



Comprehensive Annual Financial Report
For Fiscal Year Ended
September 30, 2018

CITY OF WHITE SETTLEMENT, TEXAS

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

**For the Fiscal Year Ended
September 30, 2018**

Prepared by the Finance Department.

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CITY OF WHITE SETTLEMENT, TEXAS

Comprehensive Annual Financial Report

For the Year Ended September 30, 2018

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INTRODUCTORY SECTION

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January 25, 2019

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, 2018.

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, 2018. 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 department level. The City Manager is authorized to make transfers of budgeted amounts between funds or unencumbered appropriated balances. 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 2018-2019 Budget, operational requirements are subsidized by the General Fund in the form of an expected transfer of \$626,219, 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, a decrease of 11.02% in 2016-17, and a large increase of 32.14% in 2017-18. In 2015-16, sales tax revenues were the lowest they have been in ten years and have dropped 14.05% since 2011-2012. Therefore, 2018-2019 sales tax revenues are conservatively projected in the General Fund at \$2,130,100. As the oil industry stabilizes and recovers, sales tax revenues could add additional revenues.

2018 taxable property values increased \$92,302,776 (12.68%) to \$820,393,586 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 2018 has increased to \$76,803 compared to the average home in 2017 at \$68,549. The City continues to take steps in developing areas to attract commercial customers and residents. For this current 2018-2019 Budget, the City Council adopted the tax rate of \$0.762186 (which was above the effective rate but equal to the rollback rate), and an increase of .01% compared to the prior year at \$0.762127 per \$100 valuation. The General Fund Ad Valorem tax revenue carries a \$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 2018-2019 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 \$761,840 to the General Fund for police department personnel costs.

Infrastructure – In 2018-2019, the budget includes water and wastewater improvements of \$5.1M. The City's Street Improvement overlay program and reconstruction will continue with \$4.9M in projects funded by bonds. In addition, \$1M is planned for storm water projects.

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 2018-2019 (0.762186) is .01% 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 2018-2019, the City issued an additional \$3.025M in debt to fund street projects associated with water and sewer line replacements.

Projects planned for 2018-2018 include a new circulation desk and blinds at the library, renovate restrooms at the recreation center, utility vehicle for parks, comprehensive plan, parking lot at the Police station, purchase of a fully equipped fire squad truck, street resurfacing and reconstruction, replacement of water and sewer lines, and storm water improvements.

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, 2018, approximately \$230,000 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 09/06/18, 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, 2017. This was the thirty-second 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, 2017 and ending September 30, 2018.

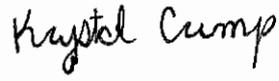
In order to qualify for this award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

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



Krystal Crump
Krystal Crump
Finance Director

City of White Settlement, Texas

City Council And Principal Officials

September 30, 2018

**Mayor
Ronald White**

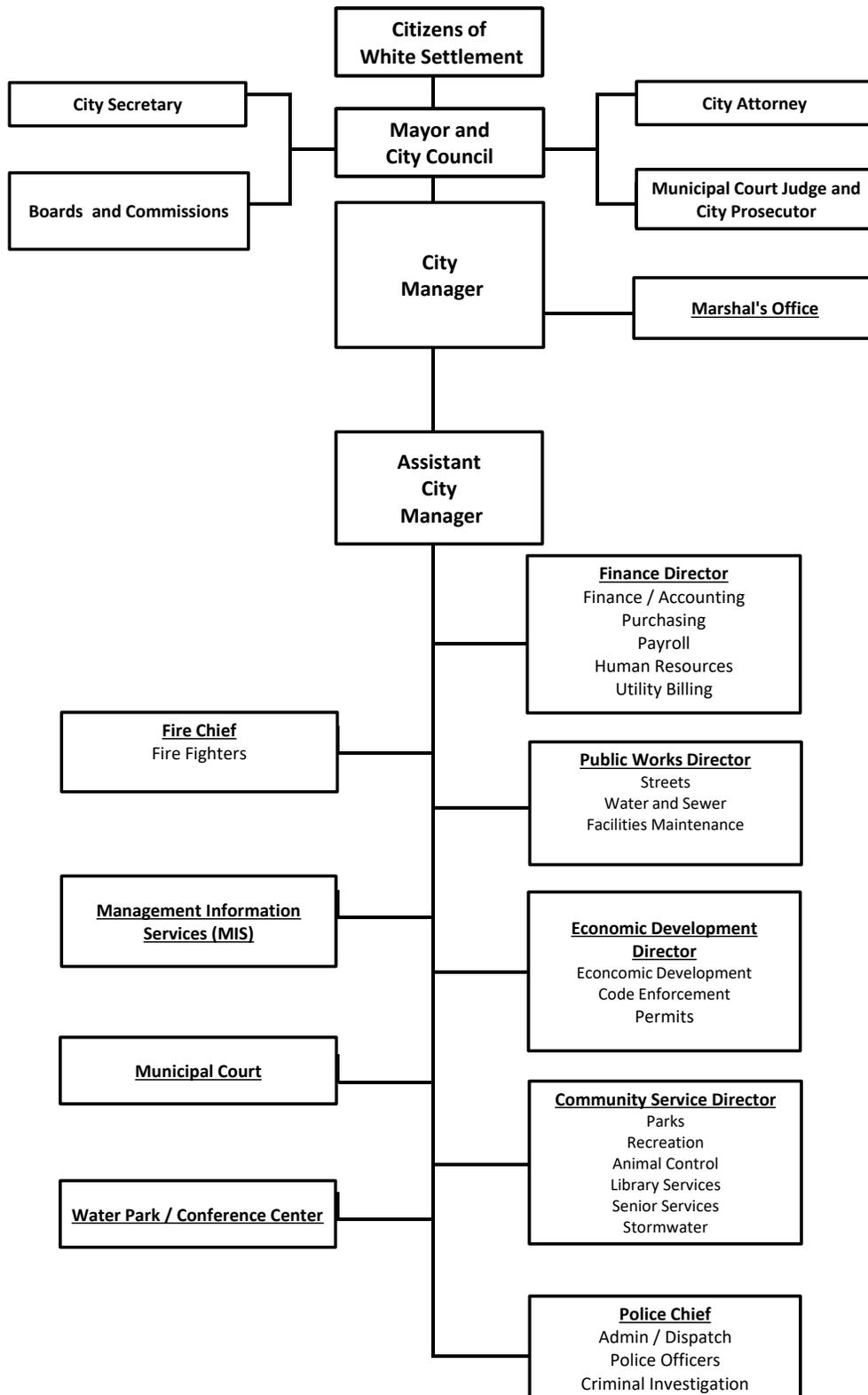
CITY COUNCIL

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

CITY STAFF

Jeffrey J. James	City Manager
Vacant	Assistant City Manager
Krystal Crump	Finance Director
JP Bevering	Police Chief
Mark Ball	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, 2017

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, 2018, 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, 2018, 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.

Change in Accounting Principle

As discussed in Notes 12 and 16 to financial statements, in 2018 the City adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. Our opinion is not modified with respect to this matter.

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, schedule of contributions, and schedule of changes in total OPEB liability on pages 59-66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

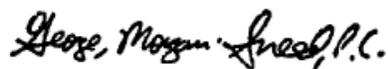
The combining nonmajor funds financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit 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 nonmajor funds financial statements are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections and budgetary comparison schedules 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 January 25, 2019, 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 solely 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 the effectiveness of the City of White Settlement's 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
January 25, 2019

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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, 2018. 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 \$60,231,138 (*net position*) compared to \$56,888,434 for the prior year. Of this amount, \$22,842,177 (*unrestricted net position*) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$3,342,704. The City's operations increased the governmental activities by \$781,617 and increased the business-type activities by \$2,848,751. Net position was decreased by a \$287,664 prior period adjustment as a result of implementing a new accounting standard. See note 16 to the financial statements for a description of the new standard.
- As of the close of the current fiscal year, the City of White Settlement's governmental funds reported combined ending fund balances of \$24,321,224 compared to \$24,971,758 for the prior year. \$11,160,474 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 \$11,160,474, or 110% 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 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 28-58 of this report.

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$60,231,138 as of September 30, 2018.

The largest portion of the City's net position (54%) 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 \$22,842,177 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current and other assets	\$ 25,638,936	\$ 25,846,474	\$ 18,181,634	\$ 15,893,008	\$ 43,820,570	\$ 41,739,482
Capital assets	39,537,800	39,813,132	20,821,347	20,403,324	60,359,147	60,216,456
Total Assets	<u>65,176,736</u>	<u>65,659,606</u>	<u>39,002,981</u>	<u>36,296,332</u>	<u>104,179,717</u>	<u>101,955,938</u>
Deferred outflows of resources	<u>925,621</u>	<u>1,831,715</u>	<u>522,343</u>	<u>637,967</u>	<u>1,447,964</u>	<u>2,469,682</u>
Long-term liabilities	34,992,261	38,170,461	6,654,743	7,181,909	41,647,004	45,352,370
Other liabilities	1,242,166	817,153	1,291,684	1,153,695	2,533,850	1,970,848
Total liabilities	<u>36,234,427</u>	<u>38,987,614</u>	<u>7,946,427</u>	<u>8,335,604</u>	<u>44,180,854</u>	<u>47,323,218</u>
Deferred inflows of resources	<u>1,027,647</u>	<u>189,825</u>	<u>188,042</u>	<u>24,143</u>	<u>1,215,689</u>	<u>213,968</u>
Net Position:						
Net investment in capital assets	17,352,532	18,757,574	15,259,325	14,251,059	32,611,857	33,008,633
Restricted	4,777,104	4,390,055	-	-	4,777,104	4,390,055
Unrestricted	6,710,647	5,166,253	16,131,530	14,323,493	22,842,177	19,489,746
Total Net Position	<u>\$ 28,840,283</u>	<u>\$ 28,313,882</u>	<u>\$ 31,390,855</u>	<u>\$ 28,574,552</u>	<u>\$ 60,231,138</u>	<u>\$ 56,888,434</u>

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 1,088,010	\$ 1,338,959	\$ 10,399,586	\$ 8,858,598	\$ 11,487,596	\$ 10,197,557
Operating grants and contributions	97,170	100,866	-	-	97,170	100,866
Capital grants and contributions	14,000	397,251	452,710	786,273	466,710	1,183,524
General revenues:						
Property taxes	5,581,370	5,108,248	-	-	5,581,370	5,108,248
Sales taxes	5,322,594	4,017,558	-	-	5,322,594	4,017,558
Franchise taxes	1,364,626	1,253,174	-	-	1,364,626	1,253,174
Hotel Occupancy taxes	350,720	357,912	-	-	350,720	357,912
Oil & gas revenues	50,009	35,314	-	-	50,009	35,314
Investment earnings	341,024	207,537	224,344	115,708	565,368	323,245
Gain (loss) on sale of capital assets	359,484	385,427	(7,935)	-	351,549	385,427
Other revenue	104,246	208,641	-	3,340	104,246	211,981
Total revenues	<u>14,673,253</u>	<u>13,410,887</u>	<u>11,068,705</u>	<u>9,763,919</u>	<u>25,741,958</u>	<u>23,174,806</u>
Expenses						
General government	1,830,107	3,004,317	-	-	1,830,107	3,004,317
Public safety	6,416,920	8,351,956	-	-	6,416,920	8,351,956
Public works	1,302,154	1,510,737	-	-	1,302,154	1,510,737
Public health	197,429	261,628	-	-	197,429	261,628
Economic development	142,472	351,446	-	-	142,472	351,446
Culture and recreation	2,504,485	4,816,249	-	-	2,504,485	4,816,249
Non departmental	115,936	-	-	-	115,936	-
Interest on long-term debt	1,144,944	1,161,107	-	-	1,144,944	1,161,107
Bond issuance costs	9,390	62,870	-	-	9,390	62,870
Water and wastewater	-	-	5,580,344	6,562,769	5,580,344	6,562,769
Storm water utility	-	-	478,834	312,558	478,834	312,558
Sanitation	-	-	710,225	671,221	710,225	671,221
Splash Dayz	-	-	1,678,350	1,445,968	1,678,350	1,445,968
Total expenses	<u>13,663,837</u>	<u>19,520,310</u>	<u>8,447,753</u>	<u>8,992,516</u>	<u>22,111,590</u>	<u>28,512,826</u>
Increase (decrease) in net position before transfers	1,009,416	(6,109,423)	2,620,952	771,403	3,630,368	(5,338,020)
Transfers	(227,799)	(788,362)	227,799	788,362	-	-
Increase (decrease) in net position	781,617	(6,897,785)	2,848,751	1,559,765	3,630,368	(5,338,020)
Net Position October 1	28,313,882	35,211,667	28,574,552	27,014,787	56,888,434	62,226,454
Prior Period Adjustment	(255,216)	-	(32,448)	-	(287,664)	-
Net Position September 30	<u>\$ 28,840,283</u>	<u>\$ 28,313,882</u>	<u>\$ 31,390,855</u>	<u>\$ 28,574,552</u>	<u>\$ 60,231,138</u>	<u>\$ 56,888,434</u>

Governmental Activities. Governmental activities increased the City's net position by \$781,617 in the current year compared with a decrease of \$6,897,785 in the prior year.

