	<u>\$ 24,117</u>	<u>\$ 252,959</u>	<u>\$1,849,444</u>
<b>Liabilities, deferred inflows and fund balance:</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 312	\$ 7,877	\$ 9	\$ 1,217	\$ 9,415
<b>Total liabilities</b>	<u>312</u>	<u>7,877</u>	<u>9</u>	<u>1,217</u>	<u>9,415</u>
<b>Deferred inflows:</b>					
<b>Fund balance:</b>					
Restricted	839,298	724,881	24,108	251,742	1,840,029
Committed	-	-	-	-	-
<b>Total fund balances</b>	<u>839,298</u>	<u>724,881</u>	<u>24,108</u>	<u>251,742</u>	<u>1,840,029</u>
<b>Total liabilities, deferred inflows and fund balances</b>	<u>\$ 839,610</u>	<u>\$ 732,758</u>	<u>\$ 24,117</u>	<u>\$ 252,959</u>	<u>\$1,849,444</u>

**Exhibit F-1**

Capital Projects Fund	Permanent Funds			Total Nonmajor Funds
Street Improvement	Library Endowment	Senior Services Endowment	Total Permanent	
\$1,530,625	\$ -	\$ -	\$ -	\$3,074,569
21,819	-	-	-	21,819
-	-	-	-	74,171
-	-	-	-	185,142
-	-	-	-	46,187
<u>\$1,552,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,401,888</u>
\$ 356	\$ -	\$ -	\$ -	\$ 9,771
<u>356</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,771</u>
-	-	-	-	1,840,029
<u>1,552,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,552,088</u>
<u>1,552,088</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,392,117</u>
<u>\$1,552,444</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,401,888</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, 2016**

	Special Revenue Funds				Total Special Revenue
	Occupancy Tax	Crime District	Friends of Library	Other Special Revenue	
Revenues:					
Sales and use taxes	\$ -	\$1,088,398	\$ -	\$ -	\$1,088,398
Franchise taxes	-	-	-	-	-
Hotel occupancy tax	318,010	-	-	-	318,010
Intergovernmental	-	-	-	56,910	56,910
Investment earnings	2,081	1,322	62	549	4,014
Other	-	100	580	105,931	106,611
Total revenue	<u>320,091</u>	<u>1,089,820</u>	<u>642</u>	<u>163,390</u>	<u>1,573,943</u>
Expenditures:					
Current:					
Public Safety	-	251,528	-	62,310	313,838
Public Works	-	-	-	-	-
Culture and recreation	<u>115,240</u>	<u>-</u>	<u>3,493</u>	<u>701</u>	<u>119,434</u>
Total expenditures	<u>115,240</u>	<u>251,528</u>	<u>3,493</u>	<u>63,011</u>	<u>433,272</u>
Excess (deficiency) of revenues over (under) expenditures	<u>204,851</u>	<u>838,292</u>	<u>(2,851)</u>	<u>100,379</u>	<u>1,140,671</u>
Other financing sources (uses):					
Transfers in	-	-	-	2,056	2,056
Transfers out	<u>(50,000)</u>	<u>(720,051)</u>	<u>-</u>	<u>-</u>	<u>(770,051)</u>
Total other financing sources (uses):	<u>(50,000)</u>	<u>(720,051)</u>	<u>-</u>	<u>2,056</u>	<u>(767,995)</u>
Net change in fund balances	154,851	118,241	(2,851)	102,435	372,676
Fund Balance, October 1, 2015	<u>684,447</u>	<u>606,640</u>	<u>26,959</u>	<u>149,307</u>	<u>1,467,353</u>
Fund Balance, September 30, 2016	<u>\$ 839,298</u>	<u>\$ 724,881</u>	<u>\$ 24,108</u>	<u>\$ 251,742</u>	<u>\$1,840,029</u>

