



Comprehensive Annual Financial Report
For Fiscal Year Ended
September 30, 2017

CITY OF WHITE SETTLEMENT, TEXAS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Fiscal Year Ended
September 30, 2017**

Prepared by the Finance Department.

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CITY OF WHITE SETTLEMENT, TEXAS

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For the Year Ended September 30, 2017

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INTRODUCTORY SECTION

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February 21, 2018

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, 2017.

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 unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2017. 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 17,204. 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 1st. The level of legal budgetary control is at the line item level. The City Manager is authorized to make transfers of budgeted amounts up to \$5,000 from budget line items (accounts) to other budget line items within a department or between departments within an operating fund. Transfers of budgeted line item amounts of \$5,000 or more must be approved by the City Council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget was adopted.

Economic Outlook and Financial Planning

Local economy

Like many cities, the economic reality of the problems facing White Settlement is related to problems on a global scale. For instance, during the last ten 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.

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. Over the years, White Settlement has grown into a diverse urban community of approximately 17,204 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 2017-2018 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. In January of 2016, Hawaiian Falls 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. The City opened and has operated the SPLASH DAYZ water park since the 2016 season.

The financial impact of the water park is two-fold – operational requirements and debt service requirements. In the 2017-2018 Budget, operational requirements are subsidized by the General Fund in the form of an expected transfer of \$746,544, while the debt service is budgeted in the Economic Development Corporation (EDC). Operationally, the park is expected to be self-sustaining in 3-4 years, which will help the General Fund stabilize and rebuild. Debt service payments will continue to be made by the EDC.

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, a modest 4.4% increase in 2015-16 and a decrease of 11.02% in 2016-17. In 2015-16, sales tax revenues were the lowest they have been in ten years and have dropped 40.37% since 2011-

2012. Therefore, 2017-2018 sales tax revenues are conservatively projected in the General Fund at \$2.1M. As the oil industry stabilizes and recovers, sales tax revenues could add additional revenues.

2017 taxable property values increased \$55,570,374 (8.26%) to \$728,090,810 from prior year. 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 2017 has increased to \$68,549 compared to the average home in 2016 at \$49,861. The City continues to take steps in developing areas to attract commercial customers and residents. For this current 2017-2018 Budget, the City Council adopted the tax rate of \$0.762127 (which was above the effective rate but equal to the rollback rate), and an increase of 8.31% compared to the prior year at \$0.755693 per \$100 valuation. The General Fund Ad Valorem tax revenue carries a \$4.5M 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 2017-2018 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 2017-2018, the budget includes water and wastewater improvements of \$6.1M. The City's Street Improvement overlay program and reconstruction will continue with \$2.2M in projects funded by bonds.

Information Technology (IT) – In 2017-2018, the budget includes \$870,000 for a complete upgrade of the IT infrastructure in the City and a new City-wide Phone System.

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 2017-2018 (0.762127) is 8.31% 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 2016-2017, the City refinanced an additional portion of the City's existing debt which will save approximately \$774k over the next thirteen years.

Projects planned for 2017-2018 include remodeling at the library and the female locker room at the Police station, purchase of a fully equipped fire engine and other fire equipment, parking lot reconstruction and surfacing, street resurfacing and reconstruction, City-wide IT infrastructure and phone upgrade, and replacement of water and sewer lines and adding a new well.

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, 2017, approximately \$1.3M has been set aside for street improvements.

In March 2006, a Storm Water Utility Fund was created to fund storm water projects and equipment that will help control flooding and storm water drainage problems, water quality improvements and operations and maintenance throughout the City. Projects may include repair of storm water drains, improving maintenance of branches and channels, constructing new drainage systems, maintenance of the Storm Water System 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 (EDC), 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. The EDC fund currently funds the debt service payments for the economic development project that built the water park.

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.

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 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, 2016. This was the thirty-first 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 thirtieth consecutive year for its annual budget for the fiscal year beginning October 1, 2016 and ending September 30, 2017. 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,



Jeffrey J. James
City Manager



Mary Morgan
Finance Director

City of White Settlement, Texas

City Council And Principal Officials

September 30, 2017

**Mayor
Ronald White**

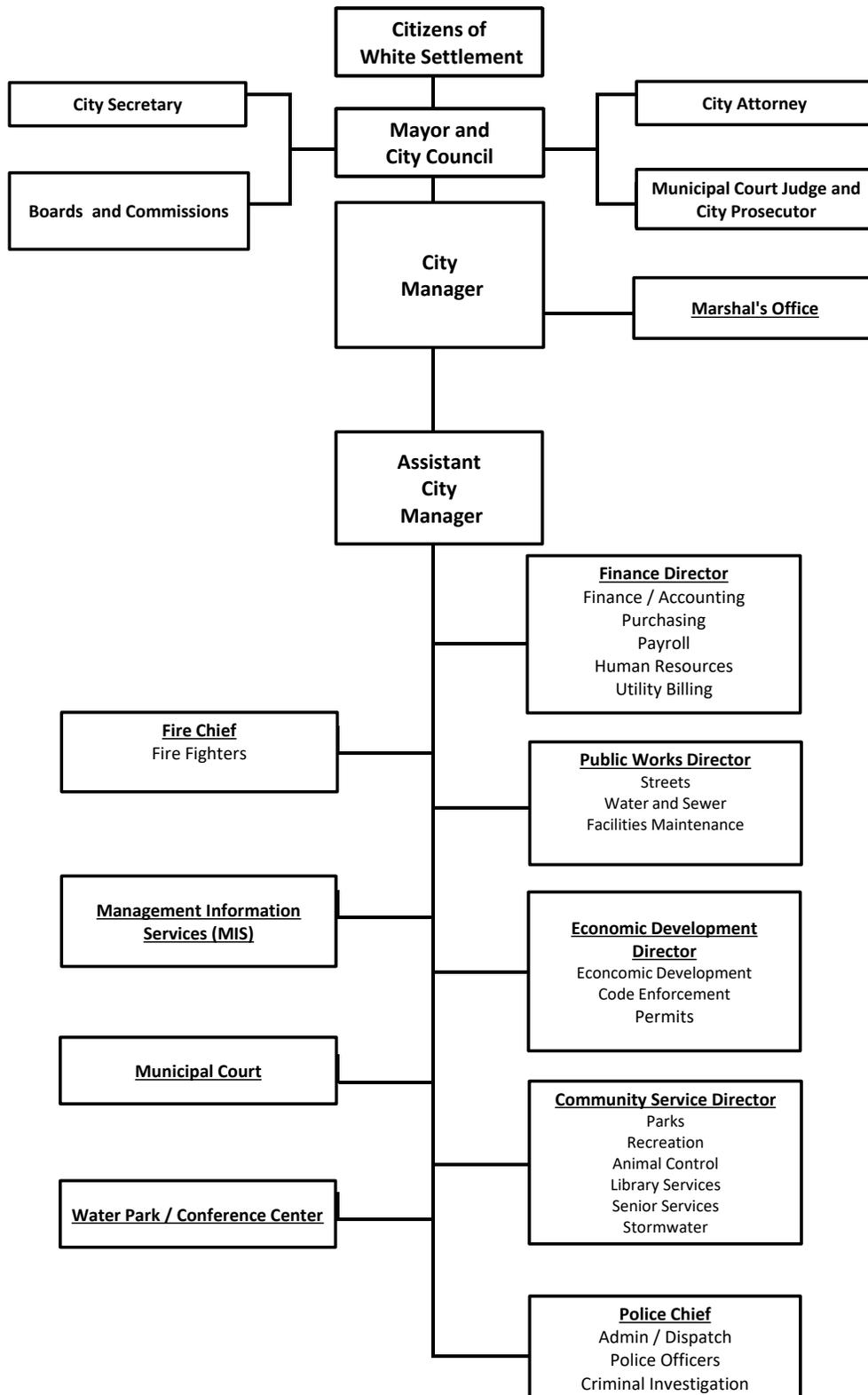
CITY COUNCIL

Paul Moore	Councilmember	Place 1
Evelyn Spurlock	Councilmember	Place 2
Danny Anderson	Mayor Pro-Tem	Place 3
David Mann	Councilmember	Place 4
Vacant	Councilmember	Place 5

CITY STAFF

Jeffrey J. James	City Manager
Vacant	Assistant City Manager
Mary Morgan	Finance Director
JP Bevering	Police Chief
Vacant	Fire Chief
Amy Arnold	City Secretary
Warren Spencer	City Attorney

CITY OF WHITE SETTLEMENT ORGANIZATIONAL CHART





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, 2016

Christopher P. Morill

Executive Director/CEO

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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, 2017, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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, 2017, 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 55-81 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

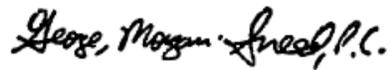
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, combining nonmajor funds financial statements, individual fund schedules, and statistical section, are presented for purposes of 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 21, 2018, 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 21, 2018

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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, 2017. 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 \$56,888,434 (*net position*) compared to \$62,226,454 for the prior year. Of this amount, \$19,489,746 (*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 \$5,338,020. The City's operations decreased the governmental activities by \$6,897,785 and increased the business-type activities by \$1,559,765.
- As of the close of the current fiscal year, the City of White Settlement's governmental funds reported combined ending fund balances of \$24,971,758 compared to \$26,868,066 for the prior year. \$9,831,907 is available for spending at the City's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$9,831,907, or 106% 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, the Stormwater Utility Fund, and the Splash Dayz Fund, which are considered major funds.

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 28-54 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 \$56,888,434 as of September 30, 2017.

The largest portion of the City's net position (58%) reflects its investment in capital assets (e.g. land, land improvements, buildings and improvements, machinery and equipment, infrastructure and construction in progress); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (8%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$19,489,746 may be used to meet the government's ongoing obligations to citizens and creditors.

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

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

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 25,846,474	\$ 27,788,520	\$ 15,893,008	\$ 14,723,850	\$ 41,739,482	\$ 42,512,370
Capital assets	39,813,132	42,137,011	20,403,324	20,411,585	60,216,456	62,548,596
Total Assets	<u>65,659,606</u>	<u>69,925,531</u>	<u>36,296,332</u>	<u>35,135,435</u>	<u>101,955,938</u>	<u>105,060,966</u>
Deferred outflows of resources	<u>1,831,715</u>	<u>1,703,569</u>	<u>637,967</u>	<u>197,288</u>	<u>2,469,682</u>	<u>1,900,857</u>
Long-term liabilities	38,170,461	35,405,443	7,181,909	7,232,961	45,352,370	42,638,404
Other liabilities	817,153	886,130	1,153,695	1,070,990	1,970,848	1,957,120
Total liabilities	<u>38,987,614</u>	<u>36,291,573</u>	<u>8,335,604</u>	<u>8,303,951</u>	<u>47,323,218</u>	<u>44,595,524</u>
Deferred inflows of resources	<u>189,825</u>	<u>125,860</u>	<u>24,143</u>	<u>13,985</u>	<u>213,968</u>	<u>139,845</u>
Net Position:						
Net investment in capital assets	18,757,574	20,969,268	14,251,059	13,614,773	33,008,633	34,584,041
Restricted	4,390,055	5,181,632	-	3,937,052	4,390,055	9,118,684
Unrestricted	5,166,253	9,060,767	14,323,493	9,462,962	19,489,746	18,523,729
Total Net Position	<u>\$ 28,313,882</u>	<u>\$ 35,211,667</u>	<u>\$ 28,574,552</u>	<u>\$ 27,014,787</u>	<u>\$ 56,888,434</u>	<u>\$ 62,226,454</u>

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Revenues:						
Program revenues:						
Charges for services	\$ 1,338,959	\$ 1,092,407	\$ 8,858,598	\$ 8,293,846	\$ 10,197,557	\$ 9,386,253
Operating grants and contributions	100,866	92,910	-	-	100,866	92,910
Capital grants and contributions	397,251	-	786,273	436,337	1,183,524	436,337
General revenues:						
Property taxes	5,108,248	4,712,833	-	-	5,108,248	4,712,833
Sales taxes	4,017,558	4,461,628	-	-	4,017,558	4,461,628
Franchise taxes	1,253,174	1,218,433	-	-	1,253,174	1,218,433
Hotel Occupancy taxes	357,912	318,010	-	-	357,912	318,010
Oil & gas revenues	35,314	38,836	-	-	35,314	38,836
Investment earnings	207,537	125,753	115,708	38,370	323,245	164,123
Gain (loss) on sale of capital assets	385,427	25,359	-	24,842	385,427	50,201
Other revenue	208,641	198,943	3,340	23,040	211,981	221,983
Total revenues	13,410,887	12,285,112	9,763,919	8,816,435	23,174,806	21,101,547
Expenses						
General government	3,004,317	1,770,465	-	-	3,004,317	1,770,465
Public safety	8,351,956	6,165,619	-	-	8,351,956	6,165,619
Public works	1,510,737	1,310,577	-	-	1,510,737	1,310,577
Public health	261,628	218,176	-	-	261,628	218,176
Economic development	351,446	194,280	-	-	351,446	194,280
Culture and recreation	4,816,249	3,073,280	-	-	4,816,249	3,073,280
Non departmental	-	468,674	-	-	-	468,674
Interest on long-term debt	1,161,107	1,283,842	-	-	1,161,107	1,283,842
Bond issuance costs	62,870	-	-	-	62,870	-
Water and wastewater	-	-	6,562,769	5,337,586	6,562,769	5,337,586
Storm water utility	-	-	312,558	43,225	312,558	43,225
Sanitation	-	-	671,221	638,722	671,221	638,722
Splash Dayz	-	-	1,445,968	742,074	1,445,968	742,074
Total expenses	19,520,310	14,484,913	8,992,516	6,761,607	28,512,826	21,246,520
Increase (decrease) in net position before transfers	(6,109,423)	(2,199,801)	771,403	2,054,828	(5,338,020)	(144,973)
Transfers	(788,362)	464,139	788,362	(464,139)	-	-
Increase (decrease) in net position	(6,897,785)	(1,735,662)	1,559,765	1,590,689	(5,338,020)	(144,973)
Net Position October 1	35,211,667	36,947,329	27,014,787	25,424,098	62,226,454	62,371,427
Net Position September 30	\$ 28,313,882	\$ 35,211,667	\$ 28,574,552	\$ 27,014,787	\$ 56,888,434	\$ 62,226,454

Governmental Activities. Governmental activities decreased the City's net position by \$6,897,785 in the current year compared with a decrease of \$1,735,662 in the prior year.

Total governmental activities revenues increased \$1,125,775 (9%) to \$13,410,887. Key elements of this change are as follows:

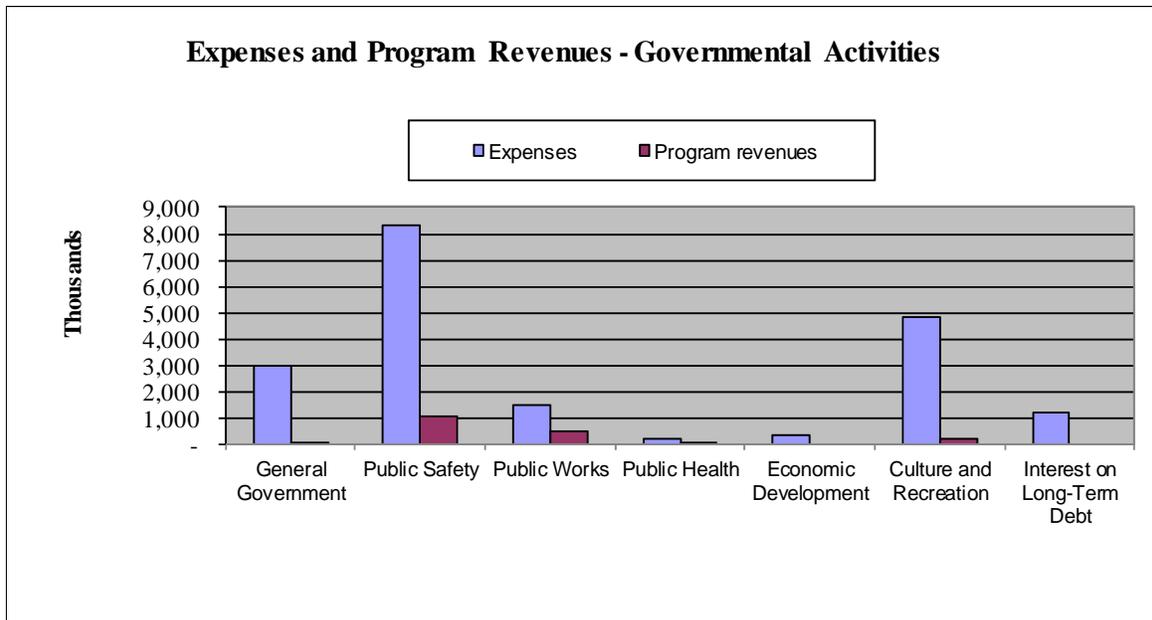
- Charges for services increased \$246,552 primarily due to an increase in licenses and permit revenue of \$170,758 due to new construction including a large apartment building.
- Capital grants and contributions increased \$397,251 due to developer contributions of streets in two additions during the current year.
- Property taxes increased \$395,415 due to an increase in M&O rate and an increase in appraised property values.
- Sales taxes decreased \$444,070 as a result of a sales tax audit and a one-time payment in the prior year of \$330,749 and the loss of sales tax from West Worth Village in the current year.

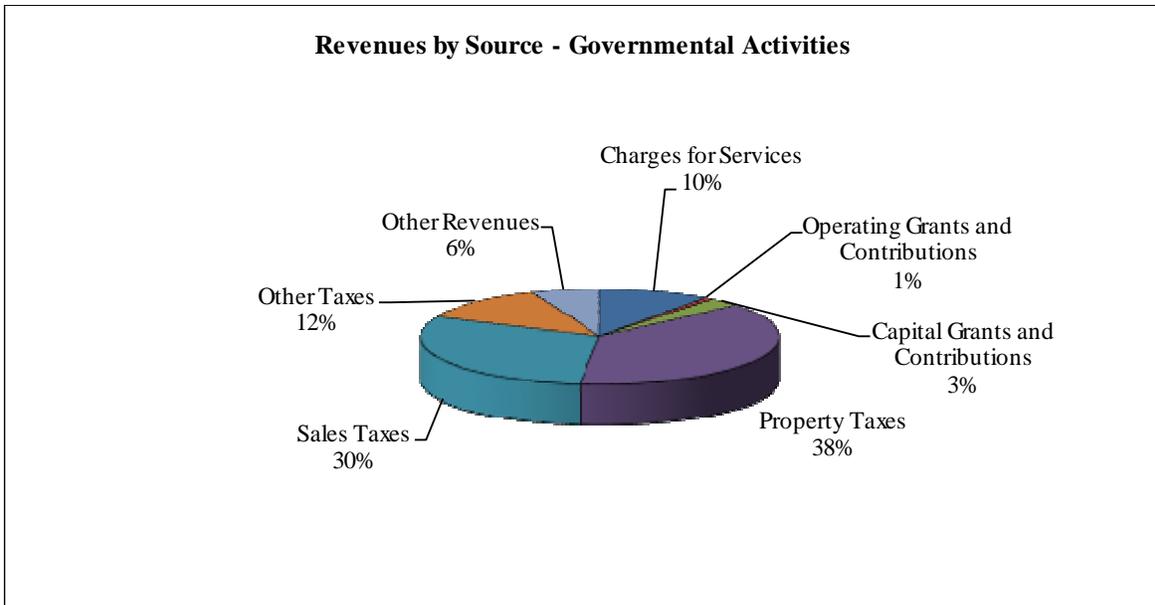
- Gain on sale of capital assets increased \$360,068 in the current year due to the sale of three pieces of land in the current year.

Total governmental activities expenses increased \$5,035,397 to \$19,520,310. Key changes are as follows.

- TMRS pension expense increased \$3,773,497 due to a change in employee required contributions of 5% to 7% of gross earnings.
- General government expenses increased \$1,233,852 (70%) primarily due to an increase in TMRS pension expense of \$762,752; \$95,714 spent in lawsuits with Hawaiian Falls and Westworth Village; and an increase in salaries and benefits of \$346,868 in the administration and MIS departments due to adding an information officer, paying out the compensated absences of the city manager and finance director at retirement, and increase in salaries and overtime in the MIS department.
- Public safety expenses increased \$2,186,337 (35%) primarily due to an increase in TMRS pension expense of \$2,228,485.
- Public works expenses increased \$200,160 (15%) primarily due to a \$133,720 increase in depreciation due to approximately \$700,000 in assets added and a \$98,378 increase in TMRS pension expense.
- Economic development increased \$157,166 (81%) primarily due to an increase in TMRS pension expense of \$188,451.
- Culture and recreation expenses increased \$1,742,969 (57%) primarily due to a decrease in salaries and related expenses of \$116,087 due to employees that were moved to the Stormwater Utility, \$1,726,248 loss on the disposal of Hawaiian Falls assets, and an increase in TMRS pension expense of \$420,489.
- There were no nondepartmental expenses in the current year because the roof expenses were completed in the prior year.
- Interest on long-term debt decreased due to the refunding of the 2009 General Obligation bonds.