Total governmental activities revenues increased \$1,262,366 (9%) to \$14,673,253. Key elements of this change are as follows:

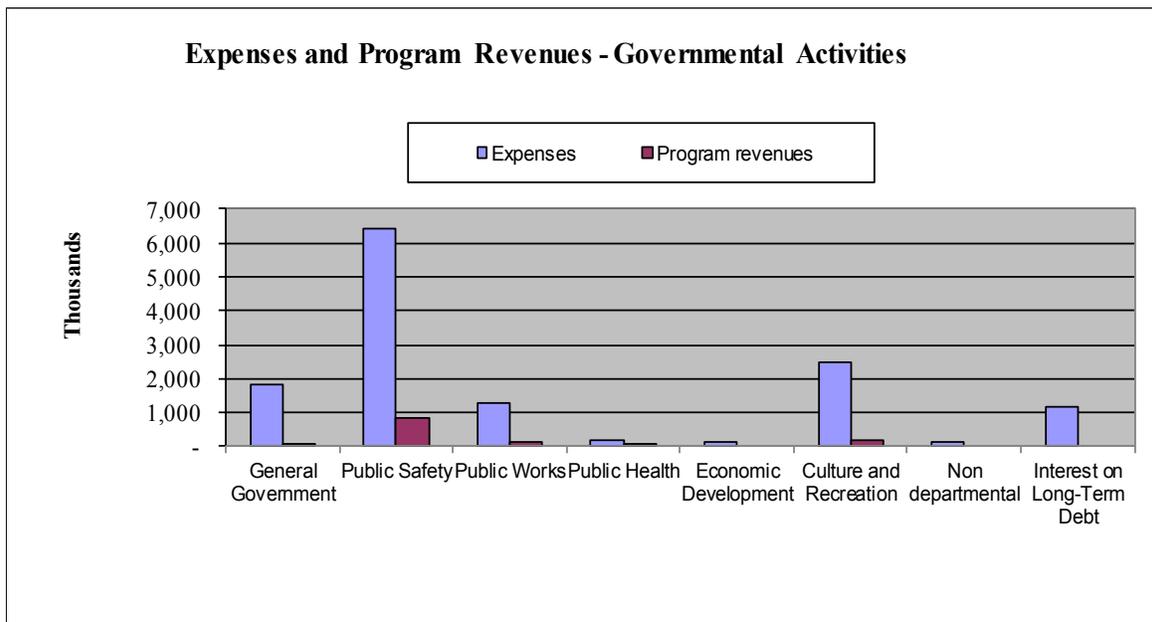
- Charges for services decreased \$250,949 primarily due to a decrease in licenses and permit revenue of \$106,690 due to new construction including a large apartment building in the prior year and municipal court fees decreased \$117,918.
- Capital grants and contributions decreased \$383,251 due to developer contributions of streets in two additions during the prior year.

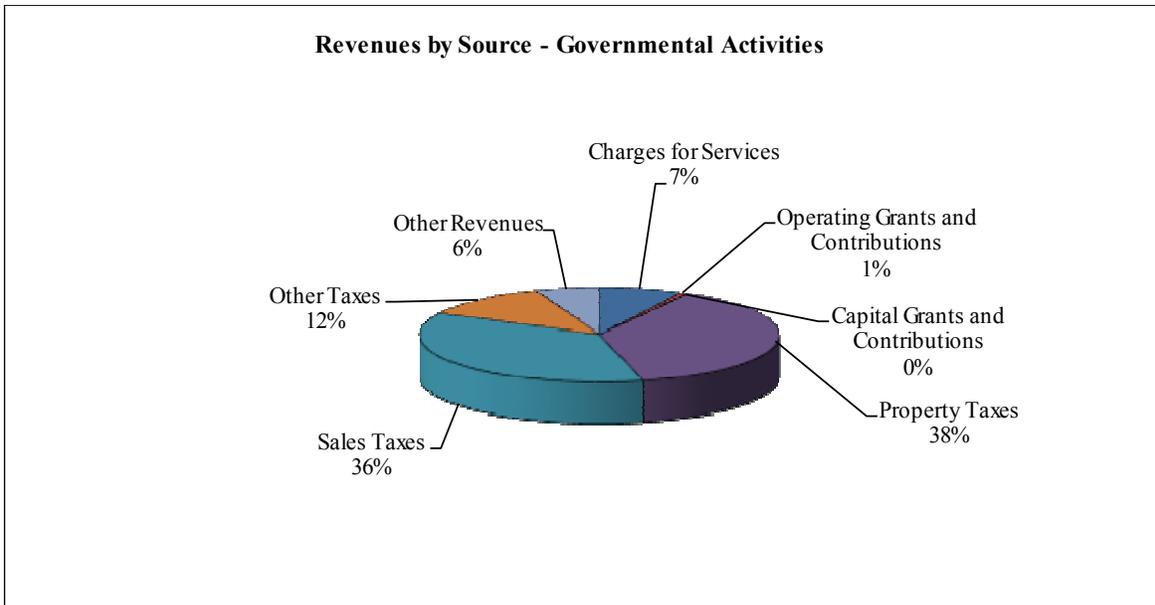
- Property taxes increased \$473,122 due to an increase in M&O rate and an increase in appraised property values.
- Sales taxes increased \$1,305,036 as a result of a large local business' going out of business sale and the continued improvement of the economy.

Total governmental activities expenses decreased \$5,856,473 to \$13,663,837. Key changes are as follows.

- TMRS pension expense decreased \$4,388,964 due to a change in employee required contributions of 5% to 7% of gross earnings in the prior year.
- General government expenses decreased \$1,174,210 (39%) primarily due to a decrease in TMRS pension expense of \$931,292 and a decrease in salaries and benefits of \$214,057 in the administration departments due to paying out the compensated absences of the city manager and finance director at retirement in the prior year.
- Public safety expenses decreased \$1,935,036 (23%) primarily due to a decrease in TMRS pension expense of \$2,546,293; an increase in fire department salaries and related expenses of \$428,137 due to added paid positions; and an increase in code compliance salaries and related expenses of \$176,737 due to moving the EDC director to this department and adding a building official.
- Public works expenses decreased \$208,583 (14%) primarily due to a \$118,146 decrease in TMRS pension expense and a \$36,289 decrease in depreciation expense.
- Economic development expenses decreased \$208,974 (59%) primarily due to a decrease in TMRS pension expense of \$209,355.
- Culture and recreation expenses decreased \$2,311,764 (48%) primarily due to a \$1,726,248 loss on the disposal of waterpark assets in the prior year and a decrease in TMRS pension expense of \$498,516.

Below are two graphs summarizing governmental revenue and expense:





Business-type activities. Business-type activities increased the City's net position by \$2,848,751 in the current year compared to an increase in net position of \$1,559,765 in the prior year.

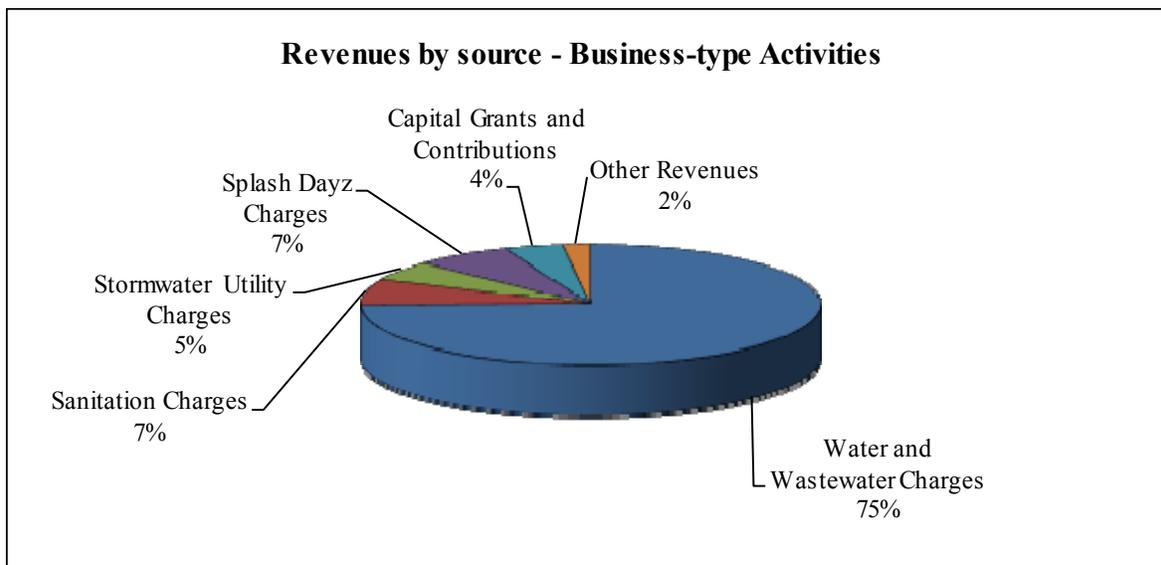
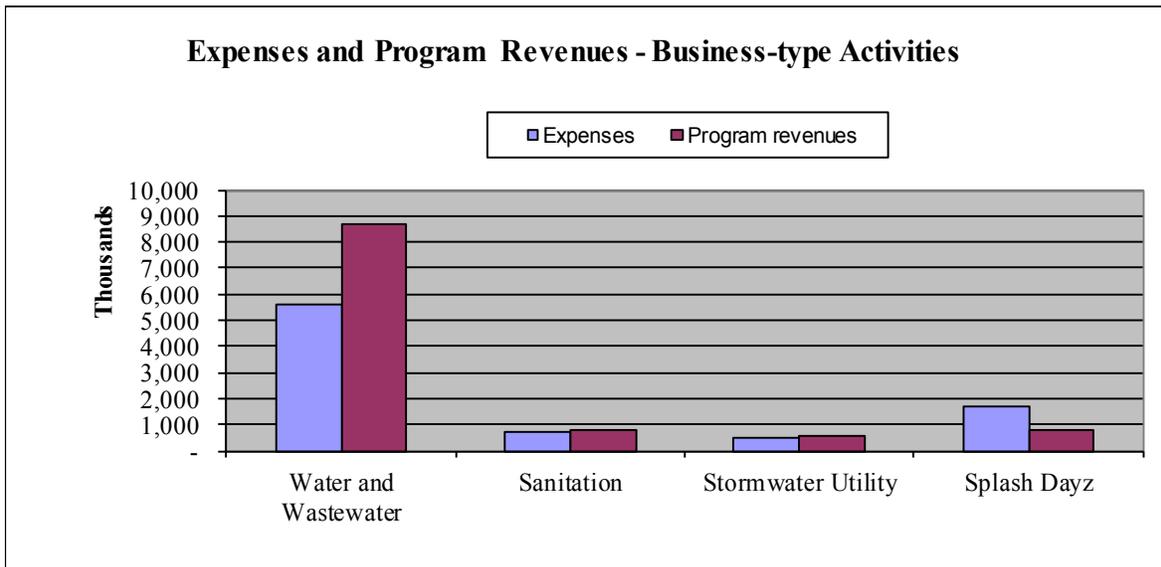
Total revenues increased \$1,304,786 (13%) to \$11,068,705. Key elements of these changes are as follows.

- Charges for services increased \$1,540,988 (17%) primarily due to an increase in water and wastewater revenue of \$1,468,394 resulting from water and wastewater rate increases effective 10/15/17 and an increase in consumption. The City changed to a tiered rate schedule for water effective 10/15/17.
- Capital grants and contributions decreased \$333,563 due to a decrease in developer contributions in the current year.

Total expenses decreased \$544,763 (6%) to \$8,447,753. Key elements of these changes are as follows.

- Water and wastewater expenses decreased \$982,425 primarily due to a loss of \$913,246 on the disposal of water meters in the prior year.
- Stormwater utility expense increased \$166,276 primarily due to an increase in pension expense of \$104,235 because more employees were reported in this fund which increased the share of the net pension liability.
- Splash Dayz expenses increased \$232,382 primarily due to an increase in salaries and related expenses of \$71,592 due to added maintenance employees and an increase in pension expense of \$157,485 due to an increased number of employees which increased the share of the net pension liability.

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 \$24,321,224. \$11,160,474 (46%) 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 \$11,160,474. 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 110% of the total General Fund expenditures. Fund balance of the General Fund increased \$1,184,835 compared to an increase of \$313,489 in the prior year. Key factors in this increase are as follows:

- Revenues increased \$985,896. Property taxes increased \$412,926 due to a rate increase and an increase in appraisal values. Sales tax increased \$653,102 due to the going out of business sale of one of the major stores and the continued improvement of the economy.
- Total expenditures increased \$850,194. General government expenditures decreased \$355,009 primarily due to compensated absences payouts to a retiring City Manager and Finance Director in the prior year and the closing of the warehouse in the current year. Public safety expenditures increased \$587,470 primarily because fire department positions were added, the EDC director was moved to this department, and a building official was added. Culture and recreation expenditures increased \$453,111 because parks maintenance, utilities, and other expenses were moved from the EDC fund. Non departmental expenses increased \$115,936 because expenses such as janitorial, copier lease, phone service, insurance, and tax appraisal were moved to this new department in the current year.
- Other financing sources increased \$735,644 from the prior year primarily due to an increase in net transfers of \$812,218.

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 increased \$99,702 to \$2,486,256. Revenues increased \$142,789 primarily because sales tax increased due to the going out of business sale of a major store and the continued improvement of the economy. Expenditures decreased \$464,565 primarily due to the movement of culture and recreation expenditures to the general fund.

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 \$13,040,600, \$3,191,997 and (\$101,067) respectively. The total change in net position for the three funds was an increase of \$2,882,245, \$103,858 and a decrease of \$137,352 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 increased \$95,000.

During the year, actual revenues were \$555,418 greater than budgeted and actual expenditures were \$936,797 less than budgeted.

Capital Assets

The City's investment in capital assets for its governmental and business type activities as of September 30, 2018, amounts to \$60,359,147 (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:

- \$536,830 for MIS security.
- \$261,108 for park and rec center improvements.
- \$564,528 for a fire truck.
- \$295,062 for improvements on various streets.

Business-type activities:

- \$808,673 for water and wastewater improvements.
- \$99,388 for a water study.
- \$108,656 for lift station improvements and wastewater line additions.

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

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Land	\$ 6,133,435	\$ 6,133,435	\$ 195,139	\$ 195,139	\$ 6,328,574	\$ 6,328,574
Construction in progress	222,497	189,714	809,649	453,470	1,032,146	643,184
Land improvements	6,797,150	7,071,611	30,031	31,399	6,827,181	7,103,010
Buildings and improvements	4,962,030	5,142,208	132,230	114,889	5,094,260	5,257,097
Machinery and equipment	6,871,530	6,421,048	777,649	832,906	7,649,179	7,253,954
Infrastructure	14,551,158	14,855,116	-	-	14,551,158	14,855,116
Water and sewer systems	-	-	17,137,055	17,031,281	17,137,055	17,031,281
Stormwater systems	-	-	1,739,594	1,744,240	1,739,594	1,744,240
Total	<u>\$ 39,537,800</u>	<u>\$ 39,813,132</u>	<u>\$ 20,821,347</u>	<u>\$ 20,403,324</u>	<u>\$ 60,359,147</u>	<u>\$ 60,216,456</u>

Additional information on the City's capital assets can be found in Note 1.D.6. and Note 7 to the financial statements.