**Exhibit F-2**

Capital Projects Fund	Permanent Funds			Total Nonmajor Funds
	Street Improvement	Library Endowment	Senior Services Endowment	
\$ -	\$ -	\$ -	\$ -	\$1,088,398
314,941	-	-	-	314,941
-	-	-	-	318,010
-	-	-	-	56,910
4,144	-	2	2	8,160
-	-	-	-	106,611
<u>319,085</u>	<u>-</u>	<u>2</u>	<u>2</u>	<u>1,893,030</u>
-	-	-	-	313,838
90,470	-	-	-	90,470
-	578	581	1,159	120,593
<u>90,470</u>	<u>578</u>	<u>581</u>	<u>1,159</u>	<u>524,901</u>
<u>228,615</u>	<u>(578)</u>	<u>(579)</u>	<u>(1,157)</u>	<u>1,368,129</u>
-	-	-	-	2,056
(75,000)	(32,524)	(27,628)	(60,152)	(905,203)
<u>(75,000)</u>	<u>(32,524)</u>	<u>(27,628)</u>	<u>(60,152)</u>	<u>(903,147)</u>
153,615	(33,102)	(28,207)	(61,309)	464,982
<u>1,398,473</u>	<u>33,102</u>	<u>28,207</u>	<u>61,309</u>	<u>2,927,135</u>
<u>\$1,552,088</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$3,392,117</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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Hotel occupancy tax	\$ 240,000	\$ 240,000	\$ 318,010	\$ 78,010
Investment earnings	1,000	1,000	2,081	1,081
Total revenues	<u>241,000</u>	<u>241,000</u>	<u>320,091</u>	<u>79,091</u>
<b>EXPENDITURES</b>				
<b>Culture and recreation</b>				
Other professional services	10,500	22,400	22,323	77
Utilities	2,500	2,500	1,126	1,374
Building and equipment rental	9,600	9,600	9,600	-
Marketing and promotional services	95,900	94,000	24,799	69,201
Hawaiian Falls occupancy tax credit	15,000	15,000	-	15,000
Settlers' day	25,000	25,000	2,892	22,108
Chamber of commerce	30,000	30,000	30,000	-
White Settlement museum	32,500	32,500	24,500	8,000
City manager reserve	10,000	5,000	-	5,000
City council reserve	10,000	5,000	-	5,000
Total culture and recreation	<u>241,000</u>	<u>241,000</u>	<u>115,240</u>	<u>125,760</u>
Total expenditures	<u>241,000</u>	<u>241,000</u>	<u>115,240</u>	<u>125,760</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	-	-	204,851	204,851
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	(50,000)	(50,000)
Total other financing sources (uses)	-	-	(50,000)	(50,000)
<b>NET CHANGE IN FUND BALANCES</b>	-	-	154,851	154,851
<b>FUND BALANCE, OCTOBER 1, 2015</b>	<u>684,447</u>	<u>684,447</u>	<u>684,447</u>	-
<b>FUND BALANCE, SEPTEMBER 30, 2016</b>	<u>\$ 684,447</u>	<u>\$ 684,447</u>	<u>\$ 839,298</u>	<u>\$ 154,851</u>

**CITY OF WHITE SETTLEMENT, TEXAS**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (GAAP Basis)**  
**Crime District Fund**  
**For the Year Ended September 30, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Sales and use taxes	\$ 944,359	\$ 944,359	\$ 1,088,398	\$ 144,039
Investment earnings	1,000	1,000	1,322	322
Other	-	-	100	100
Total revenues	<u>945,359</u>	<u>945,359</u>	<u>1,089,820</u>	<u>144,461</u>
<b>EXPENDITURES</b>				
<b>Public Safety</b>				
Office supplies	-	3,300	3,240	60
Batteries	3,600	3,760	3,680	80
Education materials	4,000	4,400	4,312	88
Ammunition	14,300	14,140	13,967	173
Uniforms	15,300	18,200	14,697	3,503
Fuel and lubricants	-	100	30	70
Tools and equipment < \$5,000	7,940	7,940	2,179	5,761
Other professional services	17,200	20,368	19,546	822
Communications	13,000	13,000	7,750	5,250
Vehicle maintenance/repairs	83,000	69,900	62,469	7,431
Equipment maintenance/repair	92,267	79,409	68,806	10,603
Insurance	-	200	140	60
Dues/subscriptions/memberships	6,130	6,130	6,008	122
Travel and training	22,100	22,100	21,898	202
Employee testing/physicals	3,100	2,890	2,880	10
Contribute to other agencies	8,300	8,300	8,300	-
Data processing equipment	10,000	10,000	-	10,000
Furniture and fixtures	3,000	3,000	-	3,000
Other equipment	-	11,700	11,626	74
<b>Total public safety</b>	<u>303,237</u>	<u>298,837</u>	<u>251,528</u>	<u>47,309</u>
<b>Total expenditures</b>	<u>303,237</u>	<u>298,837</u>	<u>251,528</u>	<u>47,309</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	642,122	646,522	838,292	191,770
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out:				
Administrative cost share to general fund	(48,750)	(53,150)	(53,051)	99
Transfer to general fund	(667,000)	(667,000)	(667,000)	-
Total transfers out	<u>(715,750)</u>	<u>(720,150)</u>	<u>(720,051)</u>	<u>99</u>
Total other financing sources (uses)	<u>(715,750)</u>	<u>(720,150)</u>	<u>(720,051)</u>	<u>99</u>
<b>NET CHANGE IN FUND BALANCES</b>	(73,628)	(73,628)	118,241	191,869
<b>FUND BALANCE, OCTOBER 1, 2015</b>	<u>606,640</u>	<u>606,640</u>	<u>606,640</u>	<u>-</u>
<b>FUND BALANCE, SEPTEMBER 30, 2016</b>	<u>\$ 533,012</u>	<u>\$ 533,012</u>	<u>\$ 724,881</u>	<u>\$ 191,869</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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 996,540	\$ 996,540	\$ 1,004,927	\$ 8,387
Investment earnings	-	-	3,209	3,209
Total revenues	<u>996,540</u>	<u>996,540</u>	<u>1,008,136</u>	<u>11,596</u>
<b>EXPENDITURES</b>				
<b>Debt service</b>				
Principal	547,084	547,084	1,405,226	(858,142)
Interest	749,456	749,456	786,082	(36,626)
Debt issuance costs	-	-	(281)	281
Total debt service	<u>1,296,540</u>	<u>1,296,540</u>	<u>2,191,027</u>	<u>(894,487)</u>
Total expenditures	<u>1,296,540</u>	<u>1,296,540</u>	<u>2,191,027</u>	<u>(894,487)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	(300,000)	(300,000)	(1,182,891)	(882,891)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>150,000</u>	<u>150,000</u>	<u>638,826</u>	<u>488,826</u>
Total other financing sources (uses)	<u>150,000</u>	<u>150,000</u>	<u>638,826</u>	<u>488,826</u>
<b>NET CHANGE IN FUND BALANCES</b>	(150,000)	(150,000)	(544,065)	(394,065)
<b>FUND BALANCE, OCTOBER 1, 2015</b>	<u>1,399,249</u>	<u>1,399,249</u>	<u>1,399,249</u>	<u>-</u>
<b>FUND BALANCE, SEPTEMBER 30, 2016</b>	<u>\$ 1,249,249</u>	<u>\$ 1,249,249</u>	<u>\$ 855,184</u>	<u>\$ (394,065)</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, 2016**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Franchise taxes	\$ 305,000	\$ 305,000	\$ 314,941	\$ 9,941
Investment earnings	2,200	2,200	4,144	1,944
Total revenues	<u>307,200</u>	<u>307,200</u>	<u>319,085</u>	<u>11,885</u>
<b>EXPENDITURES</b>				
<b>Public Works</b>				
Street Maintenance	-	-	24,207	(24,207)
Other Equipment	-	-	66,263	(66,263)
Total public works	<u>-</u>	<u>-</u>	<u>90,470</u>	<u>(90,470)</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>90,470</u>	<u>(90,470)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	307,200	307,200	228,615	(78,585)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out:	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(75,000)</u>	<u>(75,000)</u>	<u>(75,000)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	232,200	232,200	153,615	(78,585)
<b>FUND BALANCE, OCTOBER 1, 2015</b>	<u>1,398,473</u>	<u>1,398,473</u>	<u>1,398,473</u>	<u>-</u>
<b>FUND BALANCE, SEPTEMBER 30, 2016</b>	<u>\$ 1,630,673</u>	<u>\$ 1,630,673</u>	<u>\$ 1,552,088</u>	<u>\$ (78,585)</u>