Below are two graphs summarizing governmental revenue and expense:





Business-type activities. Business-type activities increased the City’s net position by \$1,559,765 in the current year compared to an increase in net position of \$1,590,689 in the prior year.

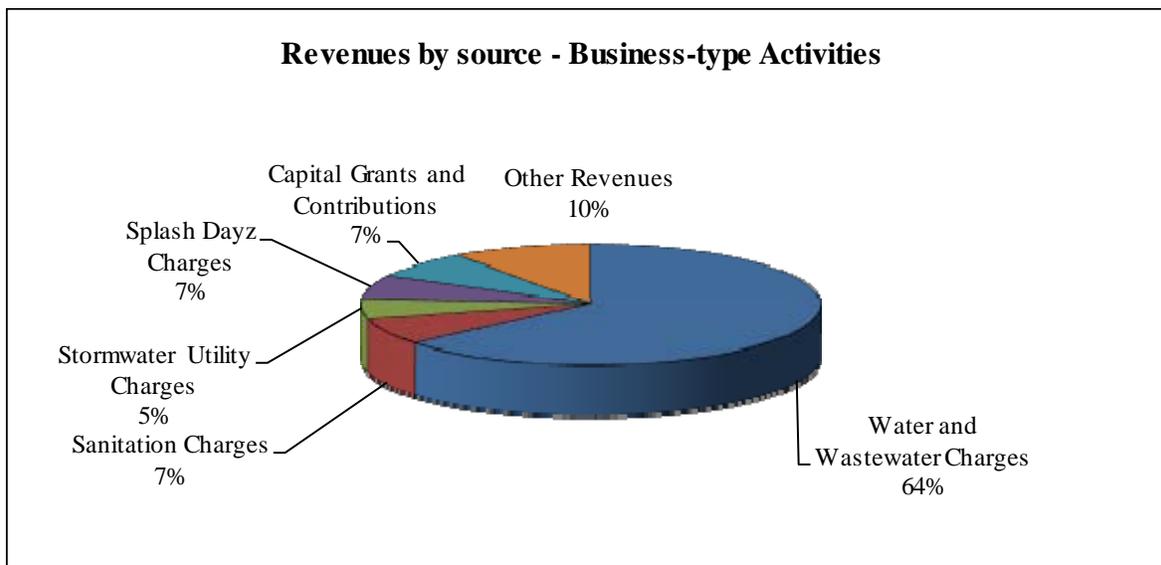
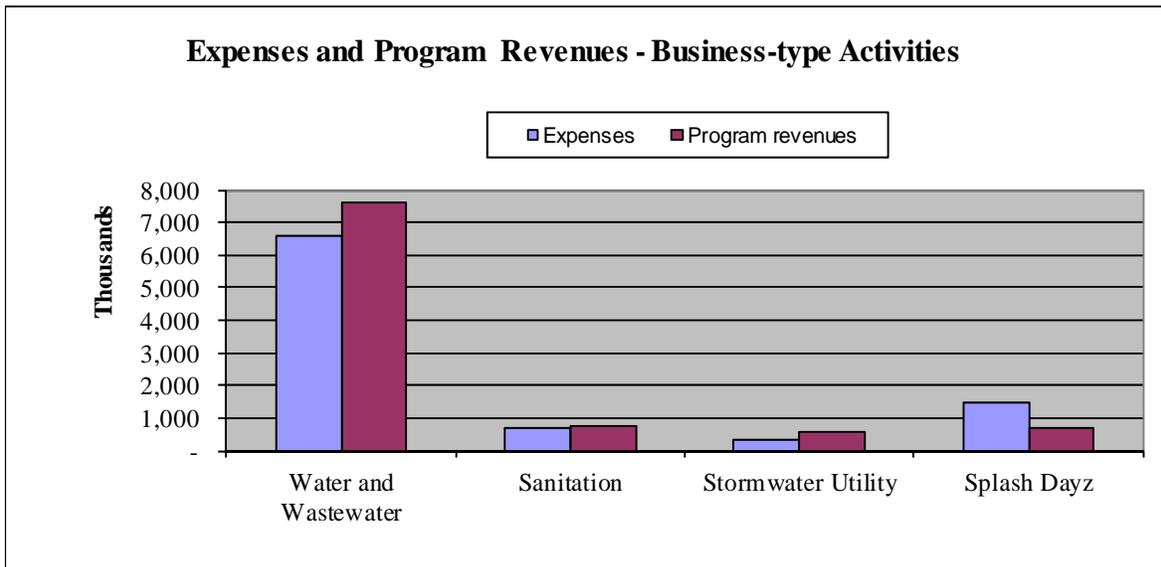
Total revenues increased \$947,484 (11%) to \$9,763,919. Key elements of these changes are as follows.

- Charges for services increased \$564,752 (7%) primarily due to an increase in water and wastewater revenue of \$120,028 resulting from water and wastewater rate increases effective 5/1/16 and an increase in consumption and an increase in charges for services of \$447,323 for Splash Dayz due to it being open an entire season in the current year compared to half a season in the prior year.
- Capital grants and contributions increased \$349,936 due to an increase in developer contributions in the current year.

Total expenses increased \$2,230,909 (33%) to \$8,992,516. Key elements of these changes are as follows.

- Water and wastewater expenses increased \$1,225,183 primarily because TMRS pension expenses increased \$545,463 due to a change in employee required contribution from 5% to 7% of gross earnings, wastewater treatment expense decreased \$220,828 because the volume treated decreased, and a loss of \$913,246 on the disposal of water meters from 2005 and prior.
- Stormwater utility expense increased \$269,333 primary because the City moved employees from the General Fund to do maintenance work on the drainage areas in the City.
- Splash Dayz expenses increased \$703,894 because the park was open for an entire summer season in the current year. It did not open until July in the prior 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 \$24,971,758. \$9,831,907 (39%) constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable, restricted, committed or

assigned to indicate that it is not available for new spending because it has already been restricted or committed for projects and debt service.

The General Fund is the chief operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$9,831,907. 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 106% of the total General Fund expenditures. Fund balance of the General Fund increased \$313,489 compared to a decrease of \$292,477 in the prior year. Key factors in this increase are as follows:

- Revenues increased \$452,499. Property taxes increased \$250,926 due to a rate increase and an increase in appraisal values. Sales tax decreased \$228,952 due to the loss of sales tax from Westworth Village and a one-time payment in the prior year of \$330,749 resulting from an audit collection. Licenses and permits increased \$170,758 due to an increase in new construction, including a large apartment complex.
- Total expenditures decreased \$274,481. General government expenditures increased \$493,785 primarily due to attorney fees and compensated absences payouts to a retiring City Manager and Finance Director in the current year. Public safety expenditures decreased \$115,448 primarily because two positions were vacant during the year and two positions were moved to other departments. Culture and recreation expenditures decreased \$147,026 because some employees were moved to the stormwater utility department. Non departmental expenses decreased \$462,424 because roof repairs were completed in the prior year.
- Other financing sources decreased \$121,014 from the prior year primarily due to an increase in proceeds from the sale of capital assets of \$304,623 from land sold during the current year and a decrease in net transfers of \$442,088.

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 \$369,153 to \$2,386,554. Revenues decreased \$104,888 primarily because sales tax decreased due to the loss of sales tax from Westworth Village and a one-time payment received in the prior year resulting from a sales tax audit. Expenditures decreased \$149,060 primarily due to a decrease in the EDC parks operation expenditures.

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 \$11,170,510, \$3,192,234 and (\$39,251) respectively. The total change in net position for the three funds was an increase of \$1,038,801, \$116,100 and \$404,864 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 once during the year. Expenditures were decreased \$230,855.

During the year, actual revenues were \$391,366 greater than budgeted and actual expenditures were \$981,401 less than budgeted.

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of September 30, 2017, amounts to \$60,216,456 (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:

- \$183,014 for MIS security.
- \$129,686 for signal lights in the City.
- \$112,434 for Council chambers remodel.
- \$1,210,167 for improvements on various streets.

Business-type activities:

- \$292,238 for a toddler area at Splash Dayz.
- \$403,841 for the Lanham wastewater line.
- \$304,221 for water park additions.
- \$149,809 for water infrastructure, \$209,910 for wastewater infrastructure, and \$81,304 for storm water infrastructure resulting from new additions and developer agreements.

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

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 6,133,435	\$ 6,150,835	\$ 195,139	\$ 195,139	\$ 6,328,574	\$ 6,345,974
Construction in progress	189,714	-	453,470	462,654	643,184	462,654
Land improvements	7,071,611	7,439,014	31,399	3,242	7,103,010	7,442,256
Buildings and improvements	5,142,208	5,293,919	114,889	118,474	5,257,097	5,412,393
Machinery and equipment	6,421,048	9,050,625	832,906	442,289	7,253,954	9,492,914
Infrastructure	14,855,116	14,202,618	-	-	14,855,116	14,202,618
Water and sewer systems	-	-	17,031,281	17,794,944	17,031,281	17,794,944
Stormwater systems	-	-	1,744,240	1,394,843	1,744,240	1,394,843
Total	<u>\$ 39,813,132</u>	<u>\$ 42,137,011</u>	<u>\$ 20,403,324</u>	<u>\$ 20,411,585</u>	<u>\$ 60,216,456</u>	<u>\$ 62,548,596</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 \$35,765,667 in bonds outstanding, a decrease of \$1,658,061 from the prior year. \$12,743,548 are General Obligation Bonds that are backed by the full faith and credit of the City, \$11,252,119 are Certificates of Obligation secured by surplus revenues of the Water and Wastewater Fund and ad valorem taxes, and \$11,770,000 are Sales Tax Revenue Bonds.

City of White Settlement's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2017	2016	2017	2016	2017	2016
Sales Tax Revenue Bonds	\$ 11,770,000	\$ 12,195,000	\$ -	\$ -	\$ 11,770,000	\$ 12,195,000
General Obligation Bonds	7,336,284	7,722,367	5,407,264	920,928	12,743,548	8,643,295
Certificates of Obligation	10,507,119	10,709,548	745,000	5,875,885	11,252,119	16,585,433
Total	\$ 29,613,403	\$ 30,626,915	\$ 6,152,264	\$ 6,796,813	\$ 35,765,667	\$ 37,423,728

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-
General Obligation Refunding Bonds, Series 2016		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 sales tax revenue. Overall operating revenues are projected to increase slightly across all funds. City management and council took a conservative approach to budget planning.

Ad Valorem Tax

2017 taxable property values increased \$55,570,374 (8.26%) to \$728,090,810 from prior year values at \$672,520,436. The average taxable value of a residential home in 2017 has increased to \$68,549 compared to the average home in 2016 at \$49,861. The City continues to take steps in developing areas to attract commercial customers and residents. For the 2017-2018 Budget, the City Council adopted the tax rate of \$0.762127 (which was above the effective rate but equal to the rollback rate), and an increase of 0.85% compared to the prior year at \$0.755693 per \$100 valuation. The General Fund Ad Valorem tax revenue carries a \$4.45M budget.

Sales Tax

Historically, sales tax revenues have risen and fall in response to oil and gas drilling. Therefore, 2017-2018 sales tax revenues are conservatively projected in the General Fund at \$2.1M. As the oil industry stabilizes and recovers, sales tax could add additional sales tax revenues.

Budget

The 2017-2018 adopted budget has a minimum of a 3% across the board increase in salaries and wages for full-time employees. City Council and City Management 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 2016-2017, the City refinanced an additional portion of the City's existing debt which will save approximately \$774k over the next thirteen years.

Capital

Projects planned for 2017-2018 include remodeling at the library and the female locker room at the Police station, purchase of a fully equipped fire engine and other fire equipment, parking lot reconstruction and surfacing, street resurfacing and reconstruction, City-wide IT infrastructure and phone upgrade, and replacement of water and sewer lines and adding a new well.

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 2017-2018 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 economic project 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 through lease payments from Hawaiian Falls. In January, 2016, the Hawaiian Falls informed the City that they would again not make 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.

The financial impact of the water park is two-fold – operational requirements and debt service requirements. In the 2017-2018 Budget, operational requirements continue to be subsidized by the General Fund in the form of a \$747k transfer while the debt service is budgeted in the Economic Development Corporation (EDC). Operationally, the park is expected to be self-sustaining in 3-4 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, the Fund can no longer fund park operations. In the 2017-2018 Budget, all park operations and maintenance is budgeted in the General Fund.

City Management 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 Management 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 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, 2017

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 14,549,028	\$ 8,683,972	\$ 23,233,000
Certificates of Deposit	8,055,171	5,519,558	13,574,729
Receivables (Net of allowances for uncollectibles)			
Property taxes	120,645	-	120,645
Franchise taxes	244,864	-	244,864
Accounts	-	1,077,562	1,077,562
Miscellaneous	176,504	100	176,604
Interest	29,651	8,670	38,321
Due from other governments	709,981	-	709,981
Prepaid expenses	136,794	312	137,106
Inventory	-	4,569	4,569
Restricted assets:			
Cash and cash equivalents	1,823,836	598,265	2,422,101
Capital assets:			
Nondepreciable	6,323,149	648,609	6,971,758
Depreciable, net of accumulated depreciation	33,489,983	19,754,715	53,244,698
Total Assets	65,659,606	36,296,332	101,955,938
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions	1,589,503	235,288	1,824,791
Deferred charges on refunding	242,212	402,679	644,891
Total Deferred Outflows of Resources	1,831,715	637,967	2,469,682
LIABILITIES:			
Accounts payable	305,490	485,412	790,902
Accrued liabilities	233,428	44,536	277,964
Unearned revenue	-	1,431	1,431
Customer deposits	2,000	-	2,000
Current Liabilities Payable from Restricted Assets:			
Interest payable	276,235	22,959	299,194
Customer deposits	-	599,357	599,357
Noncurrent liabilities:			
Due Within One Year	1,585,449	622,031	2,207,480
Due in More Than One Year	36,585,012	6,559,878	43,144,890
Total Liabilities	38,987,614	8,335,604	47,323,218
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions	189,825	24,143	213,968
Total Deferred Inflows of Resources	189,825	24,143	213,968
NET POSITION:			
Net Investment in Capital Assets	18,757,574	14,251,059	33,008,633
Restricted Net Position (Expendable)			
Police and court	866,531	-	866,531
Tourism, library and senior services	3,523,524	-	3,523,524
Unrestricted Net Position	5,166,253	14,323,493	19,489,746
Total Net Position	\$ 28,313,882	\$ 28,574,552	\$ 56,888,434

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, 2017

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 3,004,317	\$ 19,237	\$ -	\$ -
Public safety	8,351,956	995,748	64,866	-
Public works	1,510,737	83,562	36,000	397,251
Public health	261,628	12,910	-	-
Economic development	351,446	-	-	-
Culture and recreation	4,816,249	227,502	-	-
Interest on long-term debt	1,161,107	-	-	-
Bond issuance costs	62,870	-	-	-
Total governmental activities	<u>19,520,310</u>	<u>1,338,959</u>	<u>100,866</u>	<u>397,251</u>
Business-type activities:				
Water and wastewater	6,562,769	6,826,371	-	786,273
Sanitation	671,221	757,895	-	-
Stormwater utility	312,558	565,575	-	-
Splash Dayz	1,445,968	708,757	-	-
Total business-type activities	<u>8,992,516</u>	<u>8,858,598</u>	<u>-</u>	<u>786,273</u>
Total primary government	<u>\$ 28,512,826</u>	<u>\$ 10,197,557</u>	<u>\$ 100,866</u>	<u>\$ 1,183,524</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

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
\$ (2,985,080)	\$ -	\$ (2,985,080)
(7,291,342)	-	(7,291,342)
(993,924)	-	(993,924)
(248,718)	-	(248,718)
(351,446)	-	(351,446)
(4,588,747)	-	(4,588,747)
(1,161,107)	-	(1,161,107)
(62,870)	-	(62,870)
<u>(17,683,234)</u>	<u>-</u>	<u>(17,683,234)</u>
-	1,049,875	1,049,875
-	86,674	86,674
-	253,017	253,017
-	<u>(737,211)</u>	<u>(737,211)</u>
-	<u>652,355</u>	<u>652,355</u>
<u>\$ (17,683,234)</u>	<u>\$ 652,355</u>	<u>\$ (17,030,879)</u>
\$ 4,075,882	\$ -	\$ 4,075,882
1,032,366	-	1,032,366
4,017,558	-	4,017,558
1,253,174	-	1,253,174
357,912	-	357,912
35,314	-	35,314
207,537	115,708	323,245
385,427	-	385,427
208,641	3,340	211,981
(788,362)	788,362	-
<u>10,785,449</u>	<u>907,410</u>	<u>11,692,859</u>
(6,897,785)	1,559,765	(5,338,020)
<u>35,211,667</u>	<u>27,014,787</u>	<u>62,226,454</u>
<u>\$ 28,313,882</u>	<u>\$ 28,574,552</u>	<u>\$ 56,888,434</u>

CITY OF WHITE SETTLEMENT, TEXAS

Balance Sheet

Governmental Funds

September 30, 2017

	General	Economic Development Corporation	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
Assets:						
Cash and investments	\$ 6,108,792	\$ 429,822	\$ 272,880	\$ 5,014,215	\$ 2,723,319	\$ 14,549,028
Certificates of Deposit	4,419,834	-	-	3,635,337	-	8,055,171
Receivables (Net of allowances for uncollectibles)						
Property taxes	95,903	-	24,742	-	-	120,645
Franchise taxes	227,024	-	-	-	17,840	244,864
Miscellaneous	82,530	-	-	-	93,974	176,504
Interest	21,184	1,291	264	5,202	1,710	29,651
Due from other governments	359,895	179,948	-	-	170,138	709,981
Prepays	113,453	23,005	-	-	336	136,794
Restricted Assets:						
Cash and investments	-	1,780,070	-	-	43,766	1,823,836
Total assets	<u>\$ 11,428,615</u>	<u>\$ 2,414,136</u>	<u>\$ 297,886</u>	<u>\$ 8,654,754</u>	<u>\$ 3,051,083</u>	<u>\$ 25,846,474</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 187,828	\$ 20,323	\$ -	\$ 91,706	\$ 5,633	\$ 305,490
Accrued liabilities	226,169	7,259	-	-	-	233,428
Customer deposits	2,000	-	-	-	-	2,000
Total liabilities	<u>415,997</u>	<u>27,582</u>	<u>-</u>	<u>91,706</u>	<u>5,633</u>	<u>540,918</u>
Deferred inflows of resources:						
Deferred property tax	95,903	-	24,742	-	-	120,645
Other deferred revenue	213,153	-	-	-	-	213,153
Total deferred inflows of resources	<u>309,056</u>	<u>-</u>	<u>24,742</u>	<u>-</u>	<u>-</u>	<u>333,798</u>
Fund Balances:						
Nonspendable	113,453	23,005	-	-	336	136,794
Restricted	-	2,363,549	273,144	8,563,048	2,003,165	13,202,906
Committed	-	-	-	-	1,041,949	1,041,949
Assigned	758,202	-	-	-	-	758,202
Unassigned	9,831,907	-	-	-	-	9,831,907
Total fund balances	<u>10,703,562</u>	<u>2,386,554</u>	<u>273,144</u>	<u>8,563,048</u>	<u>3,045,450</u>	<u>24,971,758</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 11,428,615</u>	<u>\$ 2,414,136</u>	<u>\$ 297,886</u>	<u>\$ 8,654,754</u>	<u>\$ 3,051,083</u>	<u>\$ 25,846,474</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, 2017

Total Fund Balances - Governmental Funds \$ 24,971,758

Capital assets used in governmental activities are not financial resources and therefore are reported in the governmental funds. The cost of these assets was \$62,188,209 and the accumulated depreciation was \$22,375,077. 39,813,132