Long-Term Debt

At year-end the City had \$33,871,797 in bonds outstanding, a decrease of \$1,893,870 from the prior year. \$11,872,108 are General Obligation Bonds that are backed by the full faith and credit of the City, \$10,679,689 are Certificates of Obligation secured by surplus revenues of the Water and Wastewater Fund and ad valorem taxes, and \$11,320,000 are Sales Tax Revenue Bonds.

City of White Settlement's Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Sales Tax Revenue Bonds	\$ 11,320,000	\$ 11,770,000	\$ -	\$ -	\$ 11,320,000	\$ 11,770,000
General Obligation Bonds	6,690,086	7,336,284	5,182,022	5,407,264	11,872,108	12,743,548
Certificates of Obligation	10,299,689	10,507,119	380,000	745,000	10,679,689	11,252,119
Total	<u>\$ 28,309,775</u>	<u>\$ 29,613,403</u>	<u>\$ 5,562,022</u>	<u>\$ 6,152,264</u>	<u>\$ 33,871,797</u>	<u>\$ 35,765,667</u>

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

	Moody's Investor Service	Standard & Poor's
General Obligation Bonds, Series 2009	A3	A+
Certificates of Obligation, Series 2009	A3	A+
General Obligation Refunding Bonds, Series 2011	A1	A+
Combination Tax and Revenue Certificates of Obligation, Series 2015		AA-
General Obligation Refunding Bonds, Series 2015		AA-
General Obligation Refunding Bonds, Series 2016		AA-

More detailed information about the City's debt is presented in Note 8 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

2018 taxable property values increased \$92,302,776 (12.68%) to \$820,393,586 from prior year values at \$728,090,810. The average taxable value of a residential home in 2018 has increased to \$76,803 compared to the average home in 2017 at \$68,549. The City continues to take steps in developing areas to attract commercial customers and residents. For the 2018-2019 Budget, the City Council adopted the tax rate of \$0.762186 (which was above the effective rate but equal to the rollback rate), and an increase of 0.01% compared to the prior year at \$0.762127 per \$100 valuation. The General Fund Ad Valorem tax revenue carries a \$5M budget.

Sales Tax

Historically, sales tax revenues have risen and fall in response to oil and gas drilling. Therefore, 2018-2019 sales tax revenues are conservatively projected in the General Fund at \$2,130,100. As the oil industry stabilizes and recovers, sales tax could add additional sales tax revenues.

Budget

The 2018-2019 adopted budget has a 3% increase for police officers and corporals as well as market raises for full-time fire staff. 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 2018-2019, the City issued an additional \$3.025M in debt to fund street projects associated with water and sewer line replacements.

Capital

Projects planned for 2018-2019 include a new circulation desk and blinds at the library, renovate restrooms at the recreation center, utility vehicle for parks, comprehensive plan, parking lot at the Police station, purchase of a fully equipped fire squad truck, street resurfacing and reconstruction, replacement of water and sewer lines, and storm water improvements.

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 2018-2019 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 2018-2019 Budget, operational requirements continue to be subsidized by the General Fund in the form of a \$626k 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, however the General Fund is expected to make a transfer to help pay for debt service payments in 2018-2019.

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, 2018

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS:			
Cash and cash equivalents	\$ 12,294,975	\$ 8,160,556	\$ 20,455,531
Certificates of Deposit	10,035,719	8,290,038	18,325,757
Receivables (Net of allowances for uncollectibles)			
Property taxes	111,511	-	111,511
Franchise taxes	241,157	-	241,157
Accounts	-	1,095,227	1,095,227
Miscellaneous	210,769	-	210,769
Due from other governments	810,245	-	810,245
Prepaid expenses	89,244	-	89,244
Inventory	-	3,293	3,293
Restricted assets:			
Cash and cash equivalents	1,845,316	632,520	2,477,836
Capital assets:			
Nondepreciable	6,355,932	1,004,788	7,360,720
Depreciable, net of accumulated depreciation	33,181,868	19,816,559	52,998,427
Total Assets	65,176,736	39,002,981	104,179,717
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred outflows related to pensions	695,600	151,331	846,931
Deferred outflows related to OPEB	18,295	3,348	21,643
Deferred charges on refunding	211,726	367,664	579,390
Total Deferred Outflows of Resources	925,621	522,343	1,447,964
LIABILITIES:			
Accounts payable	741,173	592,562	1,333,735
Accrued liabilities	233,086	45,246	278,332
Customer deposits	1,750	-	1,750
Current Liabilities Payable from Restricted Assets:			
Interest payable	266,157	20,706	286,863
Customer deposits	-	633,170	633,170
Noncurrent liabilities:			
Due Within One Year	1,657,068	648,223	2,305,291
Due in More Than One Year	33,335,193	6,006,520	39,341,713
Total Liabilities	36,234,427	7,946,427	44,180,854
DEFERRED INFLOWS OF RESOURCES:			
Deferred inflows related to pensions	1,027,647	188,042	1,215,689
Total Deferred Inflows of Resources	1,027,647	188,042	1,215,689
NET POSITION:			
Net Investment in Capital Assets	17,352,532	15,259,325	32,611,857
Restricted Net Position (Expendable)			
Debt service	19,200	-	19,200
Police and court	1,079,825	-	1,079,825
Tourism, library and senior services	3,678,079	-	3,678,079
Unrestricted Net Position	6,710,647	16,131,530	22,842,177
Total Net Position	\$ 28,840,283	\$ 31,390,855	\$ 60,231,138

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, 2018

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental activities:				
General government	\$ 1,830,107	\$ 19,779	\$ -	\$ -
Public safety	6,416,920	776,360	61,170	-
Public works	1,302,154	87,530	36,000	14,000
Public health	197,429	12,650	-	-
Economic development	142,472	-	-	-
Culture and recreation	2,504,485	191,691	-	-
Non departmental	115,936	-	-	-
Interest on long-term debt	1,144,944	-	-	-
Bond issuance costs	9,390	-	-	-
Total governmental activities	<u>13,663,837</u>	<u>1,088,010</u>	<u>97,170</u>	<u>14,000</u>
Business-type activities:				
Water and wastewater	5,580,344	8,255,535	-	452,710
Sanitation	710,225	797,124	-	-
Stormwater utility	478,834	571,306	-	-
Splash Dayz	1,678,350	775,621	-	-
Total business-type activities	<u>8,447,753</u>	<u>10,399,586</u>	<u>-</u>	<u>452,710</u>
Total primary government	<u>\$ 22,111,590</u>	<u>\$ 11,487,596</u>	<u>\$ 97,170</u>	<u>\$ 466,710</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

Prior Period Adjustment

Net Position - Ending

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

Exhibit B-1

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-type Activities	Total
\$ (1,810,328)	\$ -	\$ (1,810,328)
(5,579,390)	-	(5,579,390)
(1,164,624)	-	(1,164,624)
(184,779)	-	(184,779)
(142,472)	-	(142,472)
(2,312,794)	-	(2,312,794)
(115,936)	-	(115,936)
(1,144,944)	-	(1,144,944)
(9,390)	-	(9,390)
<u>(12,464,657)</u>	<u>-</u>	<u>(12,464,657)</u>
-	3,127,901	3,127,901
-	86,899	86,899
-	92,472	92,472
-	(902,729)	(902,729)
<u>-</u>	<u>2,404,543</u>	<u>2,404,543</u>
<u>\$ (12,464,657)</u>	<u>\$ 2,404,543</u>	<u>\$ (10,060,114)</u>
\$ 4,476,476	\$ -	\$ 4,476,476
1,104,894	-	1,104,894
5,322,594	-	5,322,594
1,364,626	-	1,364,626
350,720	-	350,720
50,009	-	50,009
341,024	224,344	565,368
359,484	(7,935)	351,549
104,246	-	104,246
(227,799)	227,799	-
<u>13,246,274</u>	<u>444,208</u>	<u>13,690,482</u>
781,617	2,848,751	3,630,368
28,313,882	28,574,552	56,888,434
<u>(255,216)</u>	<u>(32,448)</u>	<u>(287,664)</u>
<u>\$ 28,840,283</u>	<u>\$ 31,390,855</u>	<u>\$ 60,231,138</u>

CITY OF WHITE SETTLEMENT, TEXAS
Balance Sheet
Governmental Funds
September 30, 2018

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Assets:				
Cash and investments	\$ 5,343,483	\$ 2,959,806	\$ 3,991,686	\$ 12,294,975
Certificates of Deposit	6,452,594	3,583,125	-	10,035,719
Receivables (Net of allowances for uncollectibles)				
Property taxes	87,580	-	23,931	111,511
Franchise taxes	225,434	-	15,723	241,157
Miscellaneous	117,275	-	93,494	210,769
Due from other governments	412,322	-	397,923	810,245
Prepays	89,244	-	-	89,244
Restricted Assets:				
Cash and investments	-	-	1,845,316	1,845,316
Total assets	<u>\$ 12,727,932</u>	<u>\$ 6,542,931</u>	<u>\$ 6,368,073</u>	<u>\$ 25,638,936</u>
LIABILITIES, DEFERRED INFLOWS AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 286,927	\$ 418,421	\$ 35,825	\$ 741,173
Accrued liabilities	233,086	-	-	233,086
Customer deposits	1,750	-	-	1,750
Total liabilities	<u>521,763</u>	<u>418,421</u>	<u>35,825</u>	<u>976,009</u>
Deferred inflows of resources:				
Deferred property tax	95,486	-	23,931	119,417
Other deferred revenue	222,286	-	-	222,286
Total deferred inflows of resources	<u>317,772</u>	<u>-</u>	<u>23,931</u>	<u>341,703</u>
Fund Balances:				
Nonspendable	89,243	-	-	89,243
Restricted	-	6,124,510	5,019,330	11,143,840
Committed	-	-	1,288,987	1,288,987
Assigned	638,680	-	-	638,680
Unassigned	11,160,474	-	-	11,160,474
Total fund balances	<u>11,888,397</u>	<u>6,124,510</u>	<u>6,308,317</u>	<u>24,321,224</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 12,727,932</u>	<u>\$ 6,542,931</u>	<u>\$ 6,368,073</u>	<u>\$ 25,638,936</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, 2018

Total Fund Balances - Governmental Funds		\$ 24,321,224
Capital assets used in governmental activities are not financial resources and therefore are reported in the governmental funds. The cost of these assets was \$63,258,557 and the accumulated depreciation was \$23,720,757.		39,537,800
<p>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:</p>		
Interest payable	(266,157)	
General Obligation and Certificates of Obligation bonds	(16,075,000)	
Premium on bonds	(914,775)	
Sales Tax Revenue bonds	(11,320,000)	
Compensated absences	<u>(1,045,712)</u>	(29,621,644)
Deferred charges for refunding related to governmental activity debt are not financial resources and, therefore, are not reported in the governmental funds.		211,726
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 \$5,353,691, a deferred resource inflow related to pensions of \$1,027,647, and a deferred resource outflow related to pensions in the amount of \$695,600. This amounted to a decrease in net position of \$5,685,738,403.		(5,685,738)
Included in the items related to noncurrent liabilities is the recognition of the City's net OPEB liability required by GASB 75 in the amount of \$283,083 and a deferred resource outflow related to OPEB in the amount of \$18,295. This amounted to a decrease in net position of \$264,788		(264,788)
<p>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:</p>		
Property taxes	119,417	
Court fines	64,006	
Franchise taxes	157,910	
Charges for services	<u>370</u>	341,703
Net Position of Governmental Activities		<u><u>\$ 28,840,283</u></u>

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

CITY OF WHITE SETTLEMENT, TEXAS
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2018

	General	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Taxes:				
Property	\$ 4,476,893	\$ -	\$ 1,105,705	\$ 5,582,598
Sales and use	2,704,160	-	2,618,434	5,322,594
Franchise	979,164	-	381,769	1,360,933
Hotel occupancy tax	-	-	350,720	350,720
Fines and forfeitures	409,556	-	-	409,556
Licenses and permits	360,522	-	-	360,522
Intergovernmental revenue	36,000	-	61,170	97,170
Charges for service	312,492	-	-	312,492
Oil and gas revenues	50,009	-	-	50,009
Investment Earnings	158,489	106,131	76,404	341,024
Other revenue	19,567	-	53,078	72,645
Total revenues	<u>9,506,852</u>	<u>106,131</u>	<u>4,647,280</u>	<u>14,260,263</u>
EXPENDITURES				
Current:				
General government	1,827,502	-	-	1,827,502
Public safety	5,895,481	-	453,366	6,348,847
Public works	494,650	-	-	494,650
Public health	203,009	-	-	203,009
Economic development	-	-	136,591	136,591
Culture and recreation	1,586,837	-	112,818	1,699,655
Non departmental	115,936	-	-	115,936
Capital outlay	-	1,896,535	-	1,896,535
Debt service:				
Principal	-	-	1,225,000	1,225,000
Interest and fiscal charges	-	-	1,203,164	1,203,164
Debt issuance costs	-	-	9,390	9,390
Total expenditures	<u>10,123,415</u>	<u>1,896,535</u>	<u>3,140,329</u>	<u>15,160,279</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (616,563)</u>	<u>\$ (1,790,404)</u>	<u>\$ 1,506,951</u>	<u>\$ (900,016)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance recoveries	31,601	-	-	31,601
Proceeds from sale of general capital assets	297,000	-	18,218	315,218
Transfers in	2,038,170	-	283,617	2,321,787
Transfers out	(565,373)	(648,134)	(1,205,617)	(2,419,124)
Total other financing sources (uses)	<u>1,801,398</u>	<u>(648,134)</u>	<u>(903,782)</u>	<u>249,482</u>
NET CHANGE IN FUND BALANCES	1,184,835	(2,438,538)	603,169	(650,534)
FUND BALANCE, OCTOBER 1, 2017	<u>10,703,562</u>	<u>8,563,048</u>	<u>5,705,148</u>	<u>24,971,758</u>
FUND BALANCE, SEPTEMBER 30, 2018	<u>\$ 11,888,397</u>	<u>\$ 6,124,510</u>	<u>\$ 6,308,317</u>	<u>\$ 24,321,224</u>