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**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.

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#### **Revenue Capacity**

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

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#### **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.

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#### **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.

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#### **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	109
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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>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Governmental activities:				
Net investment in capital assets	\$ 12,876,732	\$ 10,699,737	\$ 12,411,227	\$ 12,556,237
Restricted	483,140	1,998,862	494,855	527,060
Unrestricted	<u>8,922,203</u>	<u>7,671,504</u>	<u>7,576,201</u>	<u>8,529,045</u>
Total governmental activities net position	<u>\$ 22,282,075</u>	<u>\$ 20,370,103</u>	<u>\$ 20,482,283</u>	<u>\$ 21,612,342</u>
Business-type activities:				
Net investment in capital assets	\$ 8,139,623	\$ 9,938,336	\$ 11,097,198	\$ 10,951,282
Restricted	-	-	-	149,824
Unrestricted	<u>5,493,975</u>	<u>5,127,688</u>	<u>5,270,789</u>	<u>6,391,323</u>
Total business-type activities net position	<u>\$ 13,633,598</u>	<u>\$ 15,066,024</u>	<u>\$ 16,367,987</u>	<u>\$ 17,492,429</u>
Primary government:				
Net investment in capital assets	\$ 21,016,355	\$ 20,638,073	\$ 23,508,425	\$ 23,507,519
Restricted	483,140	1,998,862	494,855	676,884
Unrestricted	<u>14,416,178</u>	<u>12,799,192</u>	<u>12,846,990</u>	<u>14,920,368</u>
Total primary government net position	<u>\$ 35,915,673</u>	<u>\$ 35,436,127</u>	<u>\$ 36,850,270</u>	<u>\$ 39,104,771</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.

The EDC fund was reclassified as a blended component unit from a discretely presented component unit in fiscal year 2016.

TABLE 1

<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
\$ 12,013,563	\$ 12,329,870	\$ 13,128,490	\$ 19,869,406	\$ 18,623,666	\$ 20,969,268
3,938,972	4,285,434	8,399,605	2,160,407	2,800,134	5,181,632
<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>9,060,767</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>	<u>\$ 35,211,667</u>
\$ 11,694,923	\$ 11,949,257	\$ 12,677,910	\$ 13,428,324	\$ 13,463,428	\$ 13,614,773
527,239	771,491	1,666,924	2,345,747	3,134,404	3,937,052
<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>9,462,962</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>	<u>\$ 27,014,787</u>
\$ 23,708,486	\$ 24,279,127	\$ 25,806,400	\$ 33,297,730	\$ 32,087,094	\$ 34,584,041
4,466,211	5,056,925	10,066,529	4,506,154	5,934,538	9,118,684
<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>18,523,729</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>	<u>\$ 62,226,454</u>