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	(276,235)	
General Obligation and Certificates of Obligation bonds	(16,850,000)	
Premium on bonds	(993,403)	
Sales Tax Revenue bonds	(11,770,000)	
Compensated absences	<u>(991,578)</u>	(30,881,216)

Deferred charges for refunding related to governmental activity debt are not financial resources and, therefore, are not reported in the governmental funds. 242,212

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 \$7,565,480, a deferred resource inflow related to pensions of \$189,825, and a deferred resource outflow related to pensions in the amount of \$1,589,503. This amounted to a decrease in net position of \$6,165,802. (6,165,802)

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	120,645	
Court fines	58,936	
Franchise taxes	<u>154,217</u>	333,798

Net Position of Governmental Activities \$ 28,313,882

CITY OF WHITE SETTLEMENT, TEXAS
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2017

	General	Economic Development Corporation	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
Taxes:						
Property	\$ 4,063,967	\$ -	\$ 1,029,956	\$ -	\$ -	\$ 5,093,923
Sales and use	2,051,058	1,010,658	-	-	955,842	4,017,558
Franchise	939,417	-	-	-	318,479	1,257,896
Hotel occupancy tax	-	-	-	-	357,912	357,912
Fines and forfeitures	527,474	-	-	-	-	527,474
Licenses and permits	467,211	-	-	-	-	467,211
Intergovernmental revenue	36,000	-	-	-	64,866	100,866
Charges for service	170,115	175,908	-	-	-	346,023
Oil and gas revenues	35,314	-	-	-	-	35,314
Investment Earnings	105,316	26,336	5,930	39,057	30,898	207,537
Other revenue	125,084	6,967	-	-	35,257	167,308
Total revenues	<u>8,520,956</u>	<u>1,219,869</u>	<u>1,035,886</u>	<u>39,057</u>	<u>1,763,254</u>	<u>12,579,022</u>
EXPENDITURES						
Current						
General government	2,182,511	-	-	-	-	2,182,511
Public safety	5,308,011	-	-	-	400,603	5,708,614
Public works	467,785	-	-	-	692,584	1,160,369
Public health	181,188	-	-	-	-	181,188
Economic development	-	161,078	-	-	-	161,078
Culture and recreation	1,133,726	442,795	-	-	88,348	1,664,869
Capital outlay	-	-	-	670,532	-	670,532
Debt service:						
Principal	-	425,000	825,000	-	-	1,250,000
Interest and fiscal charges	-	601,403	608,423	-	-	1,209,826
Debt issuance costs	-	-	62,870	-	-	62,870
Total expenditures	<u>9,273,221</u>	<u>1,630,276</u>	<u>1,496,293</u>	<u>670,532</u>	<u>1,181,535</u>	<u>14,251,857</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (752,265)</u>	<u>\$ (410,407)</u>	<u>\$ (460,407)</u>	<u>\$ (631,475)</u>	<u>\$ 581,719</u>	<u>\$ (1,672,835)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from insurance recoveries	41,333	-	-	-	-	41,333
Proceeds from sale of general capital assets	363,842	92,522	-	-	-	456,364
Refunding bonds issued	-	-	3,815,000	-	-	3,815,000
Bond (discount)/premium	-	-	415,046	-	-	415,046
Payment to bond refunding escrow agent	-	-	(4,162,854)	-	-	(4,162,854)
Transfers in	1,742,654	-	300,000	-	-	2,042,654
Transfers out	(1,082,075)	(51,268)	(488,825)	(280,462)	(928,386)	(2,831,016)
Total other financing sources (uses)	<u>1,065,754</u>	<u>41,254</u>	<u>(121,633)</u>	<u>(280,462)</u>	<u>(928,386)</u>	<u>(223,473)</u>
NET CHANGE IN FUND BALANCES	313,489	(369,153)	(582,040)	(911,937)	(346,667)	(1,896,308)
FUND BALANCE, OCTOBER 1, 2016	<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>
FUND BALANCE, SEPTEMBER 30, 2017	<u>\$ 10,703,562</u>	<u>\$ 2,386,554</u>	<u>\$ 273,144</u>	<u>\$ 8,563,048</u>	<u>\$ 3,045,450</u>	<u>\$ 24,971,758</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, 2017

Total Net Change in Fund Balances - Governmental Funds		\$(1,896,308)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including \$1,421,168 of capital outlays and \$1,250,000 of debt principal payments is to increase net position.		2,671,168
Capital asset donations are revenues in the government-wide financial statements but are not reported in the governmental fund financial statements.		397,251
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.		(1,790,185)
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.		(2,352,113)
Transactions involving the issuance of refunding bonds are expenditures and other financing sources (uses) in the fund financial statements but change in deferred charges for refunding and noncurrent liabilities in the government-wide financial statements. The net effect is a decrease to net position.		(67,192)
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	15,385	
Premium on General Obligation bonds	33,334	
Compensated absences	120,211	
		168,930
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds.		7,854
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.		(4,037,190)
Change in Net Position of Governmental Activities		\$(6,897,785)

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

CITY OF WHITE SETTLEMENT, TEXAS

Statement of Net Position

Proprietary Funds

September 30, 2017

	Enterprise Funds			Totals
	Water and Wastewater	Stormwater Utility	Splash Dayz	
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 6,855,384	\$ 1,821,014	\$ 7,574	\$ 8,683,972
Certificates of Deposit	4,199,312	1,320,246	-	5,519,558
Receivables (Net of allowance for uncollectibles):				
Accounts	1,008,438	68,258	866	1,077,562
Miscellaneous	100	-	-	100
Interest	6,819	1,851	-	8,670
Prepaid expenses	-	-	312	312
Supplies Inventory	-	-	4,569	4,569
Restricted Assets:				
Cash and cash equivalents	598,265	-	-	598,265
Total current assets	12,668,318	3,211,369	13,321	15,893,008
Noncurrent Assets:				
Capital assets, at cost:				
Land	158,144	36,995	-	195,139
Construction in progress	453,470	-	-	453,470
Buildings and improvements	147,403	-	-	147,403
Land improvements	38,484	-	29,221	67,705
Waterworks and wastewater system	27,529,958	-	-	27,529,958
Stormwater systems	-	2,014,955	-	2,014,955
Machinery and equipment	1,381,304	84,220	723,279	2,188,803
	29,708,763	2,136,170	752,500	32,597,433
Less: accumulated depreciation	(11,761,433)	(294,091)	(138,585)	(12,194,109)
Capital assets, net	17,947,330	1,842,079	613,915	20,403,324
Total noncurrent assets	17,947,330	1,842,079	613,915	20,403,324
Total assets	30,615,648	5,053,448	627,236	36,296,332
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding	402,679	-	-	402,679
Deferred outflows related to pensions	200,600	9,773	24,915	235,288
Total deferred outflows of resources	\$ 603,279	\$ 9,773	\$ 24,915	\$ 637,967

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

	Enterprise Funds			Totals
	Water and Wastewater	Stormwater Utility	Splash Dayz	
LIABILITIES:				
Current Liabilities:				
Accounts payable	\$ 456,157	\$ 6,682	\$ 22,573	\$ 485,412
Accrued liabilities	31,389	2,278	10,869	44,536
Unearned revenue	-	-	1,431	1,431
Current portion of long-term liabilities	610,530	6,028	5,473	622,031
Current Liabilities Payable from Restricted Assets:				
Interest payable	22,959	-	-	22,959
Customer deposits payable	598,265	-	1,092	599,357
Total current liabilities	<u>1,719,300</u>	<u>14,988</u>	<u>41,438</u>	<u>1,775,726</u>
Noncurrent Liabilities:				
Compensated absences payable	21,698	13,920	-	35,618
Net pension liability	927,072	-	35,167	962,239
Bonds payable	5,562,021	-	-	5,562,021
Total noncurrent liabilities	<u>6,510,791</u>	<u>13,920</u>	<u>35,167</u>	<u>6,559,878</u>
Total liabilities	<u>8,230,091</u>	<u>28,908</u>	<u>76,605</u>	<u>8,335,604</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to pensions	<u>23,261</u>	<u>-</u>	<u>882</u>	<u>24,143</u>
Total deferred inflows of resources	<u>23,261</u>	<u>-</u>	<u>882</u>	<u>24,143</u>
NET POSITION:				
Net investment in capital assets	11,795,065	1,842,079	613,915	14,251,059
Unrestricted	11,170,510	3,192,234	(39,251)	14,323,493
Total net position	<u>\$ 22,965,575</u>	<u>\$ 5,034,313</u>	<u>\$ 574,664</u>	<u>\$ 28,574,552</u>

CITY OF WHITE SETTLEMENT, TEXAS
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2017

	Enterprise Funds			Totals
	Water and Wastewater	Stormwater Utility	Splash Dayz	
Operating revenues:				
Charges for sales and services	\$ 7,584,266	\$ 565,575	\$ 708,757	\$ 8,858,598
Total operating revenue	<u>7,584,266</u>	<u>565,575</u>	<u>708,757</u>	<u>8,858,598</u>
Operating expenses:				
Utility billing	648,689	-	-	648,689
Water production and distribution	3,264,244	-	-	3,264,244
Wastewater collection and treatment	1,683,935	-	-	1,683,935
Stormwater utility	-	255,812	-	255,812
Sanitation	671,221	-	-	671,221
Splash Dayz	-	-	1,328,577	1,328,577
Non Departmental	59,142	-	-	59,142
Depreciation	690,332	56,746	117,391	864,469
Total operating expenses	<u>7,017,563</u>	<u>312,558</u>	<u>1,445,968</u>	<u>8,776,089</u>
Operating income (loss)	<u>566,703</u>	<u>253,017</u>	<u>(737,211)</u>	<u>82,509</u>
Nonoperating revenues (expenses):				
Proceeds from insurance recoveries	3,340	-	-	3,340
Investment earnings	83,929	31,779	-	115,708
Interest expense	(216,427)	-	-	(216,427)
Total nonoperating revenues (expenses)	<u>(129,158)</u>	<u>31,779</u>	<u>-</u>	<u>(97,379)</u>
Income (loss) before contributions and transfers	437,545	284,796	(737,211)	(14,870)
Capital contributions and transfers:				
Capital Contributions	704,969	81,304	-	786,273
Transfers in	769,287	-	1,142,075	1,911,362
Transfers out	(873,000)	(250,000)	-	(1,123,000)
Change in Net Position	1,038,801	116,100	404,864	1,559,765
Net Position, October 1, 2016	<u>21,926,774</u>	<u>4,918,213</u>	<u>169,800</u>	<u>27,014,787</u>
Net Position, September 30, 2017	<u>\$ 22,965,575</u>	<u>\$ 5,034,313</u>	<u>\$ 574,664</u>	<u>\$ 28,574,552</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, 2017

	Enterprise Funds			Totals
	Water and Wastewater Fund	Stormwater Utility	Splash Dayz	
Cash flows from operating activities:				
Cash received from customers	\$ 7,583,651	\$ 570,822	\$ 716,988	\$ 8,871,461
Cash paid to suppliers	(4,137,920)	(141,436)	(788,024)	(5,067,380)
Cash paid to employees	(674,679)	(95,975)	(506,067)	(1,276,721)
Net cash provided by operating activities	<u>2,771,052</u>	<u>333,411</u>	<u>(577,103)</u>	<u>2,527,360</u>
Cash flow from noncapital financing activities:				
Transfers from other funds	769,287	-	1,142,075	1,911,362
Transfers to other funds	(873,000)	(250,000)	-	(1,123,000)
Net cash provided (used) by noncapital financing activities	<u>(103,713)</u>	<u>(250,000)</u>	<u>1,142,075</u>	<u>788,362</u>
Cash flow from capital and related financing activities:				
Principal payments on long-term debt	(635,000)	-	-	(635,000)
Payment to refunding escrow agent	(488,825)	-	-	(488,825)
Capital contribution for debt service	303,274	-	-	303,274
Capital outlay	(602,940)	(85,478)	(616,036)	(1,304,454)
Proceeds from insurance recoveries	3,340	-	-	3,340
Interest paid on bonds	(150,869)	-	-	(150,869)
Net cash (used) by capital and related financing activities	<u>(1,571,020)</u>	<u>(85,478)</u>	<u>(616,036)</u>	<u>(2,272,534)</u>
Cash flow from investing activities:				
Investment earnings	77,110	29,928	-	107,038
Purchase of Certificates of Deposit	(901,341)	358,294	-	(543,047)
Net cash provided by investing activities	<u>(824,231)</u>	<u>388,222</u>	<u>-</u>	<u>(436,009)</u>
Net increase (decrease) in cash and cash equivalents	272,088	386,155	(51,064)	607,179
Cash and cash equivalents, beginning	<u>7,181,561</u>	<u>1,434,859</u>	<u>58,638</u>	<u>8,675,058</u>
Cash and cash equivalents, ending	<u>\$ 7,453,649</u>	<u>\$ 1,821,014</u>	<u>\$ 7,574</u>	<u>\$ 9,282,237</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	<u>\$ 566,703</u>	<u>\$ 253,017</u>	<u>\$ (737,211)</u>	<u>\$ 82,509</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	690,332	56,746	117,391	864,469
Loss on disposal of capital assets	931,246	-	-	931,246
(Increase) decrease in accounts receivable	(18,317)	5,247	7,689	(5,381)
(Increase) decrease in supplies inventory	-	-	(312)	(312)
(Increase) decrease in prepaid expenses	-	-	(4,569)	(4,569)
Increase (decrease) in accounts payable	39,039	5,948	8,473	53,460
Increase (decrease) in accrued liabilities	10,257	2,278	9,504	22,039
Increase (decrease) in accrued net pension balances	519,751	(9,773)	17,001	526,979
Increase (decrease) in customer deposits	17,702	-	542	18,244
Increase (decrease) in compensated absences payable	14,339	19,948	4,389	38,676
Total adjustments	<u>2,204,349</u>	<u>80,394</u>	<u>160,108</u>	<u>2,444,851</u>
Net cash provided by operating activities	<u>\$ 2,771,052</u>	<u>\$ 333,411</u>	<u>\$ (577,103)</u>	<u>\$ 2,527,360</u>
Noncash Investing, Capital and Financing Activities				
Decrease in principal on bonds due to refinancing	\$ 465,000	\$ -	\$ -	\$ 465,000
Disposal of capital assets	(931,246)	-	-	(931,246)
Contributions of capital assets from developer	401,695	81,304	-	482,999
	<u>\$ (64,551)</u>	<u>\$ 81,304</u>	<u>\$ -</u>	<u>\$ 16,753</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, 2017

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 and Prevention District 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, 2017

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 Fund of the City for police salaries. 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, 2017

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, 2017

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.

The *Splash Dayz Fund* is used to account for the maintenance and operations of the water park owned by 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, 2017

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, 2017.

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, 2017, 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, 2017

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

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 \$216,427. 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, 2017

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 effective rate of interest. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as they are incurred.

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, 2017

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 General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds, it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the General Fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

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	\$ 113,453	\$ 23,005	\$ -	\$ -	\$ 336	\$ 136,794
Restricted:						
Debt Service	-	-	273,144	-	-	273,144
Construction	-	-	-	8,563,048	-	8,563,048
Police and court	-	-	-	-	866,531	866,531
Tourism, library and senior services	-	2,363,549	-	-	1,136,634	3,500,183
Committed:						
Street improvement	-	-	-	-	1,041,949	1,041,949
Assigned:						
Pride Commission	11,658	-	-	-	-	11,658
Subsequent year budget deficit	746,544	-	-	-	-	746,544
Unassigned	9,831,907	-	-	-	-	9,831,907
	<u>\$ 10,703,562</u>	<u>\$ 2,386,554</u>	<u>\$ 273,144</u>	<u>\$ 8,563,048</u>	<u>\$ 3,045,450</u>	<u>\$ 24,971,758</u>

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

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Fund Balance – Governmental Funds (Continued)

The City Council adopted a minimum fund balance policy for the General Fund. The policy requires the City strive to maintain a yearly unassigned fund balance in the General Fund of 144 days of annual budgeted expenditures. At the end of the year, the unassigned fund balance of \$9,831,907 was \$5,786,249 above the minimum fund balance requirement of \$4,045,658.

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)	\$ 13,202,906
Adjustments	
Accrued interest payable restricted for debt service	(274,545)
Deferred property tax revenue restricted for debt service	24,742
Restricted for construction	(8,563,048)
Total adjustments	(8,812,851)
Restricted Net Position (Exhibit A-1)	\$ 4,390,055

11. Use of Estimates

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

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

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.

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, 2017, the City's deposits were covered by FDIC Insurance or collateralized with securities held by the bank's agent in the City's name.

Credit Risk– Investments

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

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Interest Rate Risk – Investments

In accordance with its investment policy, the City manages its exposure to declines in fair market values by limiting the final stated maturity of any investment to three years and the average maturity of the City’s operating funds to one year. As of September 30, 2017, all of the City’s investments were invested for a period not exceeding three years and the average maturity of operating funds was less than one year.

The City’s investments at September 30, 2017 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	100 days	100.00%	\$ 5,446,895	\$ 5,446,895
				<u>\$ 5,446,895</u>	<u>\$ 5,446,895</u>

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

	<u>Cash and Investments</u>
Enterprise Funds	
Customer deposits	\$ 598,265
Total	<u>\$ 598,265</u>

Cash and investments in the amount of \$1,780,070 in the Economic Development Corporation are restricted for debt service.

Investment earnings of \$353,377 are reported net of advisory service fees of \$30,132.

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 2016 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.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

NOTE 3: PROPERTY TAX (Continued)

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, 2017, was \$0.755693 per \$100 of assessed valuation.