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

CITY OF WHITE SETTLEMENT, TEXAS
Reconciliation of Statement of Revenues,
Expenditures and Changes in Fund Balances of
The Governmental Funds to the Statement of Activities
For the Year Ended September 30, 2018

Total Net Change in Fund Balances - Governmental Funds		\$ (650,534)
Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including \$2,304,016 of capital outlays and \$1,225,000 of debt principal payments is to increase net position.		3,529,016
Capital asset donations are revenues in the government-wide financial statements but are not reported in the governmental fund financial statements.		14,000
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.		(236,196)
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.		(2,357,152)
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	10,078	
Premium on General Obligation bonds	78,628	
Deferred charge on refunding	(30,486)	
Compensated absences	(54,134)	4,086
Revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenues in the funds.		7,905
GASB 68 required the City to recognize their net pension liability and deferred resource outflow related to pensions. The changes in these balances increased net position.		480,064
GASB 75 required the City to recognize their total OPEB liability and deferred resource outflow related to OPEB. The changes in these balances decreased net position.		(9,572)
Change in Net Position of Governmental Activities		\$ 781,617

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, 2018

	Enterprise Funds			Totals
	Water and Wastewater	Stormwater Utility	Splash Dayz	
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$ 6,562,826	\$ 1,470,580	\$ 127,150	\$ 8,160,556
Certificates of Deposit	6,509,762	1,780,276	-	8,290,038
Receivables (Net of allowance for uncollectibles):				
Accounts	1,033,195	62,032	-	1,095,227
Supplies Inventory	-	-	3,293	3,293
Restricted Assets:				
Cash and cash equivalents	632,520	-	-	632,520
Total current assets	14,738,303	3,312,888	130,443	18,181,634
Noncurrent Assets:				
Capital assets, at cost:				
Land	158,144	36,995	-	195,139
Construction in progress	798,649	11,000	-	809,649
Buildings and improvements	147,403	-	21,371	168,774
Land improvements	38,484	-	29,221	67,705
Waterworks and wastewater system	28,229,421	-	-	28,229,421
Stormwater systems	-	2,063,177	-	2,063,177
Machinery and equipment	1,296,631	294,538	756,194	2,347,363
	30,668,732	2,405,710	806,786	33,881,228
Less: accumulated depreciation	(12,330,759)	(459,536)	(269,586)	(13,059,881)
Capital assets, net	18,337,973	1,946,174	537,200	20,821,347
Total noncurrent assets	18,337,973	1,946,174	537,200	20,821,347
Total assets	33,076,276	5,259,062	667,643	39,002,981
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred charge on refunding	367,664	-	-	367,664
Deferred outflows related to pensions	106,393	18,878	26,060	151,331
Deferred outflows related to OPEB	2,526	264	558	3,348
Total deferred outflows of resources	\$ 476,583	\$ 19,142	\$ 26,618	\$ 522,343

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	\$ 539,675	\$ 13,540	\$ 39,347	\$ 592,562
Accrued liabilities	31,144	5,558	8,544	45,246
Current portion of long-term liabilities	631,065	10,846	6,312	648,223
Current Liabilities Payable from Restricted Assets:				
Interest payable	20,706	-	-	20,706
Customer deposits payable	632,520	-	650	633,170
Total current liabilities	1,855,110	29,944	54,853	1,939,907
Noncurrent Liabilities:				
Compensated absences payable	10,246	13,920	-	24,166
Net pension liability	739,100	77,256	163,291	979,647
Total OPEB liability	39,081	4,086	8,640	51,807
Bonds payable	4,950,900	-	-	4,950,900
Total noncurrent liabilities	5,739,327	95,262	171,931	6,006,520
Total liabilities	7,594,437	125,206	226,784	7,946,427
DEFERRED INFLOWS OF RESOURCES:				
Deferred inflows related to pensions	141,871	14,827	31,344	188,042
Total deferred inflows of resources	141,871	14,827	31,344	188,042
NET POSITION:				
Net investment in capital assets	12,775,951	1,946,174	537,200	15,259,325
Unrestricted	13,040,600	3,191,997	(101,067)	16,131,530
Total net position	\$ 25,816,551	\$ 5,138,171	\$ 436,133	\$ 31,390,855

CITY OF WHITE SETTLEMENT, TEXAS
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended September 30, 2018

	Enterprise Funds			Totals
	Water and Wastewater	Stormwater Utility	Splash Dayz	
Operating revenues:				
Charges for sales and services	\$ 9,052,659	\$ 571,306	\$ 775,621	\$ 10,399,586
Total operating revenue	<u>9,052,659</u>	<u>571,306</u>	<u>775,621</u>	<u>10,399,586</u>
Operating expenses:				
Utility billing	762,771	-	-	762,771
Water production and distribution	2,171,226	-	-	2,171,226
Wastewater collection and treatment	1,334,227	-	-	1,334,227
Stormwater utility	-	390,261	-	390,261
Sanitation	710,225	-	-	710,225
Splash Dayz	-	-	1,531,439	1,531,439
Non Departmental	476,307	5,954	-	482,261
Depreciation	672,770	82,619	146,911	902,300
Total operating expenses	<u>6,127,526</u>	<u>478,834</u>	<u>1,678,350</u>	<u>8,284,710</u>
Operating income (loss)	<u>2,925,133</u>	<u>92,472</u>	<u>(902,729)</u>	<u>2,114,876</u>
Nonoperating revenues (expenses):				
Gain (loss) on disposal of capital assets	(5,952)	(1,983)	-	(7,935)
Investment earnings	178,907	45,433	4	224,344
Interest expense	(163,043)	-	-	(163,043)
Total nonoperating revenues (expenses)	<u>9,912</u>	<u>43,450</u>	<u>4</u>	<u>53,366</u>
Income (loss) before contributions and transfers	2,935,045	135,922	(902,725)	2,168,242
Capital contributions and transfers:				
Capital Contributions	453,697	129,475	-	583,172
Transfers in	599,912	48,222	765,373	1,413,507
Transfers out	(1,106,409)	(209,761)	-	(1,316,170)
Change in Net Position	2,882,245	103,858	(137,352)	2,848,751
Prior Period Adjustments	(31,269)	-	(1,179)	(32,448)
Net Position, October 1, 2017	<u>22,965,575</u>	<u>5,034,313</u>	<u>574,664</u>	<u>28,574,552</u>
Net Position, September 30, 2018	<u>\$ 25,816,551</u>	<u>\$ 5,138,171</u>	<u>\$ 436,133</u>	<u>\$ 31,390,855</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, 2018

	Enterprise Funds			Totals
	Water and Wastewater Fund	Stormwater Utility	Splash Dayz	
Cash flows from operating activities:				
Cash received from customers	\$ 9,062,257	\$ 577,532	\$ 776,045	\$ 10,415,834
Cash paid to suppliers	(4,728,805)	(164,698)	(792,326)	(5,685,829)
Cash paid to employees	(624,342)	(129,761)	(559,324)	(1,313,427)
Net cash provided by operating activities	<u>3,709,110</u>	<u>283,073</u>	<u>(575,605)</u>	<u>3,416,578</u>
Cash flow from noncapital financing activities:				
Transfers from other funds	599,912	48,222	765,373	1,413,507
Transfers to other funds	(1,106,409)	(209,761)	-	(1,316,170)
Net cash provided (used) by noncapital financing activities	<u>(506,497)</u>	<u>(161,539)</u>	<u>765,373</u>	<u>97,337</u>
Cash flow from capital and related financing activities:				
Principal payments on long-term debt	(540,000)	-	-	(540,000)
Capital contribution for debt service	267,714	-	-	267,714
Capital outlay	(883,382)	(59,222)	(70,196)	(1,012,800)
Interest paid on bonds	(180,524)	-	-	(180,524)
Net cash (used) by capital and related financing activities	<u>(1,336,192)</u>	<u>(59,222)</u>	<u>(70,196)</u>	<u>(1,465,610)</u>
Cash flow from investing activities:				
Investment earnings	185,726	47,284	4	233,014
Purchase of Certificates of Deposit	(2,310,450)	(460,030)	-	(2,770,480)
Net cash provided by investing activities	<u>(2,124,724)</u>	<u>(412,746)</u>	<u>4</u>	<u>(2,537,466)</u>
Net increase (decrease) in cash and cash equivalents	(258,303)	(350,434)	119,576	(489,161)
Cash and cash equivalents, beginning	<u>7,453,649</u>	<u>1,821,014</u>	<u>7,574</u>	<u>9,282,237</u>
Cash and cash equivalents, ending	<u>\$ 7,195,346</u>	<u>\$ 1,470,580</u>	<u>\$ 127,150</u>	<u>\$ 8,793,076</u>
Reconciliation of Operating Income to Net Cash Provided (Used) by Operating Activities				
Operating income (loss)	<u>\$ 2,925,133</u>	<u>\$ 92,472</u>	<u>\$ (902,729)</u>	<u>\$ 2,114,876</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:				
Depreciation expense	672,770	82,619	146,911	902,300
(Increase) decrease in accounts receivable	(24,657)	6,226	866	(17,565)
(Increase) decrease in supplies inventory	-	-	1,276	1,276
(Increase) decrease in prepaid expenses	-	-	312	312
Increase (decrease) in accounts payable	83,518	6,858	16,774	107,150
Increase (decrease) in accrued liabilities	(245)	3,280	(3,756)	(721)
Increase (decrease) in accrued net pension balances	24,845	82,978	157,441	265,264
Increase (decrease) in accrued net OPEB balances	5,286	3,822	6,903	16,011
Increase (decrease) in customer deposits	34,255	-	(442)	33,813
Increase (decrease) in compensated absences payable	(11,795)	4,818	839	(6,138)
Total adjustments	<u>783,977</u>	<u>190,601</u>	<u>327,124</u>	<u>1,301,702</u>
Net cash provided by operating activities	<u>\$ 3,709,110</u>	<u>\$ 283,073</u>	<u>\$ (575,605)</u>	<u>\$ 3,416,578</u>
Noncash Investing, Capital and Financing Activities				
Disposal of capital assets	\$ (5,952)	\$ (1,983)	\$ -	\$ (7,935)
Contributions of capital assets from developer	184,997	-	-	184,997
1	<u>\$ 179,045</u>	<u>\$ (1,983)</u>	<u>\$ -</u>	<u>\$ 177,062</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, 2018

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, 2018

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, 2018

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 *Capital Projects Fund* is used to account for construction of major capital projects not being financed by the proprietary funds.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

1. *Cash and Investments* (Continued)

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, 2018.

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, 2018, 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, 2018

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 \$163,043. 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, 2018

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, 2018

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	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable:				
Prepays and inventory	\$ 89,243	\$ -	\$ -	\$ 89,243
Restricted:				
Debt Service	-	-	261,426	261,426
Construction	-	6,124,510	-	6,124,510
Police and court	-	-	1,079,825	1,079,825
Tourism, library and senior services	-	-	3,678,079	3,678,079
Committed:				
Street improvement	-	-	1,288,987	1,288,987
Assigned:				
Pride Commission	12,461	-	-	12,461
Subsequent year budget deficit	626,219	-	-	626,219
Unassigned	11,160,474	-	-	11,160,474
	<u>\$ 11,888,397</u>	<u>\$ 6,124,510</u>	<u>\$ 6,308,317</u>	<u>\$ 24,321,224</u>

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Fund Balance – Governmental Funds (Continued)

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

The City Council adopted a minimum fund balance policy for the General Fund. The policy requires the City strive to maintain a yearly unassigned fund balance in the General Fund of 144 days of annual budgeted expenditures. At the end of the year, the unassigned fund balance of \$11,160,474 was \$6,796,993 above the minimum fund balance requirement of \$4,363,481.

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)	\$ 11,143,840
Adjustments	
Accrued interest payable restricted for debt service	(266,157)
Deferred property tax revenue restricted for debt service	23,931
Restricted for construction	(6,124,510)
Total adjustments	(6,366,736)
Restricted Net Position (Exhibit A-1)	\$ 4,777,104

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

11. *Use of Estimates*

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

NOTE 2: DEPOSITS AND INVESTMENTS

Substantially all operating cash and investments are maintained in consolidated cash and investment accounts. Investment income relating to consolidated investments is allocated to the individual funds monthly based on the funds' pro-rata share of total cash and investments.

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

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 2: DEPOSITS AND INVESTMENTS (Continued)

Insurance Corporation (“FDIC”) Insurance. At September 30, 2018, the City’s deposits were covered by FDIC Insurance or collateralized with securities held by the bank’s agent in the City’s name.

Credit Risk– Investments

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

Interest Rate Risk – Investments

In accordance with its investment policy, the City manages its exposure to declines in fair market values by limiting the final stated maturity of any investment to three years and the average maturity of the City’s operating funds to one year. As of September 30, 2018, 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, 2018 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	28 days	100.00%	\$ 1,627	\$ 1,627
				<u>\$ 1,627</u>	<u>\$ 1,627</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	\$ 632,520
Total	<u>\$ 632,520</u>

Cash and investments in the amount of \$1,797,430 in the Economic Development Corporation are restricted for debt service.

Investment earnings of \$595,954 are reported net of advisory service fees of \$30,612.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

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 2017 was computed based on 100% of appraised value.