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

**LAST TEN FISCAL YEARS  
(UNAUDITED)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>EXPENSES</b>										
Governmental activities:										
General government	\$ 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	\$ 1,770,465
Public safety	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	6,165,619
Public works	1,048,929	954,898	998,121	1,019,006	986,818	1,203,843	1,196,989	1,349,597	1,092,938	1,310,577
Public health	128,437	134,283	160,127	214,752	214,829	198,373	206,776	227,709	232,981	218,176
Culture and recreation	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	3,073,280
Non departmental	-	-	-	-	-	-	-	-	554,996	468,674
Economic development and assistance	107,449	-	-	-	-	-	-	-	-	194,280
Interest on long-term debt	-	-	-	-	-	-	-	-	247,157	1,283,842
Bond issuance costs	112,118	124,618	341,143	373,587	303,458	292,201	275,917	303,809	384,286	-
Total governmental activities expenses	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	14,484,913
Business-type activities:										
Water and wastewater	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	5,337,586
Stormwater utility	12,277	44,230	16,389	24,038	25,219	32,503	31,317	40,032	65,735	43,225
Sanitation	482,168	530,470	558,063	597,957	577,472	588,997	603,783	618,654	636,180	638,722
Splash Dayz	-	-	-	-	-	-	-	-	-	742,074
Total business-type activities expenses	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	6,761,607
Total primary government expenses	\$ 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	\$ 21,246,520
<b>PROGRAM REVENUES</b>										
Governmental activities:										
Charges for services:										
General government	\$ 221,061	\$ 46,051	\$ 358,346	\$ 64,788	\$ 66,130	\$ 79,808	\$ 62,618	\$ 66,622	\$ 66,705	\$ 11,348
Public safety	766,412	306,812	335,813	530,914	653,561	881,978	1,073,862	986,861	846,975	745,345
Culture and recreation	242,618	43,300	45,289	71,538	112,572	115,632	114,145	80,133	89,450	292,278
Other	18,036	33,323	44,473	43,661	35,319	34,416	44,109	25,839	22,789	43,436
Operating grants and contribution	5,574	7,028	17,357	26,868	59,407	13,762	53,723	67,809	70,393	92,910
Capital grants and contributions	206,052	-	-	591,989	174,806	-	-	6,642,294	130,272	-
Total governmental activities program revenues	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	1,185,317
Business-type activities:										
Charges for services:										
Water and wastewater	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	6,724,402
Stormwater utility	513,853	529,541	564,784	530,991	534,690	518,382	546,704	551,483	554,576	568,176
Sanitation	561,410	612,239	618,274	654,088	663,700	641,663	686,457	705,652	719,654	739,835
Splash Dayz	-	-	-	-	-	-	-	-	-	261,433
Capital grants and contributions	-	-	179,689	382,830	571,511	375,116	430,624	553,865	468,334	436,337
Total business-type activities program revenues	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	8,730,183
Total primary government program revenues	\$ 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	\$ 9,915,500

(continued)

TABLE 2

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

**LAST TEN FISCAL YEARS  
(UNAUDITED)**

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>NET (EXPENSE) REVENUES</b>										
Governmental activities	\$( 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)	\$(13,299,596)
Business-type activities	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	1,968,576
Total primary government net expense	<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>	<u>(11,331,020)</u>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities:										
Taxes										
Property	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	4,712,833
Sales	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	4,461,628
Franchise	919,659	887,330	878,989	1,115,058	1,210,396	1,189,497	1,168,219	1,247,023	1,329,368	1,218,433
Occupancy	213,763	168,524	138,664	113,712	133,505	194,549	185,394	206,043	268,954	318,010
Payments from Crime District	648,000	-	-	-	-	-	-	-	-	-
Oil and gas royalties	-	1,724,928	76,429	63,080	349,979	498,998	126,346	178,041	32,265	38,836
Investment earnings	483,665	269,426	75,754	33,442	16,119	15,823	25,035	31,932	49,293	125,753
Other	5,901	275,049	142,130	160,531	58,387	97,821	536,713	( 34,809)	1,153,705	224,302
Transfers	-	901,717	895,810	690,347	1,452,933	584,700	584,700	670,000	670,000	464,139
Total governmental activities	<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>	<u>11,563,934</u>
Business-type activities:										
Investment earnings	263,479	138,867	48,367	23,350	12,645	9,826	16,769	16,066	21,351	38,370
Other	-	-	7,359	2,183	-	-	2,988	274	-	47,882
Transfers	-	( 901,717)	( 895,810)	( 690,347)	( 1,452,933)	( 584,700)	( 584,700)	( 670,000)	( 670,000)	( 464,139)
Total business-type activities	<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>	<u>( 377,887)</u>
Total primary government	<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>	<u>11,186,047</u>
<b>CHANGE IN NET POSITION</b>										
Governmental activities	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)	( 1,735,662)
Business-type activities	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	1,590,689
Total primary government	<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>	<u>\$( 144,973)</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.

The EDC fund was reclassified as a blended component unit from a discretely presented component unit in fiscal year 2016.