Taxes are billed and due on October 1 of each year. The last date for payment without penalty is the following January 31. Delinquent penalties are added on February 1 with additional attorney fees being added on July 1. Lien attaches to properties on the January 1 following levy date. Tarrant County bills and collects the general property taxes for the City. During the fiscal year, the City collected approximately 98% of the 2016 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	\$ 248,299	\$ -	\$ 71,516	\$ -	\$ -	\$ -	\$ -	\$ -
Franchise taxes	227,024	-	-	-	17,840	-	-	-
Occupancy tax	-	-	-	-	93,974	-	-	-
Water and wastewater	-	-	-	-	-	564,334	-	-
Stormwater utility	-	-	-	-	-	-	40,577	-
Sanitation	-	-	-	-	-	60,002	-	-
Earned and unbilled services	-	-	-	-	-	406,719	29,361	-
Miscellaneous	416,501	-	-	-	-	100	-	866
Interest	21,184	1,291	264	5,202	1,710	6,819	1,851	-
Gross Receivables	913,008	1,291	71,780	5,202	113,524	1,037,974	71,789	866
Less: allowance for uncollectibles	(486,367)	-	(46,774)	-	-	(22,617)	(1,680)	-
Net total receivables	\$ 426,641	\$ 1,291	\$ 25,006	\$ 5,202	\$ 113,524	\$ 1,015,357	\$ 70,109	\$ 866

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

NOTE 4: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

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

In addition to liabilities, the statement of financial position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as in inflow of resource (revenue) until that time. The City has two types of items in this category, unavailable revenues for governmental funds and deferred inflows related to pensions in the government-wide statement of net position and proprietary funds statements. 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)	\$ 95,903
Franchise tax receivable	154,217
Court fees receivable	58,936
Deferred property taxes receivable (Debt Service Fund)	24,742
 Total deferred inflows of resources for governmental funds	 \$ 333,798

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, 2017, is as follows:

Transfer In	Transfer Out	Amount	Purpose
General	Crime District	\$ 715,473	Crime prevention
	Economic Development Corp	51,268	Payments in lieu of taxes
	Other Governmental	2,913	Grant match
	Water and Wastewater	873,000	Payments in lieu of taxes
	Stormwater Utility	100,000	Payments in lieu of taxes
 Debt Service	Street Improvement	 150,000	 Debt service
	Stormwater Utility	150,000	Debt service
 Total Governmental Funds Transfers In		 \$ 2,042,654	

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

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

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>	<u>Purpose</u>
Water and Wastewater	Debt Service	\$ 488,825	Debt service
	Capital Projects	280,462	Capital assets
Splash Dayz	General	1,082,075	Transfer water park
	Occupancy Tax	<u>60,000</u>	Transfer water park
Total Enterprise Funds Transfers In		<u><u>\$ 1,911,362</u></u>	

NOTE 6: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2017 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers & Adjustments</u>	<u>Ending Balance</u>
Governmental activities:					
Non - Depreciable Assets:					
Land	\$ 6,150,835	\$ -	\$ (17,400)	\$ -	\$ 6,133,435
Construction in Progress	-	189,714	-	-	189,714
Total non-depreciable assets	<u>6,150,835</u>	<u>189,714</u>	<u>(17,400)</u>	<u>-</u>	<u>6,323,149</u>
Depreciable Assets:					
Land improvements	11,256,183	160,936	-	-	11,417,119
Building and improvements	9,302,405	129,232	(59,667)	(4,452)	9,367,518
Machinery and equipment	16,505,222	128,370	(3,815,913)	(41,373)	12,776,306
Infrastructure	31,091,025	1,210,167	(9,997,075)	-	22,304,117
Total capital assets being depreciated	<u>68,154,835</u>	<u>1,628,705</u>	<u>(13,872,655)</u>	<u>(45,825)</u>	<u>55,865,060</u>
Accumulated Depreciation:					
Land improvements	(3,817,169)	(528,339)	-	-	(4,345,508)
Building and improvements	(4,008,486)	(280,943)	59,667	4,452	(4,225,310)
Machinery and equipment	(7,454,597)	(985,162)	2,043,128	41,373	(6,355,258)
Infrastructure	(16,888,407)	(557,669)	9,997,075	-	(7,449,001)
Total accumulated depreciation	<u>(32,168,659)</u>	<u>(2,352,113)</u>	<u>12,099,870</u>	<u>45,825</u>	<u>(22,375,077)</u>
Governmental activities capital assets, net	<u><u>\$ 42,137,011</u></u>	<u><u>\$ (533,694)</u></u>	<u><u>\$ (1,790,185)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 39,813,132</u></u>

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

NOTE 6: CAPITAL ASSETS (Continued)

	Beginning Balance	Increases	Decreases	Transfers & Adjustments	Ending Balance
Business-type activities:					
Non - Depreciable Assets:					
Land	\$ 195,139	\$ -	\$ -	\$ -	\$ 195,139
Construction in Progress	462,654	980,648	-	(989,832)	453,470
Total non-depreciable assets	<u>657,793</u>	<u>980,648</u>	<u>-</u>	<u>(989,832)</u>	<u>648,609</u>
Depreciable Assets:					
Land improvements	38,484	29,221	-	-	67,705
Building and improvements	147,403	-	-	-	147,403
Machinery and equipment	1,553,609	313,435	(11,853)	333,612	2,188,803
Water and wastewater systems	28,165,596	359,719	(1,399,198)	403,841	27,529,958
Stormwater systems	1,616,773	104,430	-	293,752	2,014,955
Total capital assets being depreciated	<u>31,521,865</u>	<u>806,805</u>	<u>(1,411,051)</u>	<u>1,031,205</u>	<u>31,948,824</u>
Accumulated Depreciation:					
Land improvements	(35,242)	(1,064)	-	-	(36,306)
Building and improvements	(28,929)	(3,585)	-	-	(32,514)
Machinery and equipment	(1,111,320)	(215,057)	11,853	(41,373)	(1,355,897)
Water and wastewater systems	(10,370,652)	(595,978)	467,953	-	(10,498,677)
Stormwater systems	(221,930)	(48,785)	-	-	(270,715)
Total accumulated depreciation	<u>(11,768,073)</u>	<u>(864,469)</u>	<u>479,806</u>	<u>(41,373)</u>	<u>(12,194,109)</u>
Business-type activities capital assets, net	<u>\$ 20,411,585</u>	<u>\$ 922,984</u>	<u>\$ (931,245)</u>	<u>\$ -</u>	<u>\$ 20,403,324</u>

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

Governmental activities:	
General government	\$ 45,633
Public safety	368,220
Public works	944,677
Culture and recreation	993,583
Total depreciation expense - governmental activities	<u>\$ 2,352,113</u>
Business-type activities:	
Water and wastewater	\$ 690,332
Stormwater utility	56,746
Splash Dayz	117,391
Total depreciation expense - business-type activities	<u>\$ 864,469</u>

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

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	\$ 595,000
General government	06/01/15	02/15/35	2.0 - 5.0%	9,540,000	9,325,000
Governmental refunding	06/01/15	02/15/25	2.0 - 3.0%	2,980,000	2,580,000
General government	09/10/15	02/15/28	3.07%	710,000	620,000
Governmental refunding	12/13/16	02/15/29	2.0 - 4.0%	3,815,000	3,730,000

The annual debt service requirements to maturity for General Obligation Bonds and Certificates of Obligation outstanding as of September 30, 2017, are as follows:

Year Ending September 30,	Governmental Activities					
	General Obligation Bonds			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
2018	600,000	200,375	\$ 800,375	175,000	423,704	\$ 598,704
2019	620,000	182,950	802,950	180,000	419,619	599,619
2020	635,000	167,350	802,350	180,000	414,834	594,834
2021	650,000	152,925	802,925	185,000	409,322	594,322
2022	665,000	136,575	801,575	185,000	403,734	588,734
2023 - 2027	2,895,000	390,200	3,285,200	1,705,000	1,909,443	3,614,443
2028 - 2032	840,000	34,000	874,000	4,045,000	1,365,685	5,410,685
2033 - 2037	-	-	-	3,290,000	252,250	3,542,250
	<u>\$ 6,905,000</u>	<u>\$ 1,264,375</u>	<u>\$ 8,169,375</u>	<u>\$ 9,945,000</u>	<u>\$ 5,598,591</u>	<u>\$ 15,543,591</u>

The Economic Development Corporation issued Sales Tax Revenue Bonds for the purpose of constructing a water park. Sales Tax Revenue Bonds outstanding are as follows:

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
Water park	11/12/13	12/01/33	2.93%	\$ 12,600,000	\$ 11,770,000

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

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>
2018	\$ 450,000	\$ 579,559	\$ 1,029,559
2019	475,000	556,342	1,031,342
2020	495,000	531,995	1,026,995
2021	525,000	506,393	1,031,393
2022	550,000	479,410	1,029,410
2023 - 2027	3,205,000	1,941,360	5,146,360
2028 - 2032	4,110,000	1,028,597	5,138,597
2033 - 2037	1,960,000	99,646	2,059,646
	<u>\$ 11,770,000</u>	<u>\$ 5,723,302</u>	<u>\$ 17,493,302</u>

On December 13, 2016, the City issued \$8,145,000 of General Obligation Refunding Bonds, Series 2016. The bonds consisted of General Obligation Bonds with interest rates ranging from 2.0% to 4.0%. The net proceeds were used to partially refund General Obligation Bonds, Series 2009 and Certificates of Obligation, Series 2009. \$8,620,000 of the total principal amount of \$9,960,000 was refunded. The refunding decreased debt service payments for the City by \$1,458,266 with a net present value savings (economic gain) of \$773,583 or 8.97%.

The net proceeds were used to purchase U.S. government securities. Those securities were deposited into a irrevocable trust with an escrow agent to provide for future debt service payments on the refunded General Obligation Bonds and Certificates of Obligation. As a result, the refundable General Obligation Bonds and Certificates of Obligation are considered to be defeased, and the related liability for the General Obligation Bonds and Certificates of Obligation have been removed from the City's liabilities. At September 30, 2017, \$8,620,000 defeased General Obligation Bonds and Certificates of Obligation are outstanding with a scheduled redemption date of February 15, 2019.

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:

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

NOTE 7: LONG-TERM LIABILITIES (Continued)

A. Bonds Payable (Continued)

Purpose	Date Issued	Maturity Date	Interest Rate	Original Principal	Amount Outstanding
Water and wastewater	05/01/09	02/15/29	2.5 - 4.625%	\$ 8,000,000	\$ 745,000
Enterprise refunding	07/15/11	02/15/21	2.0 - 3.0%	1,705,000	735,000
Enterprise refunding	12/13/16	02/15/29	2.0 - 4.0%	4,330,000	4,215,000

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 and partially refunded them with the 2016 General Obligation Refunding Bonds. 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 \$303,274 and was reported as a capital contribution in the Water and Wastewater Fund.

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

Year Ending September 30,	Business-type Activities		
	Principal	Interest	Total
2018	\$ 540,000	\$ 174,663	\$ 714,663
2019	560,000	155,350	715,350
2020	555,000	138,575	693,575
2021	575,000	125,375	700,375
2022	385,000	114,800	499,800
2023 - 2027	2,115,000	391,675	2,506,675
2028 - 2032	965,000	38,900	1,003,900
	<u>\$ 5,695,000</u>	<u>\$ 1,139,338</u>	<u>\$ 6,834,338</u>

The various bond ordinances contain a number of limitations and restrictions. Management believes the City is in compliance with all significant limitation and restrictions at September 30, 2017.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

NOTE 7: LONG-TERM LIABILITIES (Continued)

B. Changes in Long-term Liabilities

	Beginning Balance	Additions	Retirements	Ending Balance	Due Within One Year
Governmental Activities:					
Certificates of Obligation	\$ 10,115,000	\$ -	\$ 170,000	\$ 9,945,000	\$ 175,000
General Obligation Bonds	7,570,000	3,815,000	4,480,000	6,905,000	600,000
Sales Tax Revenue Bonds	12,195,000	-	425,000	11,770,000	450,000
Issuance premium	746,915	415,046	168,558	993,403	78,628
Total bonds payable	<u>30,626,915</u>	<u>4,230,046</u>	<u>5,243,558</u>	<u>29,613,403</u>	<u>1,303,628</u>
Net pension liability	3,666,739	3,898,741	-	7,565,480	-
Compensated absences	<u>1,111,789</u>	<u>636,136</u>	<u>756,347</u>	<u>991,578</u>	<u>281,821</u>
Total Governmental Activities	<u>\$ 35,405,443</u>	<u>\$ 8,764,923</u>	<u>\$ 5,999,905</u>	<u>\$ 38,170,461</u>	<u>\$ 1,585,449</u>
Business-type Activities:					
Certificates of Obligation	\$ 5,890,000	\$ -	\$ 5,145,000	\$ 745,000	\$ 365,000
General Obligation Bonds	905,000	4,330,000	285,000	4,950,000	175,000
Issuance premium	15,928	472,937	31,601	457,264	50,243
Issuance discount	<u>(14,115)</u>	<u>-</u>	<u>(14,115)</u>	<u>-</u>	<u>-</u>
Total bonds payable	<u>6,796,813</u>	<u>4,802,937</u>	<u>5,447,486</u>	<u>6,152,264</u>	<u>590,243</u>
Net pension liability	407,418	554,821	-	962,239	-
Compensated absences	<u>28,730</u>	<u>80,287</u>	<u>41,611</u>	<u>67,406</u>	<u>31,788</u>
Total Business-type Activities	<u>\$ 7,232,961</u>	<u>\$ 5,438,045</u>	<u>\$ 5,489,097</u>	<u>\$ 7,181,909</u>	<u>\$ 622,031</u>
Total Long-term Liabilities	<u>\$ 42,638,404</u>	<u>\$ 14,202,968</u>	<u>\$ 11,489,002</u>	<u>\$ 45,352,370</u>	<u>\$ 2,207,480</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, Stormwater Utility 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, 2017

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

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

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

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	Plan Year 2017
Employee deposit rate	5%	7%
Matching ratio (city to employee)	2 to 1	2 to 1
Years required for vesting	5	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI	70% of CPI

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

Inactive employees or beneficiaries currently receiving benefits	81
Inactive employees entitled to but not yet receiving benefits	103
Active employees	117
	301

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, 2017

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 October – December 2016 and 7% of their annual gross earnings during January – September 2017. The contribution rates for the City were 10.52% and 17.88% in calendar years 2016 and 2017, respectively. The City’s contributions to TMRS for the year ended September 30, 2017, were \$992,694, and were equal to the required contributions.

D. Net Pension Liability

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

Actuarial Assumptions:

The Total Pension Liability in the December 31, 2016 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, 2016, 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. Plan assets are managed on a total return basis with an emphasis on both capital appreciation and well as the protection of income, in order to satisfy the short-term and long-term funding needs to TMRS.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

NOTE 10: DEFINED BENEFIT PENSION PLANS (Continued)

D. Net Pension Liability (Continued)

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). 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%	6.35%
Core Fixed Income	10.0%	1.00%
Non-Core Fixed Income	20.0%	4.15%
Real Return	10.0%	4.15%
Real Estate	10.0%	4.75%
Absolute Return	10.0%	4.00%
Private Equity	5.0%	7.75%
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, 2017

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 12/31/2015	\$ 25,659,650	\$ 21,585,493	\$ 4,074,157
Changes for the year:			
Service cost	729,404	-	729,404
Interest	2,003,764	-	2,003,764
Change of benefit terms	4,294,719	-	4,294,719
Difference between expected and actual experience	(182,401)	-	(182,401)
Changes of assumptions	-	-	-
Contributions - employer	-	644,276	(644,276)
Contributions - employee	-	306,215	(306,215)
Net investment income	-	1,458,796	(1,458,796)
Benefit payments, including refunds of employee contributions	(1,267,348)	(1,267,348)	-
Administrative expense	-	(16,475)	16,475
Other changes	-	(888)	888
Net changes	5,578,138	1,124,576	4,453,562
Balance at 12/31/2016	<u>\$ 31,237,788</u>	<u>\$ 22,710,069</u>	<u>\$ 8,527,719</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	\$ 13,284,462	\$ 8,527,719	\$ 4,663,088

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

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.

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

For the year ended September 30, 2017, the City recognized pension expense of \$5,542,514.

At September 30, 2017, 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	\$ 3,934	\$ 213,968
Changes in actuarial assumptions	\$ 20,041	\$ -
Difference between projected and actual investment earnings.	\$ 989,350	\$ -
Contributions subsequent to the measurement date	\$ 811,466	\$ -
Total	<u>\$ 1,824,791</u>	<u>\$ 213,968</u>

\$811,466 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, 2017. 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:	
2017	\$ 256,363
2018	274,214
2019	269,135
2020	(355)
2021	-
Thereafter	-
Total	<u>\$ 799,357</u>

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

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 2017, 2016, and 2015 were \$13,279, \$13,969, and \$13,161, respectively, which equaled the required contributions each year.

NOTE 12: CONTINGENT LIABILITIES

Contingencies

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

Federal and State Programs

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

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2017

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 2037, respectively. The contracts require the City to pay varying amounts based on the costs associated with water purchased and treated. Payments during 2017 for the purchase of treated water were \$1,141,639 and payments made for the treatment of wastewater by the City of Fort Worth were \$1,333,408.

NOTE 14: SUBSEQUENT EVENTS

Subsequent events were evaluated through February 21, 2018, which is the date the financial statements were available to be issued.

NOTE 15: 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.

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
General Property Taxes				
Current property taxes	\$ 4,095,500	\$ 4,095,500	\$ 3,985,395	\$ (110,105)
Miscellaneous property tax revenue	5,000	5,000	6,106	1,106
Delinquent tax collections	36,000	36,000	28,721	(7,279)
Vehicle inventory tax	7,000	7,000	5,541	(1,459)
Taxes - penalties and interest	40,000	40,000	38,204	(1,796)
Total general property taxes	<u>4,183,500</u>	<u>4,183,500</u>	<u>4,063,967</u>	<u>(119,533)</u>
Sales and Use Taxes				
General sales tax	1,900,000	1,900,000	2,021,316	121,316
Mixed beverage tax	3,000	3,000	2,406	(594)
Bingo tax	37,000	37,000	27,336	(9,664)
Total sales and use taxes	<u>1,940,000</u>	<u>1,940,000</u>	<u>2,051,058</u>	<u>111,058</u>
Franchise Tax				
Telephone franchise fees	68,500	68,500	63,705	(4,795)
Electric franchise fees	537,000	537,000	487,579	(49,421)
Cable TV franchise fees	132,000	132,000	123,470	(8,530)
Gas franchise fees	78,300	78,300	98,034	19,734
Refuse franchise fees	152,000	152,000	166,629	14,629
Total franchise tax	<u>967,800</u>	<u>967,800</u>	<u>939,417</u>	<u>(28,383)</u>
Fines and Fees				
Municipal court fees	344,400	344,400	369,471	25,071
Deferred disposition fee	47,000	47,000	47,616	616
Court administrative fee	7,600	7,600	5,523	(2,077)
Extension fee - City	9,600	9,600	11,167	1,567
Warrant fees	79,000	79,000	72,942	(6,058)
ACO fees	2,000	2,000	1,935	(65)
Code compliance fine	3,000	3,000	18,820	15,820
Total fines and fees	<u>492,600</u>	<u>492,600</u>	<u>527,474</u>	<u>34,874</u>
Licenses and Permits				
Building permits	126,765	126,765	223,815	97,050
Mechanical permits	12,000	12,000	6,741	(5,259)
Appeal/variance permits	2,500	2,500	1,550	(950)
Plumbing permits	20,000	20,000	7,366	(12,634)
Electrical permits	56,500	56,500	82,647	26,147
Alarm permits	3,900	3,900	8,070	4,170
Sign permits	4,000	4,000	3,279	(721)
Garage sale permits	6,500	6,500	6,160	(340)
Curb and gutter permits	100	100	360	260
Miscellaneous permits	-	-	3,979	3,979
Demolition fees	1,500	1,500	1,200	(300)
Occupancy permits	45,000	45,000	48,310	3,310
Fence permits	4,000	4,000	2,526	(1,474)

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, 2017

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES (Continued)				
Licenses and Permits (Continued)				
Fire sprinkler system permits	\$ 12,000	\$ 12,000	\$ 12,415	\$ 415
Other license	-	-	175	175
Contractor registration fee	25,000	25,000	31,500	6,500
Fire inspections	15,000	15,000	9,045	(5,955)
Recreational license	5,000	5,000	9,500	4,500
Recreational machine permits	5,000	5,000	2,310	(2,690)
Platting fees	2,000	2,000	6,263	4,263
Total licenses and permits	<u>346,765</u>	<u>346,765</u>	<u>467,211</u>	<u>120,446</u>
Intergovernmental	<u>-</u>	<u>-</u>	<u>36,000</u>	<u>36,000</u>
Charges for Services				
Copying Fee	50	50	-	(50)
Returned check fee	100	100	-	(100)
Building rental - cultural center	2,000	2,000	2,745	745
Building rental - recreation	22,000	22,000	22,613	613
Supervised recreation	47,000	47,000	8,236	(38,764)
Mowing fees	12,000	12,000	67,946	55,946
Gas well inspector fees	7,000	7,000	7,000	-
Animal control fees	16,000	16,000	10,975	(5,025)
Senior activities	-	-	2,935	2,935
Street inspection fees	-	-	15,511	15,511
False alarm fine	1,475	1,475	1,550	75
Library customer copier	-	-	3,323	3,323
Library revenue	13,500	13,500	11,158	(2,342)
Library processing	200	200	252	52
Reimburse lost/damaged books	400	400	332	(68)
Fingerprinting fees	500	500	425	(75)
Police report fees	500	500	642	142
Wrecker service fees	2,400	2,400	2,130	(270)
Credit card processing fees	-	-	9,743	9,743
Clearview kiosk signage	3,200	3,200	2,430	(770)
Early filing discount	-	-	64	64
Simple recycling	-	-	105	105
Total charges for services	<u>128,325</u>	<u>128,325</u>	<u>170,115</u>	<u>41,790</u>
Oil and Gas Royalties	<u>40,000</u>	<u>40,000</u>	<u>35,314</u>	<u>(4,686)</u>
Investment Earnings	<u>20,000</u>	<u>20,000</u>	<u>105,316</u>	<u>85,316</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, 2017

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES (Continued)				
Other Revenue				
Pay phone income	\$ 500	\$ 500	\$ 54	\$ (446)
Council filing fee	100	100	190	90
Report fees - fire	-	-	100	100
Over/short	-	-	(33)	(33)
Miscellaneous revenues	10,000	10,000	124,773	114,773
Total other revenue	<u>10,600</u>	<u>10,600</u>	<u>125,084</u>	<u>114,484</u>
Total revenues	<u>8,129,590</u>	<u>8,129,590</u>	<u>8,520,956</u>	<u>391,366</u>
EXPENDITURES				
Current				
General Government:				
City Council				
Part-time temporary salaries	7,200	7,200	3,921	3,279
FICA	551	551	300	251
Workers' compensation	22	22	17	5
Unemployment insurance	252	252	14	238
Office supplies	1,500	1,736	1,736	-
Legal costs	160,000	160,000	159,308	692
Audit services	25,000	25,000	21,500	3,500
Professional services	20,000	29,890	29,890	-
Communications	3,400	3,400	2,551	849
Cell phones/air cards	-	114	114	-
Insurance	26,250	16,396	15,474	922
Dues/subscriptions/memberships	15,000	11,410	9,934	1,476
Council sponsored events	-	12,162	12,162	-
Marketing and promotional services	-	2,211	1,211	1,000
Travel and training	5,000	7,339	6,867	472
Miscellaneous materials and supplies	500	500	152	348
Fixtures and furniture	-	19,708	9,854	9,854
Appreciation	1,000	1,041	1,041	-
Plaques, awards and recognition	1,500	2,700	2,487	213
Community chest	1,500	1,300	200	1,100
City council reserve	50,000	15,703	-	15,703
Total City council	<u>318,675</u>	<u>318,635</u>	<u>278,733</u>	<u>39,902</u>
City Manager's Office				
Regular salaries	344,968	391,197	391,197	-
Overtime	2,235	2,235	2,054	181
Certification pay	2,400	2,400	2,125	275
Longevity pay	946	949	949	-
FICA	26,817	24,749	24,749	-
TMRS	56,982	64,136	64,136	-
Workers' compensation	4,409	4,409	3,481	928
Unemployment insurance	1,200	1,200	79	1,121