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

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

General property taxes are limited by the government's Home Rule Charter to \$1.50 per \$100 of assessed valuation. The combined tax rate to finance general governmental service and debt service for the period ended September 30, 2018, was \$0.762127 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 2017 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.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

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	Nonmajor Governmental	Water and Wastewater	Stormwater Utility
Receivables:				
Property taxes	\$ 243,713	\$ 70,558	\$ -	\$ -
Franchise taxes	225,434	15,723	-	-
Occupancy tax	-	93,494	-	-
Water and wastewater	-	-	656,250	-
Stormwater utility	-	-	-	43,359
Sanitation	-	-	62,292	-
Earned and unbilled services	-	-	353,764	23,041
Miscellaneous	479,973	-	-	-
Gross Receivables	949,120	179,775	1,072,306	66,400
Less: allowance for uncollectibles	(518,831)	(46,627)	(39,111)	(4,368)
Net total receivables	<u>\$ 430,289</u>	<u>\$ 133,148</u>	<u>\$ 1,033,195</u>	<u>\$ 62,032</u>

NOTE 5: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position 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 three items that qualify in this category, deferred charges on refunding bonds, deferred outflows relating to pensions, and deferred outflows relating to OPEB 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:

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 5: DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

Deferred property taxes receivable (General Fund)	\$ 95,486
Franchise tax receivable	158,280
Court fees receivable	64,006
Deferred property taxes receivable (Debt Service Fund)	<u>23,931</u>
 Total deferred inflows of resources for governmental funds	 <u><u>\$ 341,703</u></u>

NOTE 6: INTERFUND RECEIVABLE, PAYABLES AND TRANSFERS

The composition of interfund transfers for the City's individual major funds and nonmajor funds at September 30, 2018, is as follows:

Transfer In	Transfer Out	Amount	Purpose
General	Crime District	\$ 740,154	Crime prevention
	Economic Development Corp	115,463	Payments in lieu of taxes
	Water and Wastewater	972,792	Payments in lieu of taxes
	Stormwater Utility	209,761	Payments in lieu of taxes
 Debt Service	Street Improvement	150,000	Debt service
	Water and Wastewater	<u>133,617</u>	Debt service
 Total Governmental Funds Transfers In		 <u><u>\$ 2,321,787</u></u>	
 Transfer In	 Transfer Out	 Amount	 Purpose
Water and Wastewater	Capital Projects	\$ 599,912	Capital assets
Stormwater Utility	Capital Projects	48,222	Capital assets
Splash Dayz	General	565,373	Transfer water park
	Occupancy Tax	<u>200,000</u>	Transfer water park
 Total Enterprise Funds Transfers In		 <u><u>\$ 1,413,507</u></u>	

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 7: CAPITAL ASSETS

Capital asset activity for the year ended September 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Transfers & Adjustments	Ending Balance
Governmental activities:					
Non - Depreciable Assets:					
Land	\$ 6,133,435	\$ -	\$ -	\$ -	\$ 6,133,435
Construction in Progress	189,714	752,627	-	(719,844)	222,497
Total non-depreciable assets	<u>6,323,149</u>	<u>752,627</u>	<u>-</u>	<u>(719,844)</u>	<u>6,355,932</u>
Depreciable Assets:					
Land improvements	11,417,119	261,108	-	-	11,678,227
Building and improvements	9,367,518	105,554	-	-	9,473,072
Machinery and equipment	12,776,306	903,665	(891,691)	363,867	13,152,147
Infrastructure	22,304,117	295,062	-	-	22,599,179
Total capital assets being depreciated	<u>55,865,060</u>	<u>1,565,389</u>	<u>(891,691)</u>	<u>363,867</u>	<u>56,902,625</u>
Accumulated Depreciation:					
Land improvements	(4,345,508)	(535,569)	-	-	(4,881,077)
Building and improvements	(4,225,310)	(285,732)	-	-	(4,511,042)
Machinery and equipment	(6,355,258)	(936,831)	785,958	225,514	(6,280,617)
Infrastructure	(7,449,001)	(599,020)	-	-	(8,048,021)
Total accumulated depreciation	<u>(22,375,077)</u>	<u>(2,357,152)</u>	<u>785,958</u>	<u>225,514</u>	<u>(23,720,757)</u>
Governmental activities capital assets, net	<u>\$ 39,813,132</u>	<u>\$ (39,136)</u>	<u>\$ (105,733)</u>	<u>\$ (130,463)</u>	<u>\$ 39,537,800</u>
	Beginning Balance	Increases	Decreases	Transfers & Adjustments	Ending Balance
Business-type activities:					
Non - Depreciable Assets:					
Land	\$ 195,139	\$ -	\$ -	\$ -	\$ 195,139
Construction in Progress	453,470	819,673	-	(463,494)	809,649
Total non-depreciable assets	<u>648,609</u>	<u>819,673</u>	<u>-</u>	<u>(463,494)</u>	<u>1,004,788</u>
Depreciable Assets:					
Land improvements	67,705	-	-	-	67,705
Building and improvements	147,403	21,371	-	-	168,774
Machinery and equipment	2,188,803	72,561	(269,979)	355,978	2,347,363
Water and wastewater systems	27,529,958	235,969	-	463,494	28,229,421
Stormwater systems	2,014,955	48,222	-	-	2,063,177
Total capital assets being depreciated	<u>31,948,824</u>	<u>378,123</u>	<u>(269,979)</u>	<u>819,472</u>	<u>32,876,440</u>
Accumulated Depreciation:					
Land improvements	(36,306)	(1,368)	-	-	(37,674)
Building and improvements	(32,514)	(4,030)	-	-	(36,544)
Machinery and equipment	(1,355,897)	(250,345)	262,044	(225,516)	(1,569,714)
Water and wastewater systems	(10,498,677)	(593,689)	-	-	(11,092,366)
Stormwater systems	(270,715)	(52,868)	-	-	(323,583)
Total accumulated depreciation	<u>(12,194,109)</u>	<u>(902,300)</u>	<u>262,044</u>	<u>(225,516)</u>	<u>(13,059,881)</u>
Business-type activities capital assets, net	<u>\$ 20,403,324</u>	<u>\$ 295,496</u>	<u>\$ (7,935)</u>	<u>\$ 130,462</u>	<u>\$ 20,821,347</u>

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 7: CAPITAL ASSETS (Continued)

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

Governmental activities:	
General government	\$ 119,994
Public safety	395,987
Public works	908,388
Culture and recreation	932,783
Total depreciation expense - governmental activities	\$2,357,152
Business-type activities:	
Water and wastewater	\$ 672,770
Stormwater utility	82,619
Splash Dayz	146,911
Total depreciation expense - business-type activities	\$ 902,300

NOTE 8: 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	\$ 305,000
General government	06/01/15	02/15/35	2.0 - 5.0%	9,540,000	9,200,000
Governmental refunding	06/01/15	02/15/25	2.0 - 3.0%	2,980,000	2,285,000
General government	09/10/15	02/15/28	3.07%	710,000	570,000
Governmental refunding	12/13/16	02/15/29	2.0 - 4.0%	3,815,000	3,715,000

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 8: LONG-TERM LIABILITIES (Continued)

A. Bonds Payable (Continued)

The annual debt service requirements to maturity for General Obligation Bonds and Certificates of Obligation outstanding as of September 30, 2018, are as follows:

Year Ending September 30,	Governmental Activities					
	General Obligation Bonds			Certificates of Obligation		
	Principal	Interest	Total	Principal	Interest	Total
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	680,000	118,100	798,100	190,000	398,070	588,070
2024 - 2028	2,625,000	297,500	2,922,500	2,110,000	1,849,420	3,959,420
2029 - 2033	430,000	8,600	438,600	4,490,000	1,166,138	5,656,138
2034 - 2038		-	-	2,250,000	113,750	2,363,750
	<u>\$ 6,305,000</u>	<u>\$ 1,064,000</u>	<u>\$ 7,369,000</u>	<u>\$ 9,770,000</u>	<u>\$ 5,174,887</u>	<u>\$ 14,944,887</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	\$ 11,320,000

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 8: 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>
2019	\$ 475,000	\$ 536,342	\$ 1,011,342
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	580,000	451,047	1,031,047
2024 - 2028	3,365,000	1,776,452	5,141,452
2029 - 2033	4,325,000	816,879	5,141,879
2034 - 2038	1,005,000	25,225	1,030,225
	<u>\$ 11,320,000</u>	<u>\$ 5,123,743</u>	<u>\$ 16,443,743</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, 2018, \$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, 2018

NOTE 8: 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	\$ 380,000
Enterprise refunding	07/15/11	02/15/21	2.0 - 3.0%	1,705,000	560,000
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 \$267,714 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
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	395,000	105,025	500,025
2024 - 2028	2,195,000	315,750	2,510,750
2029 - 2033	490,000	9,800	499,800
	<u>\$ 5,155,000</u>	<u>\$ 964,675</u>	<u>\$ 6,119,675</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, 2018.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 8: 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	\$ 9,945,000	\$ -	\$ 175,000	\$ 9,770,000	\$ 180,000
General Obligation Bonds	6,905,000	-	600,000	6,305,000	620,000
Sales Tax Revenue Bonds	11,770,000	-	450,000	11,320,000	475,000
Issuance premium	993,403	-	78,628	914,775	79,380
Total bonds payable	<u>29,613,403</u>	<u>-</u>	<u>1,303,628</u>	<u>28,309,775</u>	<u>1,354,380</u>
Net pension liability	7,565,480	-	2,211,789	5,353,691	-
Total OPEB liability	-	283,083	-	283,083	-
Compensated absences	991,578	530,140	476,006	1,045,712	302,688
Total Governmental Activities	<u>\$ 38,170,461</u>	<u>\$ 813,223</u>	<u>\$ 3,991,423</u>	<u>\$ 34,992,261</u>	<u>\$ 1,657,068</u>
Business-type Activities:					
Certificates of Obligation	\$ 745,000	\$ -	\$ 365,000	\$ 380,000	\$ 380,000
General Obligation Bonds	4,950,000	-	175,000	4,775,000	180,000
Issuance premium	457,264	-	50,242	407,022	51,122
Total bonds payable	<u>6,152,264</u>	<u>-</u>	<u>590,242</u>	<u>5,562,022</u>	<u>611,122</u>
Net pension liability	962,239	17,408	-	979,647	-
Total OPEB liability	-	51,807	-	51,807	-
Compensated absences	67,406	57,854	63,993	61,267	37,101
Total Business-type Activities	<u>\$ 7,181,909</u>	<u>\$ 127,069</u>	<u>\$ 654,235</u>	<u>\$ 6,654,743</u>	<u>\$ 648,223</u>
Total Long-term Liabilities	<u>\$ 45,352,370</u>	<u>\$ 940,292</u>	<u>\$ 4,645,658</u>	<u>\$ 41,647,004</u>	<u>\$ 2,305,291</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, 2018

NOTE 9: 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 10: 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 11: DEFINED BENEFIT PENSION PLANS

A. Plan Description

The City participates as one of 883 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.tmr.com.

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

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 11: 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 2018
Employee deposit rate	7%
Matching ratio (city to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility (expressed as age/years of service)	60/5, 0/20
Updated Service Credit	100% Repeating, Transfers
Annuity Increase (to retirees)	70% of CPI

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	87
Inactive employees entitled to but not yet receiving benefits	120
Active employees	114
	321

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, 2018

NOTE 11: DEFINED BENEFIT PENSION PLANS (Continued)

C. Contributions (Continued)

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City were 17.88% and 17.88% in calendar years 2017 and 2018, respectively. The City's contributions to TMRS for the year ended September 30, 2018, were \$1,139,912, and were equal to the required contributions.

D. Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2017, 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. The 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.

The actuarial assumptions were developed primarily from the actuarial investigation of experience of TMRS over the four year period from December 31, 2010 to December 31, 2014. They were adopted in 2015 and first used in the December 31, 2015 actuarial valuation. The post-retirement mortality assumption for healthy annuitants and Annuity Purchase Rate (APRs) are based on the Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. In conjunction with these changes first used in the December 31, 2013 valuation, the System adopted the Entry Age Normal actuarial cost method and a one-time change to the amortization policy. 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 of TMRS.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 11: 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%	3.90%
Real Return	10.0%	3.80%
Real Estate	10.0%	4.50%
Absolute Return	10.0%	3.75%
Private Equity	5.0%	7.50%
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, 2018

NOTE 11: 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 12/31/2016	\$ 31,237,788	\$ 22,710,069	\$ 8,527,719
Changes for the year:			
Service cost	1,037,542	-	1,037,542
Interest	2,097,377	-	2,097,377
Change of benefit terms	-	-	-
Difference between expected and actual experience	(666,350)	-	(666,350)
Changes of assumptions	-	-	-
Contributions - employer	-	1,101,619	(1,101,619)
Contributions - employee	-	431,282	(431,282)
Net investment income	-	3,147,187	(3,147,187)
Benefit payments, including refunds of employee contributions	(1,368,649)	(1,368,649)	-
Administrative expense	-	(16,312)	16,312
Other changes	-	(826)	826
Net changes	1,099,920	3,294,301	(2,194,381)
Balance at 12/31/2017	<u>\$ 32,337,708</u>	<u>\$ 26,004,370</u>	<u>\$ 6,333,338</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	\$ 11,167,088	\$ 6,333,338	\$ 2,404,350

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 11: 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, 2018, the City recognized pension expense of \$915,693.

At September 30, 2018, 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	\$ -	\$ 566,376
Changes in actuarial assumptions	\$ 6,591	\$ -
Difference between projected and actual investment earnings.	\$ -	\$ 649,313
Contributions subsequent to the measurement date	\$ 840,340	\$ -
Total	<u>\$ 846,931</u>	<u>\$ 1,215,689</u>

\$840,340 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, 2018. 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:	
2018	\$ (254,301)
2019	(259,380)
2020	(372,564)
2021	(322,853)
2022	-
Thereafter	-
Total	<u>\$ (1,209,098)</u>

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

A. Plan Description

TMRS administers a defined benefit group-term life insurance plan known as the Supplemental Death Benefits Fund (SDBF). This is a voluntary program in which participating member cities may elect, by ordinance, to provide group-term life insurance coverage for their active members, including or not including retirees. 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). The death benefit for retirees is considered an other postemployment benefit (OPEB) and is a fixed amount of \$7,500. As the SDBF covers both active and retiree participants, with no segregation of assets, the SDBF is considered to be an unfunded OPEB plan (i.e. no assets are accumulated).

The member 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.

B. Benefits Provided

At the December 31, 2017 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	50
Inactive employees entitled to but not yet receiving benefits	23
Active employees	114
	187

C. Total OPEB Liability

The City's total OPEB liability was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions:

The Total OPEB Liability in the December 31, 2017 actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.50% to 10.50% including inflation
Retirees' share of benefit related costs	\$0

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

C. Total OPEB Liability (Continued)

Actuarial Assumptions: (Continued)

All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.

Mortality rates for service retirees were based on the gender distinct RP 2000 Combined Mortality Table with Blue Collar Adjustments with male rates multiplied by 109% and female rates multiplied by 103% and projected on a fully generational basis with scale BB.