**CITY OF WHITE SETTLEMENT, TEXAS**

**FUND BALANCES  
GOVERNMENTAL FUNDS**

**LAST TEN FISCAL YEARS  
(UNAUDITED)**

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
General fund				
Reserved	\$ -	\$ -	\$ 69,978	\$ 57,978
Unreserved, designated	1,335,990	1,335,990	-	-
Unreserved, undesignated	3,450,403	5,681,925	6,852,466	7,183,003
Nonspendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total general fund	<u>\$ 4,786,393</u>	<u>\$ 7,017,915</u>	<u>\$ 6,922,444</u>	<u>\$ 7,240,981</u>
All other governmental funds				
Reserved	\$ 499,467	\$ 448,310	\$ 425,482	\$ 417,777
Unreserved, reported in:				
Special revenue funds	3,254,478	775,811	923,650	992,163
Capital projects funds	2,007,900	1,669,634	4,290,930	2,400,099
Permanent funds	-	59,428	60,177	60,664
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Total all other governmental funds	<u>\$ 5,761,845</u>	<u>\$ 2,953,183</u>	<u>\$ 5,700,239</u>	<u>\$ 3,870,703</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**

<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
152,637	1,179,416	906,253	618,971	65,900	120,231
-	-	-	-	-	-
-	42,079	-	-	-	-
155,598	2,123	2,175	2,882	813,615	1,833,349
<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>8,436,493</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>	<u>\$ 10,390,073</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
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	14,925,905
930,960	987,098	1,045,473	1,100,267	1,398,473	1,552,088
<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>	<u>\$ 16,477,993</u>

TABLE 4

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>REVENUES</b>										
Taxes	\$ 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	\$ 10,814,382
Fines and fees	410,081	342,224	309,408	254,318	279,934	400,481	488,501	498,862	499,021	492,184
Licenses and permits	311,793	359,486	273,757	247,562	342,630	436,309	552,803	446,404	344,623	296,454
Charges for services	249,676	98,198	125,207	158,449	174,879	164,229	191,455	160,882	124,355	349,577
Intergovernmental	207,350	64,028	75,127	671,644	199,737	93,205	116,070	133,228	126,934	92,910
Oil and gas royalties	-	1,724,928	76,429	63,080	349,979	498,998	126,346	178,041	32,265	38,836
Interest income	483,665	269,425	75,754	33,442	16,119	15,823	25,035	31,932	49,293	125,753
Other revenues	238,363	19,330	39,064	123,801	27,334	56,719	72,239	52,926	83,847	174,061
Payment from Crime District	648,000	-	-	-	-	-	-	-	-	-
Total revenues	9,809,692	10,676,813	8,937,580	9,937,129	10,360,320	11,536,319	10,512,664	10,828,707	10,343,974	12,384,157
<b>EXPENDITURES</b>										
General government	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	1,688,726
Public safety	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	5,737,297
Public works	885,616	618,629	626,014	633,289	586,341	805,338	840,737	796,387	505,010	558,072
Public health	122,337	128,901	151,706	210,076	201,574	183,025	199,625	220,462	233,778	224,739
Culture and recreation	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	1,954,713
Other	107,297	-	-	-	-	-	-	-	554,996	661,037
Capital outlay	614,639	2,255,806	4,178,475	2,219,038	197,453	62,788	912,951	907,948	1,609,706	2,424,366
Debt service										
Principal	625,377	731,040	671,961	749,563	888,956	1,049,756	711,284	490,000	488,110	1,810,226
Interest and fiscal charges	124,242	109,595	273,388	362,650	487,098	280,289	247,915	280,789	277,076	1,408,156
Debt issuance cost	-	-	-	-	-	-	48,558	-	247,157	-
Total expenditures	10,308,641	11,130,600	13,642,537	13,120,234	9,812,625	10,311,003	12,069,307	12,103,830	13,841,227	16,467,332
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	( 498,949)	( 453,787)	( 4,704,957)	( 3,183,105)	547,695	1,225,316	( 1,556,643)	( 1,275,123)	( 3,497,253)	( 4,083,175)
<b>OTHER FINANCING SOURCES (USES)</b>										
Proceeds from insurance recoveries	-	220,997	105,161	26,949	24,343	59,449	30,341	3,234	1,069,858	24,882
Proceeds from sale of capital assets	40,276	36,562	35,756	13,381	213,578	16,341	25,265	54,999	33,958	59,219
Transfers in	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	2,346,212
Transfers out	( 36,779)	( 704,313)	( 739,537)	( 715,572)	( 886,115)	( 864,231)	( 1,097,545)	( 830,024)	( 843,392)	( 1,882,073)
Issuance of capital lease	-	-	-	689,326	-	-	798,336	-	-	-
Issuance of debt	1,433,676	-	6,150,000	-	-	-	3,325,000	-	13,230,000	-
Premium (discount) on bonds	( 577,325)	-	169,815	-	-	-	-	-	677,968	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	( 2,962,925)	-
Total other financing sources (uses)	1,215,000	-	-	-	-	-	-	-	-	-
	2,122,788	2,158,917	7,356,542	1,692,106	1,690,854	660,490	4,763,642	728,233	12,718,859	548,240
<b>NET CHANGE IN FUND BALANCES</b>	\$ 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	\$( 3,534,935)
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES</b>	7.73%	9.47%	9.99%	11.73%	14.62%	13.31%	9.52%	6.94%	6.54%	23.06%

## 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 EDC fund was reclassified as a blended component unit from a discretely presented component unit in fiscal year 2016.