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, 2017

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
City Manager's Office (Continued)				
Health insurance	\$ 30,360	\$ 18,583	\$ 18,583	\$ -
Dental insurance	1,200	1,200	982	218
Life insurance	436	436	313	123
Office supplies	2,500	2,500	2,182	318
Postage and freight	155	155	90	65
Copy rental/lease	4,300	1,398	1,398	-
Communications	1,750	1,750	1,266	484
Cell phones/air cards	-	38	38	-
Dues/subscriptions/memberships	200	240	240	-
Marketing and promotional services	1,000	1,000	651	349
Travel and training	2,500	950	950	-
Employee appreciation	14,000	1,826	1,826	-
Computer related equipment < \$5,000	-	489	489	-
City manager reserve	52,418	648	-	648
Other professional services	2,000	3,993	3,993	-
Total administration	552,776	526,480	521,771	4,710
City Secretary				
Regular salaries	58,386	60,683	60,683	-
Certification pay	300	304	304	-
Longevity pay	412	412	412	-
FICA	4,521	4,521	4,514	7
TMRS	9,606	9,606	9,590	16
Workers' compensation	206	206	175	31
Unemployment insurance	300	300	9	291
Health insurance	7,200	1,549	24	1,525
Dental insurance	300	590	584	6
Life insurance	109	109	102	7
Office supplies	500	1,400	1,298	102
Postage and freight	200	200	159	41
Copy rental/lease	3,900	3,900	2,580	1,320
Election services	50,000	45,060	13,636	31,424
Other professional services	-	80	43	37
Communications	400	400	393	7
Dues/subscriptions/memberships	495	495	200	295
Travel and training	3,000	7,000	6,781	219
Advertisement/notices	8,000	8,000	4,111	3,889
Total City secretary	147,836	144,816	105,598	39,217
Finance				
Regular salaries	373,140	373,705	361,486	12,219
Overtime	9,961	9,961	5,848	4,113
Certification pay	4,200	4,200	2,749	1,451
Longevity pay	930	930	929	1

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Finance (Continued)				
FICA	\$ 29,700	\$ 29,700	\$ 26,878	\$ 2,822
TMRS	63,110	63,110	57,960	5,150
Workers' compensation	1,355	1,355	1,079	276
Unemployment insurance	1,500	1,500	54	1,446
Health insurance	42,240	36,150	30,932	5,218
Dental insurance	1,500	1,500	1,325	175
Life insurance	545	545	444	101
Office supplies	4,000	9,257	9,257	-
Postage and freight	3,750	4,645	4,145	500
Copy rental/lease	1,850	1,850	960	890
Other professional services	47,000	47,000	44,518	2,482
Communications	1,150	1,150	724	426
Cell phones/air cards	-	750	750	-
Computer maintenance	-	3,400	2,400	1,000
Insurance	2,205	2,205	1,692	513
Dues/subscriptions/memberships	5,500	5,500	2,191	3,309
Travel and training	11,000	9,455	6,553	2,902
Employee appreciation	-	290	289	1
Advertisement/notices	4,000	2,565	-	2,565
Employee testing/physicals	-	135	90	45
Total finance	608,636	610,858	563,253	47,605
Human Resources				
Regular salaries	81,058	73,175	46,538	26,637
Part-time/temporary salaries	8,840	-	-	-
Longevity pay	583	583	-	583
FICA	6,922	6,922	2,831	4,091
TMRS	13,271	13,271	7,726	5,545
Workers' compensation	316	316	268	48
Unemployment insurance	600	600	89	511
Health insurance	7,200	7,495	6,295	1,200
Dental insurance	300	300	221	79
Life insurance	109	109	77	32
Office supplies	1,000	1,000	789	211
Education materials	3,000	3,000	386	2,614
Postage and freight	300	361	321	40
Furniture and fixtures	-	1,850	925	925
Legal services	4,000	4,000	3,304	696
Copier lease/rental	850	850	412	438
Other professional services	21,200	29,340	26,993	2,347
Communications	600	-	-	-
Cell phones/air cards	-	600	494	106
Insurance	2,900	2,735	2,735	-
Dues/subscriptions/memberships	565	565	75	490

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, 2017

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Human Resources (Continued)				
Travel and training	\$ 1,000	\$ 1,012	\$ 1,012	\$ -
Advertisement/notices	1,500	-	-	-
Employee testing/physicals	-	2,500	2,464	36
Total human resources	<u>156,113</u>	<u>150,583</u>	<u>103,955</u>	<u>46,629</u>
Management Information Services				
Regular salaries	128,981	142,974	142,974	-
Overtime	9,674	20,087	20,087	-
Longevity pay	477	477	477	-
FICA	10,644	11,644	11,644	-
TMRS	22,616	25,776	25,776	-
Workers' compensation	486	486	434	52
Unemployment insurance	900	900	27	873
Health insurance	24,720	15,666	15,666	-
Dental insurance	900	900	883	17
Life insurance	327	327	306	21
Office supplies	3,000	3,000	2,872	128
Postage and freight	-	24	24	-
Tools and equipment < \$5,000	500	6,000	5,990	10
Copier lease/rental	10,000	7,527	7,527	-
Other professional services	10,000	7,715	7,715	-
Communications	16,000	23,081	23,081	-
Computer maintenance	35,470	30,698	30,698	-
Equipment maintenance/repair	33,000	36,615	36,615	-
Dues/subscriptions/memberships	-	381	381	-
Travel and training	-	1,865	1,865	-
Computer related equipment < \$5,000	-	276	276	-
Computer software > \$5,000	-	20,290	-	20,290
Total management information services	<u>307,694</u>	<u>356,708</u>	<u>335,318</u>	<u>21,391</u>
Purchasing				
Regular salaries	86,030	75,626	69,204	6,422
Overtime	1,905	1,905	180	1,725
Longevity pay	1,550	1,552	1,552	-
FICA	6,845	6,845	4,979	1,866
TMRS	12,520	12,520	11,048	1,472
Workers' compensation	5,160	5,160	4,191	969
Unemployment insurance	900	900	18	882
Health insurance	14,400	14,400	13,371	1,029
Dental insurance	600	600	564	36
Life insurance	218	218	196	22
Office supplies	1,000	1,000	590	410
Janitorial supplies	100	100	-	100
Building, electrical and plumbing supplies	500	500	162	338

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Purchasing (Continued)				
Uniforms	\$ 500	\$ 500	\$ 130	\$ 370
Postage and freight	50	50	-	50
Fuel and lubricants	2,900	2,300	1,938	362
Safety supplies and equipment	100	100	19	81
Tools and equipment < \$5,000	100	100	12	88
Obsolete/salvaged inventory	-	2,384	2,384	-
Pest control services	100	100	72	28
Copier lease/rental	264	264	240	24
Other professional services	250	250	233	17
Communications	1,600	1,600	1,175	425
Utilities	6,500	4,100	1,974	2,126
Vehicle maintenance/repairs	3,700	3,700	1,713	1,987
Equipment maintenance/repairs	1,000	1,600	1,555	45
Building maintenance and repair	1,000	1,000	-	1,000
Insurance	3,780	3,780	2,918	862
Dues/subscriptions/memberships	920	920	270	650
Travel and training	4,300	4,300	2,704	1,596
Advertisement/notices	800	800	96	704
Employee testing/physicals	80	80	-	80
Electric utilities	-	2,000	1,394	606
Gas utilities	-	400	281	119
First aid and medical supplies	250	250	195	55
Total purchasing/warehouse	159,922	151,904	125,358	26,546
Municipal Facilities				
Regular salaries	38,480	38,990	38,990	-
Overtime	1,924	293	293	-
Longevity pay	43	44	44	-
FICA	3,094	2,941	2,941	-
TMRS	6,575	6,173	6,173	-
Workers' compensation	1,733	1,321	1,321	-
Unemployment insurance	300	9	9	-
Health insurance	7,200	7,200	7,112	88
Dental insurance	300	300	294	6
Life insurance	109	109	102	7
Office supplies	1,500	841	841	-
Janitorial supplies	1,000	1,047	1,047	-
Building, electrical and plumbing supplies	2,000	5,561	5,495	66
Miscellaneous materials and supplies	1,000	1,000	829	171
Uniforms	750	189	189	-
Fuel and lubricants	2,000	1,627	1,627	-
Safety supplies and equipment	250	3	3	-
Tools and equipment < \$5,000	2,000	756	756	-
Parts for equipment	-	127	127	-

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Municipal Facilities (Continued)				
First aid and medical supplies	\$ 400	\$ 400	\$ 351	\$ 49
Janitorial services	12,600	9,815	9,815	-
Pest control services	600	363	363	-
Other professional services	3,000	3,386	3,386	-
Communications	500	390	263	127
Utilities	29,000	3,990	3,990	-
Vehicle maintenance/repairs	5,000	2,031	2,031	-
Equipment maintenance/repairs	1,000	-	-	-
Building maintenance and repair	25,000	39,544	39,544	-
Rental equipment and building	250	-	-	-
Insurance	1,575	1,229	1,229	-
Travel and training	250	250	56	194
Employee testing/physicals	150	150	-	150
Electric utilities	-	16,832	16,832	-
Gas utilities	-	2,672	2,472	200
Total municipal facilities	149,582	149,583	148,525	1,058
 Total general government	 2,401,234	 2,409,567	 2,182,511	 227,057
 Public Safety:				
Police Administration				
Regular salaries	683,080	618,903	595,830	23,073
Overtime	13,336	39,159	39,159	-
Part-time temporary salaries	25,404	63,223	63,223	-
Certification pay	18,000	18,000	11,544	6,456
Longevity pay	5,591	5,514	5,514	-
FICA	57,024	57,024	52,487	4,537
TMRS	117,037	117,037	101,306	15,731
Workers' compensation	9,350	5,198	3,608	1,590
Unemployment insurance	5,389	5,389	917	4,472
Health insurance	112,680	99,117	74,080	25,037
Dental insurance	4,500	4,500	3,387	1,113
Life insurance	1,635	1,635	1,199	436
Office supplies	9,695	9,836	9,836	-
Janitorial supplies	1,428	1,538	1,538	-
Building, electrical and plumbing supplies	3,600	3,600	3,224	376
Batteries	200	200	51	149
Miscellaneous materials and supplies	8,800	8,800	6,263	2,537
Uniforms	2,550	2,550	1,890	660
Postage and freight	1,000	1,000	786	214
Fuel and lubricants	6,190	6,190	1,952	4,238
Safety supplies and equipment	680	680	534	146
Tools and equipment < \$5,000	2,000	2,000	1,338	662
First aid and medical supplies	1,000	1,000	948	52

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, 2017

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Police Administration (Continued)				
Legal services	\$ -	\$ 2,455	\$ 2,455	\$ -
Janitorial services	16,000	15,302	13,624	1,678
Pest control services	500	332	332	-
Copier lease/rental	5,000	7,444	7,444	-
Communications	19,150	18,252	14,913	3,339
Cell phones/air cards	-	200	150	50
Utilities	40,000	12,520	6,200	6,320
Vehicle/equipment non-target	650	-	-	-
Vehicle maintenance/repairs	-	130	41	89
Building maintenance and repair	5,916	3,702	2,952	750
Insurance	34,650	34,650	25,210	9,440
Employee appreciation	1,000	2,500	2,495	5
Advertisement/notices	-	761	761	-
Electric utilities	-	24,253	24,253	-
Gas utilities	-	2,000	1,316	684
Total police administration	1,213,036	1,196,595	1,082,760	113,834
Police Patrol/CID				
Regular salaries	2,036,642	2,036,642	2,034,445	2,197
Overtime	47,246	56,293	56,293	-
Certification pay	48,000	48,000	40,408	7,592
Longevity pay	17,441	17,354	17,354	-
FICA	164,424	164,424	158,095	6,329
TMRS	349,373	349,373	333,431	15,942
Workers' compensation	62,345	62,345	61,424	921
Unemployment insurance	9,900	9,900	301	9,599
Health insurance	258,840	258,840	209,704	49,136
Dental insurance	9,900	9,900	8,810	1,090
Life insurance	3,597	3,597	3,162	435
Office supplies	4,500	4,657	4,657	-
Shop and lab supplies	3,000	2,900	974	1,926
Photo and duplication supplies	1,000	1,000	-	1,000
Building, electrical and plumbing supplies	1,000	1,000	47	953
Batteries	1,500	1,500	329	1,171
Miscellaneous materials and supplies	2,000	2,000	1,719	281
Uniforms	5,000	5,000	2,530	2,470
Fuel and lubricants	85,000	75,805	48,657	27,148
Safety supplies and equipment	500	500	461	39
Tools and equipment < \$5,000	4,500	4,500	617	3,883
First aid and medical supplies	1,500	1,500	1,083	417
Vehicle/equipment non-target	8,170	-	-	-
Vehicle maintenance/repairs	-	8,170	-	8,170
Insurance	17,115	17,115	11,812	5,303

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, 2017

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Police Patrol/CID (Continued)				
Employee testing/physicals	\$ -	\$ 90	\$ 90	\$ -
Total police patrol/CID	3,142,493	3,142,406	2,996,403	146,002
Municipal Court				
Regular salaries	91,083	94,391	94,391	-
Overtime	5,066	2,065	2,065	-
Certification pay	1,200	1,214	1,214	-
Longevity pay	1,014	1,014	1,012	2
FICA	7,525	7,525	7,281	244
TMRS	15,989	15,989	15,401	588
Workers' compensation	343	343	289	54
Unemployment insurance	600	600	18	582
Health insurance	14,400	14,400	14,224	176
Dental insurance	600	600	589	11
Life insurance	218	218	204	14
Office supplies	5,000	5,000	4,068	932
Miscellaneous materials and supplies	400	400	20	380
Uniforms	100	100	-	100
Postage and freight	4,000	4,000	2,231	1,769
Legal services	50,000	48,348	47,091	1,257
Credit card expense	-	3,279	3,279	-
Copier lease/rental	400	974	974	-
Other professional services	1,800	1,000	-	1,000
Computer maintenance	-	275	275	-
Dues/subscriptions/memberships	520	520	336	184
Travel and training	4,000	4,000	997	3,003
Total municipal court	204,258	206,255	195,959	10,296
City Marshal				
Regular salaries	77,314	78,007	78,007	-
Overtime	-	504	504	-
Certification pay	1,800	787	-	787
Longevity pay	51	52	52	-
FICA	6,056	6,056	6,010	46
TMRS	12,868	12,868	12,220	648
Workers' compensation	2,513	2,813	2,771	42
Unemployment insurance	600	600	18	582
Health insurance	17,520	48	48	-
Dental insurance	600	600	-	600
Life insurance	218	438	395	43
Office supplies	1,000	1,000	316	684
Miscellaneous materials and supplies	200	350	258	92
Uniforms	2,000	1,650	1,649	1
Fuel and lubricants	4,400	4,400	3,438	962

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, 2017

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
City Marshal (Continued)				
Tools and equipment < \$5,000	\$ 5,000	\$ 5,500	\$ 5,286	\$ 214
Communications	1,848	1,848	1,609	239
Cell phones/air cards	-	76	76	-
Vehicle maintenance/repairs	2,650	8,631	8,631	-
Insurance	-	750	716	34
Dues/subscriptions/memberships	500	3,196	1,696	1,500
Travel and training	2,500	2,500	902	1,598
Employee testing/physicals	300	300	-	300
Total city marshal	139,937	132,974	124,602	8,372
Fire Department				
Regular salaries	86,445	101,480	101,480	-
Overtime	-	10,595	10,595	-
Part-time temporary salaries	-	70,471	70,471	-
Certification pay	8,365	5,514	5,514	-
Compensated volunteers	-	94,624	94,624	-
Longevity pay	177	177	177	-
FICA	7,266	21,637	21,637	-
TMRS	15,440	15,702	15,702	-
Workers' compensation	3,932	2,695	2,695	-
Unemployment insurance	600	600	334	266
Health insurance	14,400	11,419	11,419	-
Dental insurance	600	600	491	109
Life insurance	218	218	170	48
Volunteer injury insurance	7,000	3,217	3,217	-
Volunteer worker's compensation	9,000	-	-	-
Volunteer fire retirement	5,000	5,000	4,800	200
Office supplies	2,200	2,249	2,249	-
Janitorial supplies	1,200	1,200	682	518
Building, electrical and plumbing supplies	500	500	283	217
Batteries	300	300	280	20
Miscellaneous materials and supplies	2,500	3,528	3,528	-
Uniforms	7,000	11,165	10,750	415
Postage and freight	150	150	122	28
Fuel and lubricants	18,750	12,151	12,151	-
Safety supplies and equipment	23,500	16,973	16,973	-
Tools and equipment < \$5,000	3,500	6,715	6,702	13
Chemicals	250	250	-	250
EMO Supplies	800	800	676	124
First aid and medical supplies	3,500	4,300	4,251	49
Janitorial services	200	200	-	200
Pest control services	300	956	956	-
Copier lease/rental	1,500	1,500	1,366	134
Other professional services	29,500	29,885	29,885	-

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Fire Department (Continued)				
Hazmat clean-up	\$ 2,000	\$ 6,912	\$ 6,912	\$ -
Communications	950	1,174	1,174	-
Cell phones/air cards	-	76	76	-
Utilities	17,500	5,613	3,633	1,980
Vehicle/equipment non-target	3,550	-	-	-
Vehicle maintenance/repairs	30,000	34,418	34,418	-
Equipment maintenance/repairs	15,000	15,000	14,643	357
Building maintenance and repair	3,000	1,325	1,325	-
Insurance	14,490	9,746	9,746	-
Dues/subscriptions/memberships	1,885	760	760	-
Marketing and promotional services	3,000	3,079	3,079	-
Travel and training	7,000	5,935	5,305	630
VFD utility service	18,000	5,254	5,254	-
Employee testing/physicals	700	700	670	30
Electric Utilities	-	9,162	9,162	-
Gas Utilities	-	2,000	1,464	536
Firefighter incentive program	223,500	53,070	53,070	-
Computer software < \$5,000	-	330	330	-
Other equipment	-	2,200	2,200	-
Total fire department	594,669	593,525	587,401	6,124
Code Compliance				
Regular salaries	194,900	104,659	96,030	8,629
Overtime	1,857	1,857	351	1,506
Certification pay	2,100	170	161	9
Longevity pay	212	212	201	11
FICA	15,229	8,229	7,351	878
TMRS	32,359	16,359	14,874	1,485
Workers' compensation	1,422	1,422	1,358	64
Unemployment insurance	900	900	27	873
Health insurance	31,920	14,820	8,535	6,285
Dental insurance	1,200	700	379	321
Life insurance	327	376	230	146
Office supplies	3,150	2,800	1,794	1,006
Photo and duplication supplies	2,625	2,625	1,925	700
Uniforms	1,050	300	232	68
Postage and freight	3,255	3,508	3,508	-
Fuel and lubricants	3,675	2,500	2,128	372
Tools and equipment < \$5,000	525	525	83	442
Credit card expense	-	2,962	2,962	-
Copier lease/rental	2,625	4,745	4,745	-
Other professional services	5,500	61,725	61,725	-
Demolitions and lot clearing	50,000	133,335	85,564	47,771
Mowing and other lien expense	-	16,623	16,623	-