Mortality rates for disabled retirees were based on the gender distinct RP 2000 Combined Mortality Table with Blue Collar Adjustment with male rates multiplied by 109% and female rates multiplied by 103% with a 3 year set-forward for both males and females. The rates are projected on a fully generational basis with scale BB to account for future mortality improvements subject to the 3% floor.

The actuarial assumptions used in the December 31, 2017 valuation were based on the results of an actuarial experience study for the period December 31, 2010 to December 31, 2014.

Discount Rate:

The discount rate used to measure the Total OPEB Liability was 3.31%. The discount rate was based on Fidelity Index's "20-Year Municipal GO AA Index" rate as of December 31, 2017.

Changes in the OPEB Liability

	Total OPEB Liability
Balance at 12/31/2016	\$ 287,665
Changes for the year:	
Service cost	11,090
Interest	11,048
Change of benefit terms	-
Difference between expected and actual experience	-
Changes in assumptions	26,935
Benefit payments	(1,848)
Net changes	47,225
Balance at 12/31/2017	\$ 334,890

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 12. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

C. Total OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, calculated using the discount rate of 3.31%, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.31%) or 1-percentage-point higher (4.31%) than the current rate:

	<u>1% Decrease</u>	<u>Discount</u>	<u>Discount</u>	<u>1% Increase</u>
	<u>Rate (2.31%)</u>	<u>Rate (3.31%)</u>	<u>Rate (3.31%)</u>	<u>Rate (4.31%)</u>
City's Total OPEB Liability	\$ 404,487	\$ 334,890	\$ 334,890	\$ 281,103

D. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2018, the City recognized OPEB expense of \$27,430.

At September 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources relate to OPEB for the following sources:

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
	<u>of Resources</u>	<u>of Resources</u>
Differences between expected and actual economic experience	\$ -	\$ -
Changes in assumptions and other inputs	\$ 21,643	\$ -
Contributions subsequent to the measurement date	\$ -	N/A
Total	<u>\$ 21,643</u>	<u>\$ -</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30:		
2018	\$	5,292
2019		5,292
2020		5,292
2021		5,292
2022		475
Thereafter		-
Total	<u>\$</u>	<u>21,643</u>

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 13: CONTINGENT LIABILITIES

Contingencies

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

Federal and State Programs

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

NOTE 14: 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 2018 for the purchase of treated water were \$1,487,182 and payments made for the treatment of wastewater by the City of Fort Worth were \$979,521.

NOTE 15: SUBSEQUENT EVENTS

On September 18, 2018, City Council approved the issuance of the Combination Tax and Limited Surplus Revenue Certificates of Obligation, Series 2018 in the amount of \$2,995,000 to be utilized for (i) constructing and improving streets, roads, alleys and sidewalks, and related drainage, signalization, landscaping, screening walls, lighting and signage for said projects; (ii) major repairs and renovations to existing municipal buildings, (iii) acquisition of equipment and vehicles for street department, public works department, animal control department, police department, fire department, parks department, and other municipal departments; (iv) construction and installation of stormwater drainage improvements; (v) constructing, acquiring, installing and equipping of additions, extensions and improvements to the City's water and wastewater system; (vi) acquisition of land and interests in land necessary for such projects; and (vii) legal, fiscal, engineering and other professional fees in connection with such projects and paying the costs associated with the issuance of the Certificates.

CITY OF WHITE SETTLEMENT, TEXAS
Notes to Financial Statements
September 30, 2018

NOTE 15: SUBSEQUENT EVENTS (Continued)

Subsequent events were evaluated through January 25, 2019, which is the date the financial statements were available to be issued.

NOTE 16: NEW ACCOUNTING PRONOUNCEMENTS

The City Implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. This statement replaces the requirements of Statements No. 45 and No. 57 for accounting and financial reporting of postemployment benefits other than pensions.

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

	Governmental Activities	Business-type Activities	Total
Total OPEB Liability 09/30/17	\$ 255,216	\$ 32,448	\$ 287,664

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 4,530,729	\$ 4,530,729	\$ 4,476,893	\$ (53,836)
Sales and use	2,135,200	2,135,200	2,704,160	568,960
Franchise	967,040	967,040	979,164	12,124
Fines and forfeitures	496,000	496,000	409,556	
Licenses and permits	333,425	333,425	360,522	27,097
Intergovernmental revenue	36,000	36,000	36,000	-
Charges for service	344,400	344,400	312,492	(31,908)
Oil and gas revenues	30,000	30,000	50,009	20,009
Investment Earnings	63,640	63,640	158,489	94,849
Other revenue	15,000	15,000	19,567	4,567
Total revenues	<u>8,951,434</u>	<u>8,951,434</u>	<u>9,506,852</u>	<u>555,418</u>
EXPENDITURES				
Current:				
General government	2,303,170	2,204,867	1,827,502	377,365
Public safety	6,066,434	6,123,409	5,895,481	227,928
Public works	575,169	646,168	494,650	151,518
Public health	232,916	232,916	203,009	29,907
Culture and recreation	1,660,925	1,725,354	1,586,837	138,517
Non departmental	126,598	127,498	115,936	11,562
Total expenditures	<u>10,965,212</u>	<u>11,060,212</u>	<u>10,123,415</u>	<u>936,797</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (2,013,778)</u>	<u>\$ (2,108,778)</u>	<u>\$ (616,563)</u>	<u>\$ 1,492,215</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from insurance refunds/claims	-	-	31,601	31,601
Proceeds from sale of general capital assets	10,000	105,000	297,000	192,000
Transfers in	2,003,778	2,053,778	2,038,170	(15,608)
Transfers out	(746,544)	(746,544)	(565,373)	181,171
Total other financing sources (uses)	<u>1,267,234</u>	<u>1,412,234</u>	<u>1,801,398</u>	<u>389,164</u>
NET CHANGE IN FUND BALANCES	(746,544)	(696,544)	1,184,835	1,881,379
FUND BALANCE, OCTOBER 1, 2017	<u>10,703,562</u>	<u>10,703,562</u>	<u>10,703,562</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2018	<u>\$ 9,957,018</u>	<u>\$ 10,007,018</u>	<u>\$ 11,888,397</u>	<u>\$ 1,881,379</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)

	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	<u>\$ 24,358,258</u>	<u>\$ 25,659,650</u>	<u>\$ 31,237,788</u>
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	<u>\$ 21,565,129</u>	<u>\$ 21,585,493</u>	<u>\$ 22,710,069</u>
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 Payroll	\$ 5,973,238	\$ 6,127,191	\$ 6,124,296
Net Pension Liability as a Percentage of Covered Payroll	46.76%	66.49%	139.24%

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

Exhibit E-2

	<u>2017</u>
\$	1,037,542
	2,097,377
	-
	(666,350)
	-
	<u>(1,368,649)</u>
	1,099,920
	31,237,788
\$	<u><u>32,337,708</u></u>

\$	1,101,619
	431,282
	3,147,187
	(1,368,649)
	(16,312)
	<u>(826)</u>
	3,294,301
	22,710,069
\$	<u><u>26,004,370</u></u>

\$ 6,333,338

80.42%

\$ 6,161,176

102.79%

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

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

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

Exhibit E-3

2018
\$ 1,139,912

\$ 1,139,912

\$ -
\$ 6,375,860

17.88%

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

Exhibit E-4

	2017
Total Pension Liability	
Service Cost	\$ 11,090
Interest (on the Total OPEB Liability)	11,048
Changes of benefit terms	-
Difference between expected and actual experience	-
Change of assumptions	26,935
Benefit payments	(1,848)
Net Change in Total OPEB Liability	47,225
Total OPEB Liability - Beginning	287,665
Total OPEB Liability - Ending	\$ 334,890
Covered Payroll	\$ 6,161,176
Total OPEB Liability as a Percentage of Covered Payroll	5.44%

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, 2018

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 a single fund as well as transfer appropriations between departments. However, the City Council must approve any transfer of unencumbered appropriation balances or portions thereof from one fund to another as well as any increases in fund appropriations after a public hearing conducted in compliance with the Texas Open Meetings Act.
5. Budgeted amounts are as originally adopted or as amended by the City Council. During 2018, individual amendments were not material in relation to the original appropriations for expenditures. All budget appropriations automatically lapse at year-end.

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, 2018

C. Excess of Expenditures Over Appropriations

The expenditures of the General Fund were less than appropriations by \$936,797.

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

Other Information:

Notes There were no benefit changes during the year.

E. Schedule of Changes in OPEB Liability

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75 to pay related benefits.

**COMBINING AND INDIVIDUAL FUND
STATEMENTS AND SCHEDULES**

CITY OF WHITE SETTLEMENT, TEXAS
Nonmajor Governmental Funds
Combining Balance Sheet
September 30, 2018

	Special Revenue Funds				
	Occupancy Tax	Crime District	Economic Development Corporation	Other Special Revenue	Total Special Revenue
Assets:					
Cash and investments	\$ 1,052,663	\$ 708,426	\$ 482,665	\$ 206,877	\$ 2,450,631
Receivables (Net of allowances for uncollectibles)					
Franchise taxes	-	-	-	-	-
Property taxes	-	-	-	-	-
Miscellaneous	92,054	-	-	1,440	93,494
Due from other governments	-	191,762	206,161	-	397,923
Restricted Assets:					
Cash and investments	-	-	1,797,430	47,886	1,845,316
Total assets	<u>\$ 1,144,717</u>	<u>\$ 900,188</u>	<u>\$ 2,486,256</u>	<u>\$ 256,203</u>	<u>\$ 4,787,364</u>
Liabilities, deferred inflows and fund balance:					
Liabilities:					
Accounts payable	\$ 95	\$ 5,999	\$ -	\$ 23,366	\$ 29,460
Total liabilities	<u>95</u>	<u>5,999</u>	<u>-</u>	<u>23,366</u>	<u>29,460</u>
Deferred inflows:					
Deferred property tax	-	-	-	-	-
Fund balance:					
Restricted	1,144,622	894,189	2,486,256	232,837	4,757,904
Committed	-	-	-	-	-
Total fund balances	<u>1,144,622</u>	<u>894,189</u>	<u>2,486,256</u>	<u>232,837</u>	<u>4,757,904</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 1,144,717</u>	<u>\$ 900,188</u>	<u>\$ 2,486,256</u>	<u>\$ 256,203</u>	<u>\$ 4,787,364</u>

Exhibit F-1

<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Nonmajor Funds</u>
\$ 1,273,264	\$ 267,791	\$ 3,991,686
15,723	-	15,723
-	23,931	23,931
-	-	93,494
-	-	397,923
<u>-</u>	<u>-</u>	<u>1,845,316</u>
<u>\$ 1,288,987</u>	<u>\$ 291,722</u>	<u>\$ 6,368,073</u>
<u>\$ -</u>	<u>\$ 6,365</u>	<u>\$ 35,825</u>
<u>-</u>	<u>6,365</u>	<u>35,825</u>
<u>-</u>	<u>23,931</u>	<u>23,931</u>
-	261,426	5,019,330
1,288,987	-	1,288,987
<u>1,288,987</u>	<u>261,426</u>	<u>6,308,317</u>
<u>\$ 1,288,987</u>	<u>\$ 291,722</u>	<u>\$ 6,368,073</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, 2018

	Special Revenue Funds				Total Special Revenue
	Occupancy Tax	Crime District	Economic Development Corporation	Other Special Revenue	
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and use taxes	-	1,282,963	1,335,471	-	2,618,434
Franchise taxes	-	-	-	-	-
Hotel occupancy tax	350,720	-	-	-	350,720
Intergovernmental	-	-	-	61,170	61,170
Investment earnings	14,752	7,932	27,187	3,870	53,741
Other	-	10,955	-	42,123	53,078
Total revenue	<u>365,472</u>	<u>1,301,850</u>	<u>1,362,658</u>	<u>107,163</u>	<u>3,137,143</u>
Expenditures:					
Current:					
Public Safety	-	367,596	-	85,770	453,366
Economic development			136,591	-	136,591
Culture and recreation	103,605	-	-	9,213	112,818
Debt Service:					
Principal	-	-	450,000	-	450,000
Interest and fiscal charges	-	-	579,120	-	579,120
Debt issuance costs	-	-	-	-	-
Total expenditures	<u>103,605</u>	<u>367,596</u>	<u>1,165,711</u>	<u>94,983</u>	<u>1,731,895</u>
Excess (deficiency) of revenues over (under) expenditures	<u>261,867</u>	<u>934,254</u>	<u>196,947</u>	<u>12,180</u>	<u>1,405,248</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	(210,087)	(730,067)	(115,463)	-	(1,055,617)
Proceeds from sale of general capital assets	-	-	18,218	-	18,218
Total other financing sources (uses):	<u>(210,087)</u>	<u>(730,067)</u>	<u>(97,245)</u>	<u>-</u>	<u>(1,037,399)</u>
Net change in fund balances	51,780	204,187	99,702	12,180	367,849
Fund Balance, October 1, 2017	<u>1,092,842</u>	<u>690,002</u>	<u>2,386,554</u>	<u>220,657</u>	<u>4,390,055</u>
Fund Balance, September 30, 2018	<u>\$1,144,622</u>	<u>\$ 894,189</u>	<u>\$2,486,256</u>	<u>\$ 232,837</u>	<u>\$4,757,904</u>