TABLE 5

## CITY OF WHITE SETTLEMENT, TEXAS

## ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS  
(UNAUDITED)

<b>Fiscal Year</b>	<b>Real Property Assessed Value</b>	<b>Personal Property Assessed Value</b>	<b>Total Assessed Value</b>	<b>Ratio of Total Assessed to Total Estimated Actual Value</b>	<b>Total Direct Tax Rate</b>
2007	426,471,402	102,395,711	528,867,113	100.00%	0.613000
2008	486,428,300	145,521,653	631,949,953	100.00%	0.613000
2009	440,762,127	139,680,959	580,443,086	100.00%	0.614000
2010	453,224,861	148,067,129	601,291,990	100.00%	0.686000
2011	403,002,445	97,937,333	500,939,778	100.00%	0.686000
2012	406,457,750	102,904,198	509,361,948	100.00%	0.742140
2013	421,769,496	198,713,308	620,482,804	100.00%	0.614715
2014	429,425,350	147,399,652	576,825,002	100.00%	0.670653
2015	458,903,066	218,088,768	676,991,834	100.00%	0.690660
2016	453,538,434	196,194,088	649,732,522	100.00%	0.733103

Source: Tarrant Appraisal District Totals for Roll Instance - 220 07/22/15

**CITY OF WHITE SETTLEMENT, TEXAS**

**PROPERTY TAX LEVIES AND COLLECTIONS**

**LAST TEN FISCAL YEARS  
(UNAUDITED)**

Fiscal Year Ended	Taxes Levied for the Fiscal Year	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy	
				Amount	Percentage of Levy
2007	3,241,955	( 45,828)	3,196,127	3,098,420	95.57%
2008	3,468,077	12,636	3,480,713	3,422,417	98.68%
2009	3,562,322	498	3,562,820	3,483,686	97.79%
2010	4,125,086	( 2,165)	4,122,920	4,024,396	97.56%
2011	3,436,632	( 458)	3,436,174	3,358,329	97.72%
2012	3,752,309	( 1,901)	3,750,409	3,688,395	98.35%
2013	3,810,645	( 3,562)	3,807,082	3,759,012	98.65%
2014	3,846,840	( 5,315)	3,841,525	3,791,609	98.56%
2015	4,281,718	( 9,565)	4,272,153	4,214,837	98.44%
2016	4,733,168	-	4,733,168	4,678,657	98.85%

**TABLE 6**

<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>		<b>Outstanding Delinquent Taxes</b>	<b>Ratio of Delinquent Taxes to Adjusted Levy</b>
	<b>Total Tax Amount</b>	<b>Percentage of Levy</b>		
84,543	3,182,963	99.59%	13,163	0.41%
46,974	3,469,391	99.67%	11,322	0.33%
63,329	3,547,015	99.56%	15,805	0.44%
79,401	4,103,797	99.54%	19,123	0.46%
62,705	3,421,034	99.56%	15,140	0.44%
52,190	3,740,585	99.74%	9,824	0.26%
28,992	3,788,004	99.50%	19,078	0.50%
32,769	3,824,378	99.55%	17,147	0.45%
36,915	4,251,752	99.52%	20,401	0.48%
-	4,678,657	98.85%	54,511	1.15%

**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
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
2016	0.579	0.154	0.733	0.150	1.540	0.228	0.264	2.915

## 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.

## CITY OF WHITE SETTLEMENT, TEXAS

## PRINCIPAL PROPERTY TAXPAYERS

## CURRENT YEAR AND TEN YEARS AGO

(UNAUDITED)