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, 2017

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Code Compliance (Continued)				
Communications	\$ 2,205	\$ 2,000	\$ 1,654	\$ 346
Cell phones/air cards	-	350	350	-
Vehicle/equipment non-target	450	-	-	-
Vehicle maintenance/repairs	6,000	4,500	3,374	1,126
Insurance	1,680	980	941	39
Dues/subscriptions/memberships	500	250	156	94
Travel and training	4,000	1,500	493	1,007
Advertisement/notices	6,000	3,132	3,132	-
Employee testing/physicals	200	100	-	100
Total code compliance	375,866	394,164	320,886	73,278
Total public safety	5,670,259	5,665,919	5,308,011	357,906
Public Works:				
Streets and Drainage				
Regular salaries	156,890	157,058	117,331	39,727
Overtime	8,466	8,466	3,792	4,674
Part-time/temporary salaries	18,252	18,252	17,607	645
Certification pay	1,800	1,800	304	1,496
Longevity pay	501	636	636	-
FICA	14,222	14,222	10,059	4,163
TMRS	27,000	27,000	21,705	5,295
Workers' compensation	15,206	15,206	7,818	7,388
Unemployment insurance	1,800	1,800	45	1,755
Health insurance	37,560	37,560	27,114	10,446
Dental insurance	1,500	1,500	883	617
Life insurance	545	545	366	179
Office supplies	150	150	-	150
Janitorial supplies	150	150	65	85
Building, electrical and plumbing supplies	200	206	206	-
Batteries	250	250	28	222
Miscellaneous materials and supplies	500	500	329	171
Uniforms	2,500	2,500	2,135	365
Fuel and lubricants	19,000	19,000	9,889	9,111
Safety supplies and equipment	3,000	3,000	2,911	89
Tools and equipment < \$5,000	5,000	5,000	3,267	1,733
Chemicals	2,000	2,000	862	1,138
Parts for equipment	2,000	2,000	1,109	891
Street maintenance	75,000	75,000	26,033	48,967
Street sign supplies	5,000	6,888	6,888	-
First aid and medical supplies	250	250	250	-
Sanitation services	8,500	8,500	3,045	5,455
Pest control service	100	100	72	28
Copier lease/rental	700	700	240	460

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, 2017

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Streets and Drainage (Continued)				
Street lights and signals	\$ 135,000	\$ 27,706	\$ 23,471	\$ 4,235
Other professional services	2,000	2,000	313	1,687
Communications	2,000	2,000	1,321	679
Utilities	1,600	26	26	-
Vehicle maintenance/repairs	55,000	32,114	31,637	477
Equipment maintenance/repairs	1,500	4,835	4,835	-
Building maintenance and repair	750	750	441	309
Building and equipment rental	2,000	2,000	1,862	138
Insurance	13,335	13,335	13,233	102
Dues/subscriptions/memberships	250	250	-	250
Travel and training	1,440	1,440	121	1,319
Employee testing/physicals	500	500	158	342
Electric Utilities	-	118,618	118,618	-
Gas Utilities	-	1,268	121	1,147
Other equipment	-	6,639	6,639	-
Total streets and drainage	623,417	623,720	467,785	155,935
Total public works	623,417	623,720	467,785	155,935
Public Health:				
Animal Control				
Regular salaries	100,643	90,799	69,570	21,229
Overtime	4,169	5,190	5,190	-
Certification pay	2,400	2,400	2,118	282
Longevity pay	559	552	220	332
FICA	8,244	8,244	5,879	2,365
TMRS	17,518	17,518	12,310	5,208
Workers' compensation	4,315	4,315	3,128	1,187
Unemployment insurance	900	900	29	871
Health insurance	23,160	23,160	15,626	7,534
Dental insurance	900	900	614	286
Life insurance	327	327	213	114
Office supplies	3,000	2,650	2,497	153
Janitorial supplies	2,200	3,200	2,942	258
Building, electrical and plumbing supplies	3,000	4,521	4,521	-
Miscellaneous materials and supplies	9,000	7,292	7,266	26
Uniforms	500	500	445	55
Postage and freight	260	260	228	32
Fuel and lubricants	1,300	1,549	1,549	-
Safety supplies and equipment	900	400	53	347
Tools and equipment < \$5,000	3,000	4,234	4,234	-
First aid and medical supplies	2,000	2,000	1,362	638
Furniture and fixtures	-	350	348	2

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Animal Control (Continued)				
Credit card expense	\$ -	\$ 1,160	\$ 1,060	\$ 100
Pest control service	300	300	211	89
Copier lease/rental	400	400	137	263
Other professional services	7,000	5,815	3,319	2,496
Communications	1,700	1,700	1,480	220
Utilities	22,000	8,400	4,521	3,879
Vehicle/equipment non-target	300	-	-	-
Vehicle maintenance/repairs	3,350	3,650	2,744	906
Equipment maintenance/repairs	800	800	-	800
Building maintenance and repair	5,000	10,028	10,028	-
Rental equipment and building	250	250	-	250
Insurance	3,570	3,570	3,180	390
Dues/subscriptions/memberships	200	200	-	200
Travel and training	400	400	-	400
Employee testing/physicals	125	150	150	-
Electric Utilities	-	11,854	11,854	-
Gas Utilities	-	2,600	2,162	438
Total animal control	233,690	232,539	181,188	51,350
Total public health	233,690	232,539	181,188	51,350
Culture and Recreation:				
Senior Services				
Regular salaries	175,561	172,129	163,112	9,017
Overtime	7,600	4,200	496	3,704
Part-time temporary salaries	-	14,221	14,221	-
Certification pay	-	304	304	-
Longevity pay	1,794	1,794	1,768	26
FICA	14,149	14,149	13,418	731
TMRS	27,465	27,465	26,243	1,222
Workers' compensation	2,408	2,408	2,279	129
Unemployment insurance	1,500	1,500	66	1,434
Health insurance	31,920	13,511	12,407	1,104
Dental insurance	1,200	1,200	1,006	194
Life insurance	436	436	264	172
Office supplies	1,850	2,150	2,044	106
Janitorial supplies	1,280	2,980	2,658	322
Building, electrical and plumbing supplies	150	1,712	1,527	185
Miscellaneous materials and supplies	300	1,000	780	220
Postage and freight	220	220	90	130
Fuel and lubricants	5,800	4,600	2,635	1,965
Safety supplies and equipment	75	75	-	75
First aid and medical supplies	1,000	100	-	100

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, 2017

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Senior Services (Continued)				
Janitorial services	\$ 10,000	\$ 7,900	\$ 6,470	\$ 1,430
Pest control service	600	600	332	268
Copier lease/rental	1,200	2,050	1,767	283
Other professional services	2,600	7,262	7,262	-
Communications	1,400	1,400	855	545
Cell phones/Air cards	-	400	248	152
Utilities	21,000	4,700	3,624	1,076
Computer maintenance	-	1,400	-	1,400
Vehicle/equipment non-target	1,000	-	-	-
Vehicle maintenance/repairs	6,900	3,890	1,946	1,944
Equipment maintenance/repairs	300	300	-	300
Building maintenance and repair	2,000	2,600	2,548	52
Insurance	5,250	5,250	4,931	319
Dues/subscriptions/memberships	245	245	-	245
Travel and training	1,580	1,580	803	777
Employee appreciation	-	160	156	4
Marketing and promotional services	700	800	777	23
Advertisement/notices	250	250	-	250
Employee testing/physicals	500	500	295	205
Electric utilities	-	15,000	13,700	1,300
Gas utilities	-	1,300	1,071	229
Total senior services	330,232	323,741	292,103	31,638
Parks Maintenance				
Regular salaries	177,289	89,357	89,357	-
Overtime	4,282	-	-	-
Part-time temporary salaries	16,016	15,001	6,868	8,133
Longevity pay	1,852	840	812	28
FICA	15,441	7,823	6,842	981
TMRS	30,206	19,487	14,474	5,013
Workers' compensation	5,847	3,538	3,538	-
Unemployment insurance	1,200	600	152	448
Health insurance	24,720	11,299	11,299	-
Dental insurance	750	625	543	82
Life insurance	327	264	230	34
Vehicle allowance	2,400	2,428	2,428	-
Office supplies	500	390	314	76
Janitorial supplies	600	2,360	2,287	73
Landscaping supplies	2,000	1,350	1,314	36
Miscellaneous materials and supplies	1,350	-	-	-
Uniforms	700	-	-	-
Fuel and lubricants	5,000	2,450	2,432	18
Safety supplies and equipment	500	180	180	-

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, 2017

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Parks Maintenance (Continued)				
Tools and equipment < \$5,000	\$ 5,000	\$ 45	\$ 43	\$ 2
Chemicals	500	-	-	-
Parts for equipment	1,000	-	-	-
First aid and medical supplies	250	-	-	-
Pest control service	400	400	252	148
Copier lease/rental	700	700	137	563
Other professional services	47,850	660	656	4
Communications	2,200	1,400	910	490
Cell phones/air cards	-	38	38	-
Utilities	4,500	-	-	-
Vehicle/equipment non-target	1,000	-	-	-
Vehicle maintenance/repairs	16,000	742	742	-
Equipment maintenance/repairs	1,000	90	86	4
Building maintenance and repair	-	26,417	-	26,417
Building and equipment rental	5,300	-	-	-
Insurance	6,510	1,178	-	1,178
Dues/subscriptions/memberships	350	550	471	79
Travel and training	750	515	509	6
Employee testing/physicals	300	200	200	-
Electric utilities	-	1,368	1,368	-
Gas utilities	-	178	178	-
Total parks maintenance	384,589	192,472	148,660	43,813
Recreation				
Regular salaries	143,272	116,535	116,535	-
Overtime	4,799	6,894	6,894	-
Part-time temporary salaries	16,516	27,960	27,960	-
Certification pay	-	1,114	1,114	-
Longevity pay	825	825	700	125
FICA	12,654	12,654	11,525	1,129
TMRS	24,093	21,733	19,465	2,268
Workers' compensation	5,404	5,404	4,514	890
Unemployment insurance	1,500	1,500	157	1,343
Health insurance	28,800	22,477	22,477	-
Dental insurance	1,200	1,200	859	341
Life insurance	436	436	298	138
Office supplies	1,700	3,500	3,449	51
Janitorial supplies	600	1,838	1,838	-
Building, electrical and plumbing supplies	1,500	2,500	2,446	54
Miscellaneous materials and supplies	13,000	8,800	8,204	596
Uniforms	500	1,350	824	526
Postage and freight	-	89	89	-
Tools and equipment < \$5,000	1,000	280	257	23
Street sign supplies	150	150	118	32

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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Recreation (Continued)				
First aid and medical supplies	\$ 250	\$ 250	\$ 90	\$ 160
Credit card expense	-	1,200	1,069	131
Pest control service	300	300	211	89
Copier lease/rental	1,800	1,800	1,492	308
Other professional services	1,500	4,100	4,095	5
Program instructors	20,000	6,577	6,577	-
Communications	1,000	1,200	1,163	37
Utilities	22,000	5,200	3,623	1,577
Computer maintenance	2,000	4,050	2,029	2,021
Building maintenance and repair	10,000	1,866	1,866	-
Rental equipment and building	400	400	-	400
Insurance	2,310	2,310	2,036	274
Dues/subscriptions/memberships	400	400	370	30
Awards and packages	-	525	525	-
Marketing & promotional service	1,200	1,500	1,465	35
Travel and training	400	400	225	175
Employee testing/physicals	300	300	195	105
Electric utilities	-	15,500	14,326	1,174
Gas utilities	-	1,300	1,071	229
Total recreation	321,809	286,416	272,151	14,266
Library				
Regular salaries	178,706	182,180	182,180	-
Overtime	-	813	813	-
Part-time temporary salaries	87,672	79,085	53,461	25,624
Longevity pay	1,631	1,631	1,537	94
FICA	20,503	20,503	17,475	3,028
TMRS	29,314	31,794	31,794	-
Workers' compensation	977	977	664	313
Unemployment insurance	3,000	3,000	139	2,861
Health insurance	28,800	28,800	25,789	3,011
Dental insurance	1,200	1,200	1,055	145
Life insurance	436	436	366	70
Office supplies	6,000	10,372	10,372	-
Janitorial supplies	750	750	502	248
Building, electrical, and plumbing supplies	-	2,701	2,700	1
Landscaping supplies	300	300	-	300
Miscellaneous materials and supplies	6,000	3,475	3,475	-
Uniforms	300	300	-	300
Postage and freight	2,500	2,099	1,730	369
Computer parts and software	5,084	5,084	5,000	84
Books	24,500	21,500	21,228	272
First aid and medical supplies	100	100	-	100
Janitorial services	14,000	12,650	11,341	1,309

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, 2017

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES (Continued)				
Current (Continued)				
Library (Continued)				
Credit card expense	\$ -	\$ 1,350	\$ 1,209	\$ 141
Copier lease/rental	6,500	7,500	7,056	444
Other professional services	2,500	1,150	806	344
Other leases/books	8,715	7,205	6,512	693
Communications	2,550	2,550	1,762	788
Utilities	15,000	1,400	1,302	98
Computer maintenance	-	1,400	1,400	-
Equipment maintenance/repairs	2,000	550	548	2
Building maintenance and repair	1,000	2,310	2,292	18
Insurance	3,360	3,360	2,973	387
Dues/subscriptions/memberships	5,000	5,000	4,787	213
Marketing and promotional services	3,500	4,173	4,173	-
Travel and training	700	700	-	700
Employee testing/physicals	150	150	150	-
Electric utilities	-	13,000	12,099	901
Gas utilities	-	1,200	949	251
Total library	<u>462,747</u>	<u>462,747</u>	<u>419,639</u>	<u>43,109</u>
Pride Commission				
Office Supplies	100	100	90	10
Building, electrical and plumbing supplies	2,000	2,000	-	2,000
Landscaping supplies	2,000	2,000	135	1,865
Street sign supplies	800	800	280	520
Dues/subscriptions/memberships	120	120	100	20
Marketing & promotional services	2,480	2,480	568	1,912
Total Pride Commission	<u>7,500</u>	<u>7,500</u>	<u>1,173</u>	<u>6,327</u>
Total culture and recreation	<u>1,506,877</u>	<u>1,272,876</u>	<u>1,133,726</u>	<u>139,153</u>
Non Departmental				
Insurance claims paid	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total non departmental	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>50,000</u>
Total expenditures	<u>10,485,477</u>	<u>10,254,622</u>	<u>9,273,221</u>	<u>981,401</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,355,887)	(2,125,032)	(752,265)	1,372,767

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, 2017

Exhibit E-1 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance refunds/claims	\$ 50,000	\$ 50,000	\$ 41,333	\$ (8,667)
Proceeds from sale of general capital assets	28,000	28,000	363,842	335,842
Transfers in:				
Administrative cost share water/wastewater	873,000	873,000	873,000	-
Administrative cost share stormwater utility	100,000	100,000	100,000	-
Administrative cost share Economic Dev	46,600	46,600	51,268	4,668
Administrative cost share Crime District	45,493	45,493	48,473	2,980
Crime District	767,000	767,000	667,000	(100,000)
Grant Fund	-	-	2,913	2,913
Total transfers in	<u>1,832,093</u>	<u>1,832,093</u>	<u>1,742,654</u>	<u>(89,439)</u>
Transfers out	<u>(1,282,324)</u>	<u>(1,282,324)</u>	<u>(1,082,075)</u>	<u>200,249</u>
Total other financing sources (uses)	<u>627,769</u>	<u>627,769</u>	<u>1,065,754</u>	<u>437,985</u>
NET CHANGE IN FUND BALANCES	\$ (1,728,119)	\$ (1,497,263)	\$ 313,489	\$ 1,810,753
FUND BALANCE, OCTOBER 1, 2016	<u>10,390,073</u>	<u>10,390,073</u>	<u>10,390,073</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2017	<u><u>\$ 8,661,954</u></u>	<u><u>\$ 8,892,810</u></u>	<u><u>\$ 10,703,562</u></u>	<u><u>\$ 1,810,753</u></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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Sales and use taxes	\$ 932,000	\$ 932,000	\$ 1,010,658	\$ 78,658
Charges for services	205,600	205,600	175,908	(29,692)
Investment earnings	4,200	4,200	26,336	22,136
Other revenue	-	-	6,967	6,967
Total revenues	1,141,800	1,141,800	1,219,869	78,069
EXPENDITURES				
Current				
Economic Development:				
Operational				
Business incentive grants	\$ 105,000	\$ 99,422	\$ 35,000	\$ 64,422
Financial assistance projects	100,000	100,000	-	100,000
Other professional services	-	909	909	-
Total operational	205,000	200,331	35,909	164,422
Director				
Regular salaries	78,083	78,083	73,928	4,155
Certification pay	900	911	911	-
Longevity pay	397	397	396	1
FICA	6,348	6,348	5,732	616
TMRS	13,488	13,488	12,162	1,326
Workers' compensation	290	290	243	47
Unemployment insurance	300	300	9	291
Health insurance	8,760	8,802	8,802	-
Dental insurance	300	300	294	6
Life insurance	109	109	102	7
Vehicle allowance	3,600	3,600	3,492	108
Office supplies	1,000	1,000	831	169
Postage and freight	250	250	30	220
Legal	1,000	147	-	147
Other professional services	500	1,371	1,371	-
Communications	500	1,353	790	563
Cell phones/air cards	-	100	100	-
Dues/subscriptions/memberships	600	600	20	580
Marketing and promotional services	15,000	13,976	12,047	1,929
Travel and training	4,500	4,500	3,909	591
Total director	135,925	135,925	125,169	10,756
Total economic development	340,925	336,256	161,078	175,178
Culture and Recreation:				
Parks Operational				
Regular salaries	118,395	118,395	74,772	43,623
Overtime	3,943	3,943	3,625	318
Part-time temporary salaries	17,160	17,160	13,415	3,745
Certification pay	1,500	1,500	-	1,500
Longevity pay	776	776	712	64

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)
Economic Development Corporation
For the Year Ended September 30, 2017

Exhibit E-2 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
EXPENDITURES (Continued)				
Current (Continued)				
Parks Operational (Continued)				
FICA	\$ 10,846	\$ 10,846	\$ 7,053	\$ 3,793
TMRS	20,172	20,172	12,420	7,752
Workers' compensation	4,912	4,912	2,363	2,549
Unemployment insurance	1,500	1,500	69	1,431
Health insurance	30,360	25,460	13,472	11,988
Dental insurance	1,200	1,200	663	537
Life Insurance	436	436	239	197
Office supplies	700	700	61	639
Janitorial supplies	3,000	3,000	2,797	203
Building, electrical and plumbing supplies	6,000	4,000	3,296	704
Park maintenance supplies	-	28,500	26,229	2,271
Landscaping supplies	9,000	4,100	2,358	1,742
Miscellaneous materials and supplies	14,000	17,107	17,107	-
Uniforms	1,800	1,800	573	1,227
Fuel and lubricants	3,000	3,000	2,345	655
Safety supplies and equipment	500	500	374	126
Tools and equipment < \$5,000	2,500	14,400	13,801	599
Chemicals	3,000	3,500	3,499	1
Parts for equipment	1,000	1,000	255	745
Street/park sign supplies	1,000	1,900	1,746	154
First aid and medical supplies	275	275	-	275
Active processing fees	-	2,130	2,130	-
Pest control services	700	700	381	319
Umpires/scorers	2,000	3,456	3,456	-
Other professional services	47,000	46,800	46,800	-
Communications	2,800	2,800	2,520	280
Telephone	-	100	100	-
Utilities	150,000	33,593	33,593	-
Parks maintenance	30,000	2,900	2,855	45
Vehicle maintenance/repairs	14,000	7,202	4,080	3,122
Equipment maintenance/repairs	2,500	5,712	5,712	-
Building maintenance and repair	12,000	8,500	8,254	246
Vehicle/equipment non-target	2,000	2,000	-	2,000
Rental equipment and building	2,000	2,000	-	2,000
Insurance	7,140	7,140	6,674	466
Dues/subscriptions/memberships	700	700	165	535
Awards packages	8,500	8,500	4,094	4,406
Marketing and promotional services	9,000	5,900	1,165	4,735
Travel and training	700	700	228	472
Employee testing/physicals	400	500	485	15
Electric utilities	-	117,000	116,859	141
Total parks operational	<u>548,415</u>	<u>548,415</u>	<u>442,795</u>	<u>105,620</u>
Total culture and recreation	<u>548,415</u>	<u>548,415</u>	<u>442,795</u>	<u>105,620</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)
Economic Development Corporation
For the Year Ended September 30, 2017