Exhibit F-2

<u>Capital Projects Fund</u>	Debt Service Fund	Total Nonmajor Funds
<u>Street Improvement</u>		
\$ -	\$1,105,705	\$1,105,705
-	-	2,618,434
381,769	-	381,769
-	-	350,720
-	-	61,170
15,269	7,394	76,404
-	-	53,078
<u>397,038</u>	<u>1,113,099</u>	<u>4,647,280</u>
-	-	453,366
-	-	136,591
-	-	112,818
-	775,000	1,225,000
-	624,044	1,203,164
-	9,390	9,390
<u>-</u>	<u>1,408,434</u>	<u>3,140,329</u>
<u>397,038</u>	<u>(295,335)</u>	<u>1,506,951</u>
-	283,617	283,617
(150,000)	-	(1,205,617)
<u>-</u>	<u>283,617</u>	<u>18,218</u>
<u>(150,000)</u>	<u>283,617</u>	<u>(903,782)</u>
247,038	(11,718)	603,169
<u>1,041,949</u>	<u>273,144</u>	<u>5,705,148</u>
<u>\$1,288,987</u>	<u>\$ 261,426</u>	<u>\$6,308,317</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Hotel occupancy tax	\$ 339,000	\$ 339,000	\$ 350,720	\$ 11,720
Investment Earnings	7,000	7,000	14,752	7,752
Total revenues	<u>346,000</u>	<u>346,000</u>	<u>365,472</u>	<u>19,472</u>
EXPENDITURES				
Current:				
Culture and recreation	232,300	232,300	103,605	128,695
Total expenditures	<u>232,300</u>	<u>232,300</u>	<u>103,605</u>	<u>128,695</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 113,700</u>	<u>\$ 113,700</u>	<u>\$ 261,867</u>	<u>\$ 148,167</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(251,900)	(251,900)	(210,087)	41,813
Total other financing sources (uses)	<u>(251,900)</u>	<u>(251,900)</u>	<u>(210,087)</u>	<u>41,813</u>
NET CHANGE IN FUND BALANCES	(138,200)	(138,200)	51,780	189,980
FUND BALANCE, OCTOBER 1, 2017	<u>1,092,842</u>	<u>1,092,842</u>	<u>1,092,842</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2018	<u>\$ 954,642</u>	<u>\$ 954,642</u>	<u>\$ 1,144,622</u>	<u>\$ 189,980</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Sales and use taxes	\$ 1,002,614	\$ 1,002,614	\$ 1,282,963	\$ 280,349
Investment Earnings	1,500	1,500	7,932	6,432
Other revenue	-	-	10,955	10,955
Total revenues	<u>1,004,114</u>	<u>1,004,114</u>	<u>1,301,850</u>	<u>297,736</u>
EXPENDITURES				
Current:				
Public safety	377,544	364,608	367,596	(2,988)
Total expenditures	<u>377,544</u>	<u>364,608</u>	<u>367,596</u>	<u>(2,988)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 626,570</u>	<u>\$ 639,506</u>	<u>\$ 934,254</u>	<u>\$ 294,748</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(717,131)	(730,067)	(730,067)	-
Total other financing sources (uses)	<u>(717,131)</u>	<u>(730,067)</u>	<u>(730,067)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	(90,561)	(90,561)	204,187	294,748
FUND BALANCE, OCTOBER 1, 2017	<u>690,002</u>	<u>690,002</u>	<u>690,002</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2018	<u>\$ 599,441</u>	<u>\$ 599,441</u>	<u>\$ 894,189</u>	<u>\$ 294,748</u>

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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Sales and use taxes	\$ 1,043,874	\$ 1,043,874	\$ 1,335,471	\$ 291,597
Investment Earnings	500	500	27,187	26,687
Total revenues	<u>1,044,374</u>	<u>1,044,374</u>	<u>1,362,658</u>	<u>318,284</u>
EXPENDITURES				
Current:				
Economic development	-	136,731	136,591	140
Debt service:				
Principal	450,000	450,000	450,000	-
Interest and fiscal charges	579,559	579,559	579,120	439
Total expenditures	<u>1,029,559</u>	<u>1,166,290</u>	<u>1,165,711</u>	<u>579</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ 14,815</u>	<u>\$ (121,916)</u>	<u>\$ 196,947</u>	<u>\$ 318,863</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of general capital assets	-	-	18,218	18,218
Transfers out	(52,194)	(115,463)	(115,463)	-
Total other financing sources (uses)	<u>(52,194)</u>	<u>(115,463)</u>	<u>(97,245)</u>	<u>18,218</u>
NET CHANGE IN FUND BALANCES	(37,379)	(237,379)	99,702	337,081
FUND BALANCE, OCTOBER 1, 2017	<u>2,386,554</u>	<u>2,386,554</u>	<u>2,386,554</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2018	<u>\$ 2,349,175</u>	<u>\$ 2,149,175</u>	<u>\$ 2,486,256</u>	<u>\$ 337,081</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property taxes	\$ 1,116,747	\$ 1,116,747	\$ 1,105,705	\$ (11,042)
Investment Earnings	2,090	2,090	7,394	5,304
Total revenues	<u>1,118,837</u>	<u>1,118,837</u>	<u>1,113,099</u>	<u>(5,738)</u>
EXPENDITURES				
Debt service:				
Principal	775,000	775,000	775,000	-
Interest and fiscal charges	624,079	624,079	624,044	35
Debt issuance costs	3,375	9,875	9,390	485
Total expenditures	<u>1,402,454</u>	<u>1,408,954</u>	<u>1,408,434</u>	<u>520</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>\$ (283,617)</u>	<u>\$ (290,117)</u>	<u>\$ (295,335)</u>	<u>\$ (5,218)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	283,617	283,617	283,617	-
Total other financing sources (uses)	<u>283,617</u>	<u>283,617</u>	<u>283,617</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(6,500)	(11,718)	(5,218)
FUND BALANCE, OCTOBER 1, 2017	<u>273,144</u>	<u>273,144</u>	<u>273,144</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2018	<u>\$ 273,144</u>	<u>\$ 266,644</u>	<u>\$ 261,426</u>	<u>\$ (5,218)</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, 2018

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Franchise taxes	\$ 370,800	\$ 370,800	\$ 381,769	\$ 10,969
Investment Earnings	10,000	10,000	15,269	5,269
Total revenues	<u>380,800</u>	<u>380,800</u>	<u>397,038</u>	<u>16,238</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(150,000)	(150,000)	(150,000)	-
Total other financing sources (uses)	<u>(150,000)</u>	<u>(150,000)</u>	<u>(150,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	230,800	230,800	247,038	16,238
FUND BALANCE, OCTOBER 1, 2017	<u>1,041,949</u>	<u>1,041,949</u>	<u>1,041,949</u>	<u>-</u>
FUND BALANCE, SEPTEMBER 30, 2018	<u>\$ 1,272,749</u>	<u>\$ 1,272,749</u>	<u>\$ 1,288,987</u>	<u>\$ 16,238</u>

STATISTICAL SECTION
(Unaudited)

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STATISTICAL SECTION (Unaudited)

This part of the City of White Settlement's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Contents

Financial Trends

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

Net Position by Component	76-77
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Revenue Capacity

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

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Property Tax Levies and Collections	84-85
Direct and Overlapping Property Tax Rates	86
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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.

Ratio of Outstanding Debt by Type	88
Ratio of General Obligation Bonded Debt to Assessed Value And Net General Obligation Bonded Debt Per Capita	89
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Demographic and Economic Information

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

Demographic and Economic Statistics	93
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Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

Full Time Equivalent City Government Employees by Function/Program	95
Operating Indicators by Function/Program	96
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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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Governmental activities:				
Net investment in capital assets	\$ 12,411,227	\$ 12,556,237	\$ 12,013,563	\$ 12,329,870
Restricted	494,855	527,060	3,938,972	4,285,434
Unrestricted	<u>7,576,201</u>	<u>8,529,045</u>	<u>8,204,043</u>	<u>9,621,093</u>
Total governmental activities net position	<u>\$ 20,482,283</u>	<u>\$ 21,612,342</u>	<u>\$ 24,156,578</u>	<u>\$ 26,236,397</u>
Business-type activities:				
Net investment in capital assets	\$ 11,097,198	\$ 10,951,282	\$ 11,694,923	\$ 11,949,257
Restricted	-	149,824	527,239	771,491
Unrestricted	<u>5,270,789</u>	<u>6,391,323</u>	<u>7,042,561</u>	<u>8,034,022</u>
Total business-type activities net position	<u>\$ 16,367,987</u>	<u>\$ 17,492,429</u>	<u>\$ 19,264,723</u>	<u>\$ 20,754,770</u>
Primary government:				
Net investment in capital assets	\$ 23,508,425	\$ 23,507,519	\$ 23,708,486	\$ 24,279,127
Restricted	494,855	676,884	4,466,211	5,056,925
Unrestricted	<u>12,846,990</u>	<u>14,920,368</u>	<u>15,246,604</u>	<u>17,655,115</u>
Total primary government net position	<u>\$ 36,850,270</u>	<u>\$ 39,104,771</u>	<u>\$ 43,421,301</u>	<u>\$ 46,991,167</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

2013	2014	2015	2016	2017	2018
\$ 13,128,490	\$ 19,869,406	\$ 18,623,666	\$ 20,969,268	\$ 18,757,574	\$ 17,352,532
8,399,605	2,160,407	2,800,134	5,181,632	4,390,055	4,777,104
<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>6,710,647</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>	<u>\$ 28,840,283</u>
\$ 12,677,910	\$ 13,428,324	\$ 13,463,428	\$ 13,614,773	\$ 14,251,059	\$ 15,259,325
1,666,924	2,345,747	3,134,404	3,937,052	-	-
<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>16,131,530</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>	<u>\$ 31,390,855</u>
\$ 25,806,400	\$ 33,297,730	\$ 32,087,094	\$ 34,584,041	\$ 33,008,633	\$ 32,611,857
10,066,529	4,506,154	5,934,538	9,118,684	4,390,055	4,777,104
<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>22,842,177</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>	<u>\$ 60,231,138</u>

TABLE 2

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

**LAST TEN FISCAL YEARS
(UNAUDITED)**

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
EXPENSES										
Governmental activities:										
General government	\$ 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	\$ 1,830,107
Public safety	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	6,416,920
Public works	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	1,302,154
Public health	160,127	214,752	214,829	198,373	206,776	227,709	232,981	218,176	261,628	197,429
Culture and recreation	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	2,504,485
Non departmental	-	-	-	-	-	-	554,996	468,674	-	115,936
Economic development and assistance	-	-	-	-	-	-	-	194,280	351,446	142,472
Interest on long-term debt	-	-	-	-	-	-	247,157	1,283,842	1,161,107	1,144,944
Bond issuance costs	341,143	373,587	303,458	292,201	275,917	303,809	384,286	-	62,870	9,390
Total governmental activities expenses	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	13,663,837
Business-type activities:										
Water and wastewater	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	5,580,344
Stormwater utility	16,389	24,038	25,219	32,503	31,317	40,032	65,735	43,225	312,558	478,834
Sanitation	558,063	597,957	577,472	588,997	603,783	618,654	636,180	638,722	671,221	710,225
Splash Dayz	-	-	-	-	-	-	-	742,074	1,445,968	1,678,350
Total business-type activities expenses	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	8,447,753
Total primary government expenses	\$ 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	\$ 22,111,590
PROGRAM REVENUES										
Governmental activities:										
Charges for services:										
General government	\$ 358,346	\$ 64,788	\$ 66,130	\$ 79,808	\$ 62,618	\$ 66,622	\$ 66,705	\$ 11,348	\$ 19,237	\$ 19,779
Public safety	335,813	530,914	653,561	881,978	1,073,862	986,861	846,975	745,345	995,748	776,360
Culture and recreation	45,289	71,538	112,572	115,632	114,145	80,133	89,450	292,278	227,502	191,691
Other	44,473	43,661	35,319	34,416	44,109	25,839	22,789	43,436	96,472	100,180
Operating grants and contributor	17,357	26,868	59,407	13,762	53,723	67,809	70,393	92,910	100,866	97,170
Capital grants and contributions	-	591,989	174,806	-	-	6,642,294	130,272	-	397,251	14,000
Total governmental activities program revenues	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	1,199,180
Business-type activities:										
Charges for services:										
Water and wastewater	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	8,255,535
Stormwater utility	564,784	530,991	534,690	518,382	546,704	551,483	554,576	568,176	565,575	571,306
Sanitation	618,274	654,088	663,700	641,663	686,457	705,652	719,654	739,835	757,895	797,124
Splash Dayz	-	-	-	-	-	-	-	261,433	708,757	775,621
Capital grants and contributions	179,689	382,830	571,511	375,116	430,624	553,865	468,334	436,337	786,273	452,710
Total business-type activities program revenues	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	10,852,296
Total primary government program revenues	\$ 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	\$ 12,051,476

(continued)

CITY OF WHITE SETTLEMENT, TEXAS
CHANGES IN NET POSITION

LAST TEN FISCAL YEARS
(UNAUDITED)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
NET (EXPENSE) REVENUES										
Governmental activities	\$(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)	\$(12,464,657)
Business-type activities	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	2,404,543
Total primary government net expense	<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>	<u>(10,060,114)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION										
Governmental activities:										
Taxes										
Property	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	5,581,370
Sales	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	5,322,594
Franchise	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	1,364,626
Occupancy	138,664	113,712	133,505	194,549	185,394	206,043	268,954	318,010	357,912	350,720
Oil and gas royalties	76,429	63,080	349,979	498,998	126,346	178,041	32,265	38,836	35,314	50,009
Investment earnings	75,754	33,442	16,119	15,823	25,035	31,932	49,293	125,753	207,537	341,024
Other	142,130	160,531	58,387	97,821	536,713	(34,809)	1,153,705	224,302	594,068	463,730
Transfers	895,810	690,347	1,452,933	584,700	584,700	670,000	670,000	464,139	(788,362)	(227,799)
Total governmental activities	<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>	<u>13,246,274</u>
Business-type activities:										
Investment earnings	48,367	23,350	12,645	9,826	16,769	16,066	21,351	38,370	115,708	224,344
Other	7,359	2,183	-	-	2,988	274	-	47,882	3,340	(7,935)
Transfers	(895,810)	(690,347)	(1,452,933)	(584,700)	(584,700)	(670,000)	(670,000)	(464,139)	788,362	227,799
Total business-type activities	<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>	<u>444,208</u>
Total primary government	<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>	<u>13,690,482</u>
CHANGE IN NET POSITION										
Governmental activities	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)	781,617
Business-type activities	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	2,848,751
Total primary government	<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>	<u>\$ 3,630,368</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
General fund				
Reserved	\$ 69,978	\$ 57,978	\$ -	\$ -
Unreserved, designated	-	-	-	-
Unreserved, undesignated	6,852,466	7,183,003	-	-
Nonspendable	-	-	152,637	1,179,416
Restricted	-	-	-	-
Committed	-	-	-	42,079
Assigned	-	-	155,598	2,123
Unassigned	-	-	8,216,770	8,777,947
Total general fund	<u>\$ 6,922,444</u>	<u>\$ 7,240,981</u>	<u>\$ 8,525,005</u>	<u>\$ 10,001,565</u>
All other governmental funds				
Reserved	\$ 425,482	\$ 417,777	\$ -	\$ -
Unreserved, reported in:				
Special revenue funds	923,650	992,163	-	-
Capital projects funds	4,290,930	2,400,099	-	-
Permanent funds	60,177	60,664	-	-
Nonspendable	-	-	1,523,210	1,523,210
Restricted	-	-	2,391,058	2,744,166
Committed	-	-	930,960	987,098
Total all other governmental funds	<u>\$ 5,700,239</u>	<u>\$ 3,870,703</u>	<u>\$ 4,845,228</u>	<u>\$ 5,254,474</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
906,253	618,971	65,900	120,231	113,453	89,243
-	-	-	-	-	-
-	-	-	-	-	-
2,175	2,882	813,615	1,833,349	758,202	638,680
<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>11,160,474</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>	<u>\$ 11,888,397</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
764,785	23,210	23,210	-	23,341	-
5,752,858	5,861,970	15,033,521	14,925,905	13,202,906	11,143,840
<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>1,288,987</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>	<u>\$ 12,432,827</u>