Taxpayer	Type of Business	2016			2007		
		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	\$ 86,460,095	1	13.31%	\$ -		- %
Lowrance Properties	2 Industrial	10,568,080	2	1.12%	-		- %
Deepdale Investments, LTD	3 Real Estate	7,254,487	3	1.63%	-		- %
Lowe's Home Center, Inc.	4 Home Improvement	7,196,000	4	1.11%	-		- %
AV Vrickell Pointe Ltd	5 Real Estate	7,161,250	5	1.10%	-		- %
All Storage White Settlement Ltd	6 Storage Units	6,835,604	6	1.05%	-		- %
Manitoba Management Inc	7 Real Estate	6,712,028	7	1.03%	-		- %
ESS Prisa II TX, Lp	8 Real Estate	5,861,110	8	0.90%	-		- %
AV Beacon LLC	9 Real Estate	5,641,001	9	0.87%	-		- %
Graham Realty Investments, Ltd.	10 Auto dealership	5,480,000	10	0.84%	-		- %
SPM Flow Control	Industrial-Petroleum	-		- %	54,585,287	1	10.32%
Lowe's Home Center, Inc.	Retail outlet	-		- %	13,965,943	2	2.64%
Graham Realty Investments, Ltd	Real estate	-		- %	6,908,808	3	1.31%
ESS Prisa II TX, Lp	Real estate	-		- %	6,595,085	4	1.25%
B H Westside Building LLC	Retail outlet	-		- %	6,529,260	5	1.23%
Am Crossing LTD	Retail outlet	-		- %	5,720,800	6	1.08%
TXU Electric Delivery Co	Electric utility	-		- %	5,123,155	7	0.97%
Shg Secred Resoutces	Extended Care Facility	-		- %	5,107,056	8	0.97%
PDX Inc	Wholesale	-		- %	5,078,727	9	0.96%
Armet Data St Ltd Partnership	Real estate	-		- %	4,931,753	10	0.93%
Total	Total	<u>\$ 149,169,655</u>		<u>22.96%</u>	<u>\$ 114,545,874</u>		<u>21.66%</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	Revenue Bonds	Tax Notes	Capital Leases	General & Certificates of Obligation	Revenue Bonds	Capital Leases			
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	7.00%
2010	6,495,000	-	1,065,000	709,996	9,555,000	270,000	345,092	18,440,088	1,124	4.80%
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	3.80%
2013	5,620,000	-	3,325,000	798,336	8,275,000	-	-	18,018,336	1,099	5.70%
2014	5,240,000	-	3,215,000	798,336	7,800,000	-	-	17,053,336	1,015	6.30%
2015	18,997,842	12,600,000	155,000	730,226	7,308,972	-	-	39,792,040	2,343	10.90%
2016	18,431,916	12,195,000	-	-	6,696,813	-	-	37,323,729	2,186	10.20%

Notes: Excludes bond issuance and other costs.

## 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)

<b>Fiscal Year</b>	<b>Population<sup>1</sup></b>	<b>Assessed Value (In Thousands)<sup>2</sup></b>	<b>Gross Bonded Debt<sup>3</sup></b>	<b>Less Debt Service Funds<sup>4</sup></b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt Per Capita</b>
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	576,825	6,480,000	603,891	5,876,109	1.02%	350
2015	16,980	676,992	18,997,842	1,399,249	17,598,593	2.60%	1,036
2016	17,077	649,733	18,431,916	855,184	17,576,732	2.71%	1,029

(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, 2016  
(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	18,431,916	100.00%	\$ 18,431,916
Total direct debt	<u>18,431,916</u>		<u>18,431,916</u>
Overlapping:			
White Settlement Independent School District	161,114,526	38.92%	62,705,773
Fort Worth Independent School District <sup>1</sup>	922,890,000	0.07%	646,023
Tarrant County	344,185,000	0.41%	1,411,159
Tarrant County Hospital District	22,335,000	0.41%	91,574
Tarrant County College District	<u>-</u>	0.45%	<u>-</u>
Total overlapping debt	<u>1,450,524,526</u>		<u>64,854,529</u>
Total direct and overlapping debt	<u>\$ 1,468,956,442</u>		<u>\$ 83,286,445</u>
Ratio of overlapping bonded debt to taxable assessed valuation			12.82%
Per capita overlapping bonded debt			\$ 4,877

- (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, 2016**  
(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 <sup>1</sup>	Net Revenue Available for Debt Service	Debt Service <sup>2</sup>			Coverage <sup>3</sup>
				Principal	Interest	Total	
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
2016	7,798,778	4,983,323	2,815,455	510,000	278,781	788,781	3.57

## 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 <sup>1</sup>	Median Income <sup>2</sup>	Per Capita Income	Personal Income <sup>2</sup>	School Enrollment <sup>4</sup>	Unemployment Rate <sup>5</sup>
2007	15,900	45,530	17,052 <sup>2</sup>	271,126,800	5,432	3.8%
2008	16,000	54,089	24,093 <sup>2</sup>	385,488,000	5,732	4.3%
2009	16,150	54,089	24,093 <sup>2</sup>	389,101,950	5,882	8.3%
2010	16,400	55,425	24,093 <sup>2</sup>	395,125,200	5,864	7.9%
2011	16,200	45,886	19,551 <sup>2</sup>	316,726,200	6,369	7.8%
2012	16,116	56,532	20,969 <sup>3</sup>	337,933,869	6,548	7.4%
2013	16,390	45,427	16,850 <sup>3</sup>	276,167,852	6,556	5.3%
2014	16,800	43,358	16,082 <sup>3</sup>	270,183,383	6,697	5.0%
2015	16,980	57,890	21,473 <sup>3</sup>	364,603,932	6,646	5.0%
2016	17,077	57,727	21,412 <sup>3</sup>	365,654,295	6,697	3.7%