Exhibit E-2 (Continued)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Debt Service:				
Principal	\$ 425,000	\$ 425,000	\$ 425,000	\$ -
Interest and fiscal charges	601,522	601,522	601,403	119
Total debt service	<u>1,026,522</u>	<u>1,026,522</u>	<u>1,026,403</u>	<u>119</u>
Total expenditures	<u>1,915,862</u>	<u>1,911,193</u>	<u>1,630,276</u>	<u>280,917</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(774,062)	(769,393)	(410,407)	358,986
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	92,522	92,522
Transfers out:				
Administrative cost share to general fund	(46,600)	(51,268)	(51,268)	-
Total transfers out	<u>(46,600)</u>	<u>(51,268)</u>	<u>(51,268)</u>	<u>-</u>
Total other financing sources (uses)	<u>(46,600)</u>	<u>(51,268)</u>	<u>41,254</u>	<u>92,522</u>
NET CHANGE IN FUND BALANCES	\$ (820,662)	\$ (820,661)	\$ (369,153)	\$ 451,508
FUND BALANCE, OCTOBER 1, 2016	<u>2,755,707</u>	<u>2,755,707</u>	<u>2,755,707</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2017	<u>\$ 1,935,045</u>	<u>\$ 1,935,046</u>	<u>\$ 2,386,554</u>	<u>\$ 451,508</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	2016
Total Pension Liability			
Service Cost	\$ 611,630	\$ 713,205	\$ 729,404
Interest (on the Total Pension Liability)	1,600,861	1,696,468	2,003,764
Changes of benefit terms (TMRS Plan Participation)	-	-	4,294,719
Difference between expected and actual experience	28,147	(196,008)	(182,401)
Change of assumptions	-	46,941	-
Benefit payments, including refunds of employee contributions	(892,005)	(959,214)	(1,267,348)
Net Change in Total Pension Liability	1,348,633	1,301,392	5,578,138
Total Pension Liability - Beginning	23,009,625	24,358,258	25,659,650
Total Pension Liability - Ending	\$ 24,358,258	\$ 25,659,650	\$ 31,237,788
 Plan Fiduciary Net Position			
Contributions - Employer	\$ 643,713	\$ 661,737	\$ 644,276
Contributions - Employee	315,411	306,360	306,215
Net Investment Income	1,163,983	31,821	1,458,796
Benefit payments, including refunds of employee contributions	(892,005)	(959,214)	(1,267,348)
Administrative Expense	(12,153)	(19,382)	(16,475)
Other	(999)	(958)	(888)
Net Change in Plan Fiduciary Net Position	1,217,950	20,364	1,124,576
Plan Fiduciary Net Position - Beginning	20,347,179	21,565,129	21,585,493
Plan Fiduciary Net Position - Ending	\$ 21,565,129	\$ 21,585,493	\$ 22,710,069
 Net Pension Liability - Ending	\$ 2,793,129	\$ 4,074,157	\$ 8,527,719
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	88.53%	84.12%	72.70%
 Covered Employee Payroll	\$ 5,973,238	\$ 6,127,191	\$ 6,124,296
 Net Pension Liability as a Percentage of Covered Employee Payroll	46.76%	66.49%	139.24%

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

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

Exhibit E-4

	2014	2015	2016	2017
Actuarially Determined Contribution	\$ 591,914	\$ 651,832	\$ 655,291	\$ 992,694
Contributions in relation to the actuarially determined contribution	\$ 591,914	\$ 651,832	\$ 655,291	\$ 992,694
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered employee payroll	\$ 5,684,882	\$ 6,056,693	\$ 6,147,865	\$ 6,163,126
Contributions as a percentage of covered employee payroll	10.41%	10.76%	10.66%	16.11%

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, 2017

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, 2017

C. Excess of Expenditures Over Appropriations

The expenditures of the General Fund were less than appropriations by \$981,401.

There were no line items that exceeded their budget for the year by greater than \$5,000 (the legal level of budgetary control.)

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	29 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 1) Increased employee contribution rate from 5% to 7%.
2) Removed statutory max.

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**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF WHITE SETTLEMENT, TEXAS
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2017

	Special Revenue Funds				
	Occupancy Tax	Crime District	Friends of Library	Other Special Revenue	Total Special Revenue
Assets:					
Cash and investments	\$1,001,029	\$ 523,816	\$ -	\$ 175,079	\$1,699,924
Receivables (Net of allowances for uncollectibles)					
Franchise taxes	-	-	-	-	-
Miscellaneous	91,018	-	-	2,956	93,974
Interest	566	295	-	135	996
Due from other governments	-	170,138	-	-	170,138
Prepaid items	336	-	-	-	336
Restricted Assets:					
Cash and investments	-	-	-	43,766	43,766
Total assets	<u>\$1,092,949</u>	<u>\$ 694,249</u>	<u>\$ -</u>	<u>\$ 221,936</u>	<u>\$2,009,134</u>
Liabilities, deferred inflows and fund balance:					
Liabilities:					
Accounts payable	\$ 107	\$ 4,247	\$ -	\$ 1,279	\$ 5,633
Total liabilities	<u>107</u>	<u>4,247</u>	<u>-</u>	<u>1,279</u>	<u>5,633</u>
Fund balance:					
Nonspendable	336	-	-	-	336
Restricted	1,092,506	690,002	-	220,657	2,003,165
Committed	-	-	-	-	-
Total fund balances	<u>1,092,842</u>	<u>690,002</u>	<u>-</u>	<u>220,657</u>	<u>2,003,501</u>
Total liabilities and fund balances	<u>\$1,092,949</u>	<u>\$ 694,249</u>	<u>\$ -</u>	<u>\$ 221,936</u>	<u>\$2,009,134</u>

Exhibit F-1

<u>Capital Projects Fund</u>	<u>Total Nonmajor Funds</u>
<u>Street Improvement</u>	
\$1,023,395	\$2,723,319
17,840	17,840
-	93,974
714	1,710
-	170,138
-	336
<u>-</u>	<u>43,766</u>
<u>\$1,041,949</u>	<u>\$3,051,083</u>
<u>\$ -</u>	<u>\$ 5,633</u>
<u>-</u>	<u>5,633</u>
-	336
-	2,003,165
<u>1,041,949</u>	<u>1,041,949</u>
<u>1,041,949</u>	<u>3,045,450</u>
<u>\$1,041,949</u>	<u>\$3,051,083</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, 2017

	Special Revenue Funds				Total Special Revenue
	Occupancy Tax	Crime District	Friends of Library	Other Special Revenue	
Revenues:					
Sales and use taxes	\$ -	\$ 955,842	\$ -	\$ -	\$ 955,842
Franchise taxes	-	-	-	-	-
Hotel occupancy tax	357,912	-	-	-	357,912
Intergovernmental	-	-	-	64,866	64,866
Investment earnings	8,912	5,608	9	2,403	16,932
Other	-	-	-	35,257	35,257
Total revenue	<u>366,824</u>	<u>961,450</u>	<u>9</u>	<u>102,526</u>	<u>1,430,809</u>
Expenditures:					
Current:					
Public Safety	-	280,856	-	119,747	400,603
Public Works	-	-	-	-	-
Culture and recreation	<u>53,280</u>	<u>-</u>	<u>24,117</u>	<u>10,951</u>	<u>88,348</u>
Total expenditures	<u>53,280</u>	<u>280,856</u>	<u>24,117</u>	<u>130,698</u>	<u>488,951</u>
Excess (deficiency) of revenues over (under) expenditures	<u>313,544</u>	<u>680,594</u>	<u>(24,108)</u>	<u>(28,172)</u>	<u>941,858</u>
Other financing sources (uses):					
Transfers out	<u>(60,000)</u>	<u>(715,473)</u>	<u>-</u>	<u>(2,913)</u>	<u>(778,386)</u>
Total other financing sources (uses):	<u>(60,000)</u>	<u>(715,473)</u>	<u>-</u>	<u>(2,913)</u>	<u>(778,386)</u>
Net change in fund balances	253,544	(34,879)	(24,108)	(31,085)	163,472
Fund Balance, October 1, 2016	<u>839,298</u>	<u>724,881</u>	<u>24,108</u>	<u>251,742</u>	<u>1,840,029</u>
Fund Balance, September 30, 2017	<u><u>\$1,092,842</u></u>	<u><u>\$ 690,002</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 220,657</u></u>	<u><u>\$2,003,501</u></u>

Exhibit F-2

<u>Capital Projects Fund</u>	<u>Total Nonmajor Funds</u>
<u>Street Improvement</u>	
\$ -	\$ 955,842
318,479	318,479
-	357,912
-	64,866
13,966	30,898
<u>-</u>	<u>35,257</u>
<u>332,445</u>	<u>1,763,254</u>
-	400,603
692,584	692,584
<u>-</u>	<u>88,348</u>
<u>692,584</u>	<u>1,181,535</u>
<u>(360,139)</u>	<u>581,719</u>
<u>(150,000)</u>	<u>(928,386)</u>
<u>(150,000)</u>	<u>(928,386)</u>
(510,139)	(346,667)
<u>1,552,088</u>	<u>3,392,117</u>
<u><u>\$1,041,949</u></u>	<u><u>\$3,045,450</u></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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Hotel occupancy tax	\$ 295,000	\$ 295,000	\$ 357,912	\$ 62,912
Investment earnings	1,000	1,000	8,912	7,912
Total revenues	<u>296,000</u>	<u>296,000</u>	<u>366,824</u>	<u>70,824</u>
EXPENDITURES				
Culture and recreation				
Other professional services	-	336	336	-
Utilities	2,500	2,500	1,154	1,346
Building maintenance - museum	-	1,017	1,017	-
Marketing and promotional services	157,727	157,391	-	157,391
Christmas event	5,000	5,000	-	5,000
Chamber of commerce	20,000	20,000	20,000	-
White Settlement museum	30,773	30,773	30,773	-
City manager reserve	10,000	8,983	-	8,983
City council reserve	10,000	10,000	-	10,000
Total culture and recreation	<u>236,000</u>	<u>236,000</u>	<u>53,280</u>	<u>182,720</u>
Total expenditures	<u>236,000</u>	<u>236,000</u>	<u>53,280</u>	<u>182,720</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	60,000	60,000	313,544	253,544
OTHER FINANCING SOURCES (USES)				
Transfers out	(60,000)	(60,000)	(60,000)	-
Total other financing sources (uses)	<u>(60,000)</u>	<u>(60,000)</u>	<u>(60,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	-	253,544	253,544
FUND BALANCE, OCTOBER 1, 2016	<u>839,298</u>	<u>839,298</u>	<u>839,298</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2017	<u>\$ 839,298</u>	<u>\$ 839,298</u>	<u>\$ 1,092,842</u>	<u>\$ 253,544</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Sales and use taxes	\$ 909,851	\$ 909,851	\$ 955,842	\$ 45,991
Investment earnings	-	-	5,608	5,608
Total revenues	<u>909,851</u>	<u>909,851</u>	<u>961,450</u>	<u>51,599</u>
EXPENDITURES				
Public Safety				
Office supplies	-	99	99	-
Education materials	4,000	4,000	3,151	849
Ammunition	11,000	13,572	13,571	1
Uniforms	15,300	15,300	11,282	4,018
Tools and equipment < \$5,000	3,800	3,591	2,280	1,311
First aid and medical supplies	900	1,010	982	28
Other professional services	20,550	20,573	20,573	-
Communications	13,000	7,326	7,326	-
Cell phones/air cards	-	570	570	-
Annual computer maintenance	-	2,177	2,176	1
Vehicle maintenance/repairs	75,000	79,124	79,124	-
Equipment maintenance/repair	86,698	62,011	61,003	1,008
Building maintenance/repairs	-	6,610	6,610	-
Insurance	-	140	140	-
Dues/subscriptions/memberships	7,830	7,810	4,022	3,788
Travel and training	22,100	22,100	20,485	1,615
Employee testing/physicals	3,100	3,560	3,560	-
Contribute to other agencies	8,300	8,300	8,300	-
Computer software < \$5,000	-	5,379	5,379	-
Computer related equipment < \$5,000	-	23,455	22,699	756
Computer related equipment > \$5,000	10,000	7,823	-	7,823
Motor vehicles	-	7,524	7,524	-
Other equipment	23,455	-	-	-
Total public safety	<u>305,033</u>	<u>302,054</u>	<u>280,856</u>	<u>21,198</u>
Total expenditures	<u>305,033</u>	<u>302,054</u>	<u>280,856</u>	<u>21,198</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	604,818	607,797	680,594	72,797
OTHER FINANCING SOURCES (USES)				
Transfers out:				
Administrative cost share to general fund	(45,493)	(48,473)	(48,473)	-
Transfer to general fund	(667,000)	(667,000)	(667,000)	-
Total transfers out	<u>(712,493)</u>	<u>(715,473)</u>	<u>(715,473)</u>	<u>-</u>
Total other financing sources (uses)	<u>(712,493)</u>	<u>(715,473)</u>	<u>(715,473)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(107,675)	(107,676)	(34,879)	72,797
FUND BALANCE, OCTOBER 1, 2016	<u>724,881</u>	<u>724,881</u>	<u>724,881</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2017	<u>\$ 617,206</u>	<u>\$ 617,205</u>	<u>\$ 690,002</u>	<u>\$ 72,797</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property taxes	\$ 1,040,000	\$ 1,040,000	\$ 1,029,956	\$ (10,044)
Investment earnings	1,000	5,931	5,930	(1)
Total revenues	<u>1,041,000</u>	<u>1,045,931</u>	<u>1,035,886</u>	<u>(10,045)</u>
EXPENDITURES				
Debt service				
Principal	740,000	825,000	825,000	-
Interest and fiscal charges	701,000	608,444	608,423	21
Debt issuance costs	-	62,870	62,870	-
Total debt service	<u>1,441,000</u>	<u>1,496,314</u>	<u>1,496,293</u>	<u>21</u>
Total expenditures	<u>1,441,000</u>	<u>1,496,314</u>	<u>1,496,293</u>	<u>21</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(400,000)	(450,383)	(460,407)	(10,024)
OTHER FINANCING SOURCES (USES)				
Transfers in	300,000	300,000	300,000	-
Transfers out	-	(16,809)	(488,825)	(472,016)
Refunding bonds issued	-	3,815,000	3,815,000	-
Bond (discount)/premium	-	415,046	415,046	-
Payment to bond refunding escrow agent	-	(4,162,854)	(4,162,854)	-
Total other financing sources (uses)	<u>300,000</u>	<u>350,383</u>	<u>(121,633)</u>	<u>(472,016)</u>
NET CHANGE IN FUND BALANCES	(100,000)	(100,000)	(582,040)	(482,040)
FUND BALANCE, OCTOBER 1, 2016	<u>855,184</u>	<u>855,184</u>	<u>855,184</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2017	<u>\$ 755,184</u>	<u>\$ 755,184</u>	<u>\$ 273,144</u>	<u>\$ (482,040)</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, 2017

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Franchise taxes	\$ 340,000	\$ 340,000	\$ 318,479	\$ (21,521)
Investment earnings	2,200	2,200	13,966	11,766
Total revenues	<u>342,200</u>	<u>342,200</u>	<u>332,445</u>	<u>(9,755)</u>
EXPENDITURES				
Public Works				
Street Improvements	-	800,000	692,584	107,416
Total public works	<u>-</u>	<u>800,000</u>	<u>692,584</u>	<u>107,416</u>
Total expenditures	<u>-</u>	<u>800,000</u>	<u>692,584</u>	<u>107,416</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	342,200	(457,800)	(360,139)	97,661
OTHER FINANCING SOURCES (USES)				
Transfers out:	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	192,200	(607,800)	(510,139)	97,661
FUND BALANCE, OCTOBER 1, 2016	<u>1,552,088</u>	<u>1,552,088</u>	<u>1,552,088</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2017	<u>\$ 1,744,288</u>	<u>\$ 944,288</u>	<u>\$ 1,041,949</u>	<u>\$ 97,661</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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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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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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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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental activities:				
Net investment in capital assets	\$ 10,699,737	\$ 12,411,227	\$ 12,556,237	\$ 12,013,563
Restricted	1,998,862	494,855	527,060	3,938,972
Unrestricted	<u>7,671,504</u>	<u>7,576,201</u>	<u>8,529,045</u>	<u>8,204,043</u>
Total governmental activities net position	<u>\$ 20,370,103</u>	<u>\$ 20,482,283</u>	<u>\$ 21,612,342</u>	<u>\$ 24,156,578</u>
Business-type activities:				
Net investment in capital assets	\$ 9,938,336	\$ 11,097,198	\$ 10,951,282	\$ 11,694,923
Restricted	-	-	149,824	527,239
Unrestricted	<u>5,127,688</u>	<u>5,270,789</u>	<u>6,391,323</u>	<u>7,042,561</u>
Total business-type activities net position	<u>\$ 15,066,024</u>	<u>\$ 16,367,987</u>	<u>\$ 17,492,429</u>	<u>\$ 19,264,723</u>
Primary government:				
Net investment in capital assets	\$ 20,638,073	\$ 23,508,425	\$ 23,507,519	\$ 23,708,486
Restricted	1,998,862	494,855	676,884	4,466,211
Unrestricted	<u>12,799,192</u>	<u>12,846,990</u>	<u>14,920,368</u>	<u>15,246,604</u>
Total primary government net position	<u>\$ 35,436,127</u>	<u>\$ 36,850,270</u>	<u>\$ 39,104,771</u>	<u>\$ 43,421,301</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

2012	2013	2014	2015	2016	2017
\$ 12,329,870	\$ 13,128,490	\$ 19,869,406	\$ 18,623,666	\$ 20,969,268	\$ 18,757,574
4,285,434	8,399,605	2,160,407	2,800,134	5,181,632	4,390,055
<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>5,166,253</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>	<u>\$ 28,313,882</u>
\$ 11,949,257	\$ 12,677,910	\$ 13,428,324	\$ 13,463,428	\$ 13,614,773	\$ 14,251,059
771,491	1,666,924	2,345,747	3,134,404	3,937,052	-
<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>14,323,493</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>	<u>\$ 28,574,552</u>
\$ 24,279,127	\$ 25,806,400	\$ 33,297,730	\$ 32,087,094	\$ 34,584,041	\$ 33,008,633
5,056,925	10,066,529	4,506,154	5,934,538	9,118,684	4,390,055
<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>19,489,746</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>	<u>\$ 56,888,434</u>

TABLE 2

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

**LAST TEN FISCAL YEARS
(UNAUDITED)**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
EXPENSES										
Governmental activities:										
General government	\$ 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	\$ 3,004,317
Public safety	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	8,351,956
Public works	954,898	998,121	1,019,006	986,818	1,203,843	1,196,989	1,349,597	1,092,938	1,310,577	1,510,737
Public health	134,283	160,127	214,752	214,829	198,373	206,776	227,709	232,981	218,176	261,628
Culture and recreation	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	4,816,249
Non departmental	-	-	-	-	-	-	-	554,996	468,674	-
Economic development and assistance	-	-	-	-	-	-	-	-	194,280	351,446
Interest on long-term debt	-	-	-	-	-	-	-	247,157	1,283,842	1,161,107
Bond issuance costs	124,618	341,143	373,587	303,458	292,201	275,917	303,809	384,286	-	62,870
Total governmental activities expenses	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	19,520,310
Business-type activities:										
Water and wastewater	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	6,562,769
Stormwater utility	44,230	16,389	24,038	25,219	32,503	31,317	40,032	65,735	43,225	312,558
Sanitation	530,470	558,063	597,957	577,472	588,997	603,783	618,654	636,180	638,722	671,221
Splash Dayz	-	-	-	-	-	-	-	-	742,074	1,445,968
Total business-type activities expenses	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	8,992,516
Total primary government expenses	\$ 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	\$ 28,512,826
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 46,051	\$ 358,346	\$ 64,788	\$ 66,130	\$ 79,808	\$ 62,618	\$ 66,622	\$ 66,705	\$ 11,348	\$ 19,237
Public safety	306,812	335,813	530,914	653,561	881,978	1,073,862	986,861	846,975	745,345	995,748
Culture and recreation	43,300	45,289	71,538	112,572	115,632	114,145	80,133	89,450	292,278	227,502
Other	33,323	44,473	43,661	35,319	34,416	44,109	25,839	22,789	43,436	96,472
Operating grants and contribution	7,028	17,357	26,868	59,407	13,762	53,723	67,809	70,393	92,910	100,866
Capital grants and contributions	-	-	591,989	174,806	-	-	6,642,294	130,272	-	397,251
Total governmental activities program revenues	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	1,837,076
Business-type activities:										
Charges for services:										
Water and wastewater	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	6,826,371
Stormwater utility	529,541	564,784	530,991	534,690	518,382	546,704	551,483	554,576	568,176	565,575
Sanitation	612,239	618,274	654,088	663,700	641,663	686,457	705,652	719,654	739,835	757,895
Splash Dayz	-	-	-	-	-	-	-	-	261,433	708,757
Capital grants and contributions	-	179,689	382,830	571,511	375,116	430,624	553,865	468,334	436,337	786,273
Total business-type activities program revenues	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	9,644,871
Total primary government program revenues	\$ 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	\$ 11,481,947

(continued)

TABLE 2

CITY OF WHITE SETTLEMENT, TEXAS
CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(UNAUDITED)

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
NET (EXPENSE) REVENUES										
Governmental activities	\$(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)	\$(17,683,234)
Business-type activities	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	652,355
Total primary government net expense	<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>	<u>(17,030,879)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property	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	5,108,248
Sales	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	4,017,558
Franchise	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	1,253,174
Occupancy	168,524	138,664	113,712	133,505	194,549	185,394	206,043	268,954	318,010	357,912
Oil and gas royalties	1,724,928	76,429	63,080	349,979	498,998	126,346	178,041	32,265	38,836	35,314
Investment earnings	269,426	75,754	33,442	16,119	15,823	25,035	31,932	49,293	125,753	207,537
Other	275,049	142,130	160,531	58,387	97,821	536,713	(34,809)	1,153,705	224,302	594,068
Transfers	901,717	895,810	690,347	1,452,933	584,700	584,700	670,000	670,000	464,139	(788,362)
Total governmental activities	<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>	<u>10,785,449</u>
Business-type activities:										
Investment earnings	138,867	48,367	23,350	12,645	9,826	16,769	16,066	21,351	38,370	115,708
Other	-	7,359	2,183	-	-	2,988	274	-	47,882	3,340
Transfers	(901,717)	(895,810)	(690,347)	(1,452,933)	(584,700)	(584,700)	(670,000)	(670,000)	(464,139)	788,362
Total business-type activities	<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>	<u>907,410</u>
Total primary government	<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>	<u>11,692,859</u>
CHANGE IN NET POSITION										
Governmental activities	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)	(6,897,785)
Business-type activities	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	1,559,765
Total primary government	<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>	<u>\$(5,338,020)</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>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
General fund				
Reserved	\$ -	\$ 69,978	\$ 57,978	\$ -
Unreserved, designated	1,335,990	-	-	-
Unreserved, undesignated	5,681,925	6,852,466	7,183,003	-
Nonspendable	-	-	-	152,637
Restricted	-	-	-	-
Committed	-	-	-	-
Assigned	-	-	-	155,598
Unassigned	-	-	-	8,216,770
Total general fund	<u>\$ 7,017,915</u>	<u>\$ 6,922,444</u>	<u>\$ 7,240,981</u>	<u>\$ 8,525,005</u>
All other governmental funds				
Reserved	\$ 448,310	\$ 425,482	\$ 417,777	\$ -
Unreserved, reported in:				
Special revenue funds	775,811	923,650	992,163	-
Capital projects funds	1,669,634	4,290,930	2,400,099	-
Permanent funds	59,428	60,177	60,664	-
Nonspendable	-	-	-	1,523,210
Restricted	-	-	-	2,391,058
Committed	-	-	-	930,960
Total all other governmental funds	<u>\$ 2,953,183</u>	<u>\$ 5,700,239</u>	<u>\$ 3,870,703</u>	<u>\$ 4,845,228</u>

Notes:

The City implemented GASB 34 in fiscal year 2003.

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

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

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

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

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

TABLE 3

<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
1,179,416	906,253	618,971	65,900	120,231	113,453
-	-	-	-	-	-
42,079	-	-	-	-	-
2,123	2,175	2,882	813,615	1,833,349	758,202
<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>9,831,907</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>	<u>\$ 10,703,562</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
1,523,210	764,785	23,210	23,210	-	23,341
2,744,166	5,752,858	5,861,970	15,033,521	14,925,905	13,202,906
<u>987,098</u>	<u>1,045,473</u>	<u>1,100,267</u>	<u>1,398,473</u>	<u>1,552,088</u>	<u>1,041,949</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>	<u>\$ 14,268,196</u>

TABLE 4

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
REVENUES										
Taxes	\$ 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	\$ 10,727,289
Fines and fees	342,224	309,408	254,318	279,934	400,481	488,501	498,862	499,021	492,184	527,474
Licenses and permits	359,486	273,757	247,562	342,630	436,309	552,803	446,404	344,623	296,454	467,211
Charges for services	98,198	125,207	158,449	174,879	164,229	191,455	160,882	124,355	349,577	346,023
Intergovernmental	64,028	75,127	671,644	199,737	93,205	116,070	133,228	126,934	92,910	100,866
Oil and gas royalties	1,724,928	76,429	63,080	349,979	498,998	126,346	178,041	32,265	38,836	35,314
Interest income	269,425	75,754	33,442	16,119	15,823	25,035	31,932	49,293	125,753	207,537
Other revenues	19,330	39,064	123,801	27,334	56,719	72,239	52,926	83,847	174,061	167,308
Total revenues	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	12,579,022
EXPENDITURES										
General government	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	2,182,511
Public safety	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	5,708,614
Public works	618,629	626,014	633,289	586,341	805,338	840,737	796,387	505,010	558,072	1,160,369
Public health	128,901	151,706	210,076	201,574	183,025	199,625	220,462	233,778	224,739	181,188
Culture and recreation	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	1,664,869
Other	-	-	-	-	-	-	-	554,996	661,037	161,078
Capital outlay	2,255,806	4,178,475	2,219,038	197,453	62,788	912,951	907,948	1,609,706	2,424,366	670,532
Debt service										
Principal	731,040	671,961	749,563	888,956	1,049,756	711,284	490,000	488,110	1,810,226	1,250,000
Interest and fiscal charges	109,595	273,388	362,650	487,098	280,289	247,915	280,789	277,076	1,408,156	1,209,826
Debt issuance cost	-	-	-	-	-	48,558	-	247,157	-	62,870
Total expenditures	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	14,251,857
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(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)	(1,672,835)
OTHER FINANCING SOURCES (USES)										
Proceeds from insurance recoverie	220,997	105,161	26,949	24,343	59,449	30,341	3,234	1,069,858	24,882	41,333
Proceeds from sale of capital asset	36,562	35,756	13,381	213,578	16,341	25,265	54,999	33,958	59,219	456,364
Transfers in	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	2,042,654
Transfers out	(704,313)	(739,537)	(715,572)	(886,115)	(864,231)	(1,097,545)	(830,024)	(843,392)	(1,882,073)	(2,831,016)
Issuance of capital lease	-	-	689,326	-	-	798,336	-	-	-	-
Issuance of debt	-	6,150,000	-	-	-	3,325,000	-	13,230,000	-	3,815,000
Premium (discount) on bonds	-	169,815	-	-	-	-	-	677,968	-	415,046
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	(2,962,925)	-	(4,162,854)
Total other financing sources (uses)	2,158,917	7,356,542	1,692,106	1,690,854	660,490	4,763,642	728,233	12,718,859	548,240	(223,473)
NET CHANGE IN FUND BALANCES	\$ 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)	\$(1,896,308)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	9.47%	9.99%	11.73%	14.62%	13.31%	9.52%	6.94%	6.54%	23.06%	19.78%

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.

CITY OF WHITE SETTLEMENT, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Real Property Assessed Value	Personal Property Assessed Value	Total Assessed Value	Ratio of Total Assessed to Total Estimated Actual Value	Total Direct Tax Rate
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
2017	522,620,053	141,005,729	663,625,782	100.00%	0.756000

Source: Tarrant Appraisal District Totals for Roll Instance - 220 07/25/16

CITY OF WHITE SETTLEMENT, TEXAS

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year Ended 9/30	Tax Year	Taxes Levied for the Fiscal Year	Adjustments to Levy in Subsequent Years	Adjusted Taxes Levied for the Fiscal Year
2008	2007	3,468,077	12,174	3,480,251
2009	2008	3,562,322	36	3,562,358
2010	2009	4,125,086	(2,672)	4,122,413
2011	2010	3,436,632	(927)	3,435,706
2012	2011	3,752,309	(2,380)	3,749,930
2013	2012	3,810,645	(4,260)	3,806,384
2014	2013	3,846,840	(5,951)	3,840,888
2015	2014	4,281,718	(10,461)	4,271,257
2016	2015	4,397,621	334,627	4,732,249
2017	2016	4,922,712	163,478	5,086,189

TABLE 6

Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Outstanding Delinquent Taxes	Ratio of Delinquent Taxes to Adjusted Levy
Amount	Percentage of Levy		Total Tax Amount	Percentage of Levy		
3,422,417	98.68%	47,411	3,469,828	99.70%	10,423	0.30%
3,483,686	97.79%	63,857	3,547,543	99.58%	14,815	0.42%
4,024,396	97.56%	80,463	4,104,859	99.57%	17,554	0.43%
3,358,329	97.72%	63,762	3,422,091	99.60%	13,615	0.40%
3,688,395	98.36%	53,791	3,742,186	99.79%	7,743	0.21%
3,759,012	98.65%	30,365	3,789,377	99.55%	17,007	0.45%
3,791,609	98.56%	34,732	3,826,341	99.62%	14,548	0.38%
4,214,837	98.44%	43,440	4,258,277	99.70%	12,980	0.30%
4,678,657	106.39%	19,649	4,698,306	99.28%	33,943	0.72%
4,995,473	101.48%	-	4,995,473	98.22%	90,717	1.78%

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
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
2017	0.603	0.153	0.756	0.145	1.540	0.228	0.254	2.923

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	2017			2008		
		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	\$ 45,721,595	1	6.89%	\$ -		- %
WG NLA LLC	2 Industrial	17,315,136	2	2.61%	-		- %
Lowrance Properties	3 Industrial	10,376,996	3	1.56%	-		- %
Manitoba Management Inc	4 Real estate	9,963,703	4	1.50%	-		- %
Deepdale Investments, LTD	5 Real estate	9,900,000	5	1.49%	-		- %
AV Vrickell Pointe Ltd	6 Real estate	9,801,150	6	1.48%	-		- %
AV Beacon LLC	7 Real estate	8,375,000	7	1.26%	-		- %
Graham Realty Investments, Ltd.	8 Auto dealership	7,889,000	8	1.19%	-		- %
Lowe's Home Center, Inc.	9 Home Improvement	7,555,800	9	1.14%	-		- %
ABC Supply Co Inc	10 Industrial	6,948,974	10	1.05%	-		- %
SPM Flow Control	Industrial-Petroleum	-		- %	24,269,944	1	3.84%
Lowe's Home Center, Inc.	Retail outlet	-		- %	13,559,639	2	2.15%
Graham Realty Investments, Ltd	Real estate	-		- %	6,932,099	3	1.10%
Pro Financial, Inc	Financial	-		- %	6,715,220	4	1.06%
ESS Prisa II TX, Lp	Real estate	-		- %	5,924,611	5	0.94%
Shg Secred Resoutces	Extended Care Facility	-		- %	5,107,056	6	0.81%
Ddre McDonald Family, LP	Real estate	-		- %	5,036,900	7	0.80%
Oncor Electric Delivery Co., LLC	Electric Utility	-		- %	4,959,005	8	0.78%
Armet Data St Ltd Partnership	Real estate	-		- %	4,883,013	9	0.77%
Omni American Bank	Banking	-		- %	4,818,140	10	0.76%
Total	Total	<u>\$ 133,847,354</u>		<u>20.17%</u>	<u>\$ 82,205,627</u>		<u>13.01%</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			
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	-	-	6,796,813	-	-	37,423,729	2,191	10.20%
2017	17,843,403	11,770,000	-	-	6,152,264	-	-	35,765,667	2,079	12.60%

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)

Fiscal Year	Population¹	Assessed Value (In Thousands)²	Gross Bonded Debt³	Less Debt Service Funds⁴	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
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
2017	16,830	663,626	17,843,403	273,144	17,570,259	2.65%	1,044

(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	<u>29,613,403</u>	100.00%	<u>\$ 29,613,403</u>
Total direct debt	<u>29,613,403</u>		<u>29,613,403</u>
Overlapping:			
White Settlement Independent School District	154,683,547	40.63%	62,847,925
Fort Worth Independent School District ¹	862,315,000	0.06%	517,389
Tarrant County	344,172,983	0.45%	1,548,778
Tarrant County Hospital District	20,835,000	0.45%	93,758
Tarrant County College District	<u>-</u>	0.45%	<u>-</u>
Total overlapping debt	<u>1,382,006,530</u>		<u>65,007,850</u>
Total direct and overlapping debt	<u>\$ 1,411,619,933</u>		<u>\$ 94,621,253</u>
Ratio of overlapping bonded debt to taxable assessed valuation			14.56%
Per capita overlapping bonded debt			\$ 5,541

- (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 ¹	Net Revenue Available for Debt Service	Debt Service ²			Coverage ³
				Principal	Interest	Total	
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
2017	7,971,469	5,395,981	2,575,488	635,000	148,089	783,089	3.29

Notes:

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

CITY OF WHITE SETTLEMENT, TEXAS

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS
(UNAUDITED)

Fiscal Year	Population ¹	Median Income ²	Per Capita Income	Personal Income ²	School Enrollment ⁴	Unemployment Rate ⁵
2007	15,900	45,530	17,052 ²	271,126,800	5,432	3.8%
2008	16,000	54,089	24,093 ²	385,488,000	5,732	4.3%
2009	16,150	54,089	24,093 ²	389,101,950	5,882	8.3%
2010	16,400	55,425	24,093 ²	395,125,200	5,864	7.9%
2011	16,200	45,886	19,551 ²	316,726,200	6,369	7.8%
2012	16,116	56,532	20,969 ³	337,933,869	6,548	7.4%
2013	16,390	45,427	16,850 ³	276,167,852	6,556	5.3%
2014	16,800	43,358	16,082 ³	270,183,383	6,697	5.0%
2015	16,980	57,890	21,473 ³	364,603,932	6,646	5.0%
2016	17,077	57,727	21,412 ³	365,654,295	6,697	3.7%
2017	16,830	45,382	16,833 ³	283,300,838	6,870	3.4%

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

TABLE 15

CITY OF WHITE SETTLEMENT, TEXAS

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

Employer	Type of Business	2017		2008	
		Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Weir SPM	Oil field equipment	1,010 B	11.16%	562	10.60%
White Settlement I.S.D.	Education	739	8.16%	850	16.03%
PDX Inc.	Software Development	485	5.35%	330	6.22%
Education Service Center Region XI	Resource Provider for School Districts	170 B	1.87%		
Trinity Healthcare Courtyards	Rehabilitation/nursing	142	1.56%		
Lowe's Home Center #1619	Building materials/hardware retail	140	1.54%	115	2.17%
City of White Settlement	Municipal government	127	1.40%	157	2.96%
Co-Operative Industries	Electrical wiring harnesses mfg.	108	1.19%		
Academy Sports & Outdoors #97	Retail	80	0.88%	85	1.60%
West Side Campus of Care	Rehabilitation/nursing	79	0.87%	180	3.39%
Toys R Us	Retail	36 B	0.39%		
Southside Bank	Financial institution	35	0.38%	100	1.89%
Western Hill Rehab & Nursing Center	Rehabilitation/nursing			215	4.05%
Manuel Auto Group	Auto dealership			80	1.51%
	Totals	<u>3,151</u>	<u>34.75%</u>	<u>2,674</u>	<u>50.42%</u>
Total City employment		9,049 A		5,303	

Based on 2014 NCTCOG Employer Info **A**
Estimate **B**

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

	<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>	<u>2017</u>
General government										
Administration	3.00	3.00	2.50	2.00	2.00	1.00	1.00	1.00	4.00	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	3.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00
Municipal Facilities	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.50	1.00
Purchasing	4.00	4.00	3.00	3.00	2.00	2.00	2.00	2.00	2.50	1.00
Management information systems	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Public safety										
Police	49.00	50.00	50.00	50.00	50.00	50.50	50.50	53.00	51.50	48.00
Municipal court & Marshall	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00
Fire	4.00	4.00	4.00	4.00	4.00	3.00	3.00	3.00	19.50	22.25
Code compliance	5.00	5.50	7.00	6.00	6.00	6.00	6.00	6.00	4.00	4.00
Public works										
Streets and drainage	7.00	7.00	7.00	5.00	5.00	7.00	7.00	7.00	5.00	4.50
Public health										
Animal control	2.00	2.50	3.50	3.00	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	4.50	4.50
Park maintenance and recreation	7.50	7.50	7.50	8.00	8.00	7.00	7.00	7.00	8.50	8.50
Library	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00
EDC operations and parks	6.50	6.50	6.50	7.00	6.00	6.50	6.50	6.50	4.50	-
Splash Dayz	-	-	-	-	-	-	-	-	22.50	24.00
Economic development and assistance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Stormwater Utility	-	-	-	-	-	-	-	-	-	4.00
Water	7.00	7.00	7.00	7.00	7.00	7.00	8.00	8.00	11.00	9.00
Wastewater	3.00	3.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00
W/S Non-departmental	-	-	-	-	-	-	-	-	-	3.00
Utility billing	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.50	6.00
Total	<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>173.50</u>	<u>171.75</u>

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

	Fiscal Year									
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Public safety										
Police department										
Calls for service	28,393	27,362	26,161	25,989	27,375	32,976	26,328	30,134	22,901	32,356
Traffic citations	3,044	3,362	2,750		3,722	4,920	4,157	3,928	3,620	3,463
Criminal offenses	1,765	1,495	1,716	1,528	1,943	1,373	1,420	1,279	1,430	1,234
Number of accidents	215	162	170	119	204	132	132	115	140	161
Persons confined	783	804	872	791	889	963	986	850	755	754
Municipal Court										
Active warrants	4,051	3,659	3,227	917	2,243	4,442	2,214	1,468	1,962	1,874
Closed warrants	1,415	1,333	1,338	1,905	3,321	3,598	4,434	3,909	3,335	3,165
Fire department										
Fire runs	392	432	513	538	460	573	479	627	705	719
Emergency runs	1,482	1,123	1,232	1,119	1,151	1,241	1,308	1,579	1,918	1,872
Code compliance										
Permits issued	1,836	2,199	1,769	1,849	2,081	2,112	2,218	2,076	2,113	2,086
Public works										
Streets and drainage										
Streets resurfaced (miles)	1.53	1.47	0.27	0.78	0.45	1.29	0.6	0.25	0.75	3.1
Public health										
Animal control - calls for service	2,135	2,035	2,035	1,953	1,710	1,558	1,562	1,751	1,957	2,250
Culture and recreation										
Senior services										
Meals served	22,504	21,468	23,047	21,740	22,366	20,840	16,804	19,509	19,000	22,477
Library										
Average daily circulation	256	333	362	312	320	310	358	464	489	398
Average patron visits per month	4,860	5,410	5,865	4,683	5,440	5,290	4,577	4,837	5,303	5,303
Parks										
Number of league participants	7,600	7,900	8,100	7,578	8,900	7,504	5,640	5,820	7,325	3,974
Water production and distribution										
Number of water connections	5,340	5,417	5,352	5,330	5,370	5,301	5,389	5,541	5,603	5,645
Average daily consumption (thousands of gallons)	1,538	1,450	1,406	1,652	1,552	1,427	1,362	1,949	1,335	1,355
Wastewater operations										
Number of wastewater connections	5,240	5,323	5,265	5,239	5,264	5,252	5,321	5,437	5,440	5,481

(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	2017
Public safety											
Police department											
Stations	1	1	1	1	1	1	1	1	1	1	1
Patrol cars	11	11	11	11	11	15	14	15	15	15	12
Fire department											
Stations	1	1	1	1	1	1	1	1	1	1	1
Fire trucks	9	9	9	9	11	11	9	9	9	9	5
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	Approx. 68
Culture and recreation											
Senior services											
Community centers	1	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	76,896
Parks and recreation											
Acreage	203	203	203	203	203	203	203	203	203	203	203
Playgrounds	6	6	6	6	6	6	6	6	7	7	7
Picnic areas	22	22	22	22	22	22	22	30	30	30	30
Baseball/softball diamonds	7	7	7	7	7	7	7	8	8	8	8
Soccer/football fields	1	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	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	2,445
Wastewater operations											
Wastewater lines (miles)	70	70	70	70	70	70	70	71	71	71	71

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

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