## 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	2016	
		Employees	Percentage of Total City Employment
Weir SPM	Oil field equipment	1,010 <b>B</b>	12.25%
White Settlement I.S.D.	Education	796	9.65%
PDX Inc.	Software Development	520	6.30%
Trinity Healthcare Courtyards	Rehabilitation/nursing	179	2.17%
Education Service Center Region XI	Resource Provider for School Districts	170	2.06%
City of White Settlement	Municipal government	132	1.60%
Lowe's Home Center #1619	Building materials/hardware retail	130	1.57%
Co-Operative Industries	Electrical wiring harnesses mfg.	100	1.21%
Academy Sports & Outdoors #97	Retail	85 <b>B</b>	1.03%
Southside Bank	Financial institution	40	0.48%
Toys R Us	Retail	36	0.43%
Tech Tool Plastics	Fiberglass & Plastic Products	24	0.29%
Totals		<u>3,222</u>	<u>39.04%</u>

2016 Total City employment 8,242 **A**

Estimate based on 1.0794% increase in top 10 **A**  
Estimate **B**

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

	<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>	<u>2016</u>
General government										
Administration	3.00	3.00	3.00	2.50	2.00	2.00	1.00	1.00	1.00	4.00
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	3.00	3.00	4.00	4.00	4.00	5.00	5.00
Facilities services	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00
Personnel	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.50
Purchasing	4.00	4.00	4.00	3.00	3.00	2.00	2.00	2.00	2.00	2.50
Management information systems	2.50	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00
Public safety										
Police	46.50	49.00	50.00	50.00	50.00	50.00	50.50	50.50	53.00	51.50
Municipal court & Marshall	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
Fire	4.20	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	19.50
Code compliance	4.50	5.00	5.50	7.00	6.00	6.00	6.00	6.00	6.00	4.00
Public works										
Streets and drainage	7.00	7.00	7.00	7.00	5.00	5.00	7.00	7.00	7.00	5.00
Public health										
Animal control	2.50	2.00	2.50	3.50	3.00	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	4.50
Park maintenance and recreation	7.00	7.50	7.50	7.50	8.00	8.00	7.00	7.00	7.00	8.50
Library	7.50	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00
EDC operations and parks	6.50	6.50	6.50	6.50	7.00	6.00	6.50	6.50	6.50	4.50
Splash Dayz										18.00
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	8.00	8.00	11.00
Wastewater operations	3.00	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00
Utility billing	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.50
Total	<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>	<u>169.00</u>

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety										
Police department										
Calls for service	27,253	28,393	27,362	26,161	25,989	27,375	32,976	26,328	30,134	22,901
Traffic citations	3,849	3,044	3,362	2,750		3,722	4,920	4,157	3,928	3,620
Criminal offenses	1,765	1,765	1,495	1,716	1,528	1,943	1,373	1,420	1,279	1,430
Number of accidents	215	215	162	170	119	204	132	132	115	140
Persons confined	942	783	804	872	791	889	963	986	850	755
Municipal Court										
Active warrants	4,090	4,051	3,659	3,227	917	2,243	4,442	2,214	1,468	1,962
Closed warrants	2,968	1,415	1,333	1,338	1,905	3,321	3,598	4,434	3,909	3,335
Fire department										
Fire runs	52	392	432	513	538	460	573	479	627	705
Emergency runs	1,322	1,482	1,123	1,232	1,119	1,151	1,241	1,308	1,579	1,918
Code compliance										
Permits issued	2,434	1,836	2,199	1,769	1,849	2,081	2,112	2,218	2,076	2,113
Public works										
Streets and drainage										
Streets resurfaced (miles)	1.53	1.53	1.47	0.27	0.78	0.45	1.29	0.6	0.25	0.75
Public health										
Animal control - calls for service	2,268	2,135	2,035	2,035	1,953	1,710	1,558	1,562	1,751	1,957
Culture and recreation										
Senior services										
Meals served	22,064	22,504	21,468	23,047	21,740	22,366	20,840	16,804	19,509	19,000
Library										
Average daily circulation	289	256	333	362	312	320	310	358	464	489
Average patron visits per month	4,972	4,860	5,410	5,865	4,683	5,440	5,290	4,577	4,837	5,303
EDC operations and parks										
Number of league participants	7,000	7,600	7,900	8,100	7,578	8,900	7,504	5,640	5,820	7,325
Water production and distribution										
Number of water connections	5,306	5,340	5,417	5,352	5,330	5,370	5,301	5,389	5,541	5,603
Average daily consumption (thousands of gallons)	1,469	1,538	1,450	1,406	1,652	1,552	1,427	1,362	1,949	1,335
Wastewater operations										
Number of wastewater connections	5,209	5,240	5,323	5,265	5,239	5,264	5,252	5,321	5,437	5,440

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

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

	Fiscal Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Public safety										
Police department										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol cars	11	11	11	11	11	15	14	15	15	15
Fire department										
Stations	1	1	1	1	1	1	1	1	1	1
Fire trucks	9	9	9	9	11	11	9	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	73,855	73,707	69,513	73,494	70,732	67,012	63,105	65,587	65,445	63,671
Parks and recreation										
Acreage	203	203	203	203	203	203	203	203	203	203
Playgrounds	6	6	6	6	6	6	6	6	7	7
Picnic areas	22	22	22	22	22	22	22	30	30	30
EDC parks and operations										
Baseball/softball diamonds	7	7	7	7	7	7	7	8	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	89	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	71	71	71

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

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