TABLE 4

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUES										
Taxes	\$ 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	\$ 12,616,845
Fines and fees	309,408	254,318	279,934	400,481	488,501	498,862	499,021	492,184	527,474	409,556
Licenses and permits	273,757	247,562	342,630	436,309	552,803	446,404	344,623	296,454	467,211	360,522
Charges for services	125,207	158,449	174,879	164,229	191,455	160,882	124,355	349,577	346,023	312,492
Intergovernmental	75,127	671,644	199,737	93,205	116,070	133,228	126,934	92,910	100,866	97,170
Oil and gas royalties	76,429	63,080	349,979	498,998	126,346	178,041	32,265	38,836	35,314	50,009
Interest income	75,754	33,442	16,119	15,823	25,035	31,932	49,293	125,753	207,537	341,024
Other revenues	39,064	123,801	27,334	56,719	72,239	52,926	83,847	174,061	167,308	72,645
Total revenues	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	14,260,263
EXPENDITURES										
General government	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	1,827,502
Public safety	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	6,348,847
Public works	626,014	633,289	586,341	805,338	840,737	796,387	505,010	558,072	1,160,369	494,650
Public health	151,706	210,076	201,574	183,025	199,625	220,462	233,778	224,739	181,188	203,009
Culture and recreation	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	1,699,655
Other	-	-	-	-	-	-	554,996	661,037	161,078	252,527
Capital outlay	4,178,475	2,219,038	197,453	62,788	912,951	907,948	1,609,706	2,424,366	670,532	1,896,535
Debt service										
Principal	671,961	749,563	888,956	1,049,756	711,284	490,000	488,110	1,810,226	1,250,000	1,225,000
Interest and fiscal charges	273,388	362,650	487,098	280,289	247,915	280,789	277,076	1,408,156	1,209,826	1,203,164
Debt issuance cost	-	-	-	-	48,558	-	247,157	-	62,870	9,390
Total expenditures	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	15,160,279
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(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)	(900,016)
OTHER FINANCING SOURCES (USES)										
Proceeds from insurance recoverie	105,161	26,949	24,343	59,449	30,341	3,234	1,069,858	24,882	41,333	31,601
Proceeds from sale of capital asset	35,756	13,381	213,578	16,341	25,265	54,999	33,958	59,219	456,364	315,218
Transfers in	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	2,321,787
Transfers out	(739,537)	(715,572)	(886,115)	(864,231)	(1,097,545)	(830,024)	(843,392)	(1,882,073)	(2,831,016)	(2,419,124)
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)	7,356,542	1,692,106	1,690,854	660,490	4,763,642	728,233	12,718,859	548,240	(223,473)	249,482
NET CHANGE IN FUND BALANCES	\$ 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)	\$(650,534)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES	9.99%	11.73%	14.62%	13.31%	9.52%	6.94%	6.54%	23.06%	19.17%	18.67%

Notes:

The City implemented GASB 34 in fiscal year 2003.

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

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

TABLE 5

CITY OF WHITE SETTLEMENT, TEXAS

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS
(UNAUDITED)

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
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
2018	621,808,273	124,035,809	745,844,082	100.00%	0.762127

Source: Tarrant Appraisal District Totals for Roll Instance - 220 07/25/18

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
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	(4,210)	3,806,435
2014	2013	3,846,840	(6,135)	3,840,705
2015	2014	4,281,718	(11,003)	4,270,715
2016	2015	4,397,621	334,394	4,732,015
2017	2016	4,922,712	93,582	5,016,294
2018	2017	5,355,792	232,282	5,588,074

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		
3,483,686	97.79%	64,091	3,547,777	99.59%	14,581	0.41%
4,024,396	97.56%	80,714	4,105,110	99.58%	17,303	0.42%
3,358,329	97.72%	63,989	3,422,318	99.61%	13,387	0.39%
3,688,395	98.36%	53,976	3,742,371	99.80%	7,559	0.20%
3,759,012	98.65%	31,520	3,790,533	99.58%	15,902	0.42%
3,791,609	98.56%	36,434	3,828,043	99.67%	12,662	0.33%
4,214,837	98.44%	47,201	4,262,037	99.80%	8,678	0.20%
4,678,657	106.39%	33,672	4,712,329	99.58%	19,686	0.42%
4,995,473	101.48%	(11,270)	4,984,202	99.36%	32,091	0.64%
5,498,546	102.67%	-	5,498,546	98.40%	89,528	1.60%

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
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
2018	0.611	0.151	0.762	0.140	1.540	0.224	0.244	2.911

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	2018			2009		
		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	6.13%	\$ -		- %
WG NLA LLC	2 Industrial	17,315,136	2	2.32%	-		- %
Lowrance Properties	3 Industrial	10,376,996	3	1.39%	-		- %
Manitoba Management Inc	4 Real estate	9,963,703	4	1.34%	-		- %
Deepdale Investments, LTD	5 Real estate	9,900,000	5	1.33%	-		- %
AV Vrickell Pointe Ltd	6 Real estate	9,801,150	6	1.31%	-		- %
AV Beacon LLC	7 Real estate	8,375,000	7	1.12%	-		- %
Graham Realty Investments, Ltd.	8 Auto dealership	7,889,000	8	1.06%	-		- %
Lowe's Home Center, Inc.	9 Home Improvement	7,555,800	9	1.01%	-		- %
ABC Supply Co Inc	10 Industrial	6,948,974	10	0.93%	-		- %
SPM Flow Control	Industrial-Petroleum	-		- %	24,269,944	1	4.18%
Lowe's Home Center, Inc.	Retail outlet	-		- %	13,559,639	2	2.34%
Graham Realty Investments, Ltd	Real estate	-		- %	6,932,099	3	1.19%
Pro Financial, Inc	Financial	-		- %	6,716,220	4	1.16%
ESS Prisa II TX, Lp	Real estate	-		- %	5,924,611	5	1.02%
Shg Secred Resoutces	Extended Care Facility	-		- %	5,107,056	6	0.88%
Ddre McDonald Family, LP	Real estate	-		- %	5,036,900	7	0.87%
Oncor Electric Delivery Co., LLC	Electric Utility	-		- %	4,959,005	8	0.85%
Armet Data St Ltd Partnership	Real estate	-		- %	4,883,013	9	0.84%
Omni American Bank	Banking	-		- %	4,818,140	10	0.83%
Total	Total	<u>\$ 133,847,354</u>		<u>17.94%</u>	<u>\$ 82,206,627</u>		<u>14.16%</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			
2009	6,720,000	-	1,580,000	30,232	9,875,000	350,000	410,248	18,965,480	1,174	4.90%
2010	6,495,000	-	1,065,000	709,996	9,555,000	270,000	345,092	18,440,088	1,124	4.70%
2011	6,345,000	-	580,000	456,039	9,205,000	185,000	123,990	16,895,029	1,043	5.30%
2012	5,985,000	-	125,000	221,283	8,745,000	100,000	35,456	15,211,739	944	4.50%
2013	5,620,000	-	3,325,000	798,336	8,275,000	-	-	18,018,336	1,099	6.50%
2014	5,240,000	-	3,215,000	798,336	7,800,000	-	-	17,053,336	1,015	6.30%
2015	18,997,842	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	2,125	12.60%
2018	16,989,775	11,320,000	-	-	5,562,022	-	-	33,871,797	1,969	11.70%

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
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
2018	17,204	745,844	16,989,775	261,426	16,728,349	2.24%	972

(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, 2018
(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	\$ 28,309,775	100.00%	\$ 28,309,775
Total direct debt	<u>28,309,775</u>		<u>28,309,775</u>
Overlapping:	16,086,320		
White Settlement Independent School District	156,267,001	39.87%	62,303,653
Fort Worth Independent School District ¹	966,280,000	0.05%	483,140
Tarrant County	294,500,000	0.45%	1,325,250
Tarrant County Hospital District	19,300,000	0.45%	86,850
Tarrant County College District	<u>-</u>	0.45%	<u>-</u>
Total overlapping debt	<u>1,436,347,001</u>		<u>64,198,893</u>
Total direct and overlapping debt	<u>\$ 1,464,656,776</u>		<u>\$ 92,508,668</u>
Ratio of overlapping bonded debt to taxable assessed valuation			12.40%
Per capita overlapping bonded debt			\$ 5,377

- (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, 2018**
(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	
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
2018	9,499,280	5,454,756	4,044,524	540,000	174,663	714,663	5.66

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
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%
2018	17,204	45,382	16,833 ³	289,596,412	6,714	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
(UNAUDITED)

Employer	Type of Business	2018		2009	
		Employees	Percentage of Total City Employment	Employees	Percentage of Total City Employment
Weir SPM	Oil field equipment	761	8.40%	414	7.80%
White Settlement I.S.D.	Education	834	9.21%	613	11.55%
PDX Inc.	Software Development	470	5.19%	175	3.30%
City of White Settlement	Municipal government	129	1.42%	153	2.88%
Education Service Center Region XI	Resource Provider for School Districts	188	2.07%		
Trinity Healthcare Courtyards	Rehabilitation/nursing	75	0.82%		
Lowe's Home Center #1619	Building materials/hardware retail	131	1.44%	112	2.11%
Co-Operative Industries	Electrical wiring harnesses mfg.	122	1.34%		
Premier Produce	Retail	80	0.88%		
West Side Campus of Care	Rehabilitation/nursing	152	1.67%	150	2.82%
W.S. Nursing Home	Rehabilitation/nursing	80	0.88%		
ABC Roofing	Building materials/hardware retail	30	0.33%		
Western Hill Rehabilitation & Nursing Ctr	Rehabilitation/nursing			215	4.05%
OmniAmerican Bank	Financial institution			95	1.79%
Academy Sports & Outdoors #97	Retail			85	1.60%
Manuel Auto Group	Auto dealership			84	1.58%
	Totals	<u>3,052</u>	<u>33.65%</u>	<u>2,096</u>	<u>39.48%</u>
Total City employment		9,049	A	5,303	

Based on 2014 NCTCOG Employer Info A

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

	<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>	<u>2018</u>
General government										
Administration	3.00	2.50	2.00	2.00	1.00	1.00	1.00	4.00	4.00	3.00
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	3.00	3.00	4.00	4.00	4.00	5.00	5.00	5.00	5.00
Municipal Facilities	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.00	1.00	1.00
Human Resources	2.00	2.00	2.00	2.00	2.00	2.00	2.00	1.50	1.00	1.00
Purchasing	4.00	3.00	3.00	2.00	2.00	2.00	2.00	2.50	1.00	1.00
Management information systems	2.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00	3.00
Public safety										
Police	50.00	50.00	50.00	50.00	50.50	50.50	53.00	51.50	48.00	48.00
Municipal court & Marshall	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	4.00	4.00
Fire	4.00	4.00	4.00	4.00	3.00	3.00	3.00	19.50	22.25	22.25
Code compliance	5.50	7.00	6.00	6.00	6.00	6.00	6.00	4.00	4.00	5.00
Public works										
Streets and drainage	7.00	7.00	5.00	5.00	7.00	7.00	7.00	5.00	4.50	4.50
Public health										
Animal control	2.50	3.50	3.00	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	4.50	4.50	4.50
Park maintenance and recreation	7.50	7.50	8.00	8.00	7.00	7.00	7.00	8.50	8.50	8.00
Library	7.00	7.00	7.00	7.00	7.00	7.00	7.00	6.00	6.00	6.00
EDC operations and parks	6.50	6.50	7.00	6.00	6.50	6.50	6.50	4.50	-	-
Splash Dayz	-	-	-	-	-	-	-	22.50	24.00	54.00
Economic development and assistance	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Stormwater Utility	-	-	-	-	-	-	-	-	4.00	5.00
Water	7.00	7.00	7.00	7.00	7.00	8.00	8.00	11.00	9.00	7.00
Wastewater	3.00	4.00	4.00	4.00	4.00	4.00	4.00	5.00	5.00	5.00
W/S Non-departmental	-	-	-	-	-	-	-	-	3.00	3.00
Utility billing	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.50	6.00	8.00
Total	<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>	<u>202.25</u>

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

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Police department										
Calls for service	27,362	26,161	25,989	27,375	32,976	26,328	30,134	22,901	32,356	30,170
Traffic citations	3,362	2,750		3,722	4,920	4,157	3,928	3,620	3,463	3,025
Criminal offenses	1,495	1,716	1,528	1,943	1,373	1,420	1,279	1,430	1,234	1,148
Number of accidents	162	170	119	204	132	132	115	140	161	115
Persons confined	804	872	791	889	963	986	850	755	754	460
Municipal Court										
Active warrants	3,659	3,227	917	2,243	4,442	2,214	1,468	1,962	1,874	202
Closed warrants	1,333	1,338	1,905	3,321	3,598	4,434	3,909	3,335	3,165	2,795
Fire department										
Fire runs	432	513	538	460	573	479	627	705	719	135
Emergency runs	1,123	1,232	1,119	1,151	1,241	1,308	1,579	1,918	1,872	2,190
Code compliance										
Permits issued	2,199	1,769	1,849	2,081	2,112	2,218	2,076	2,113	2,086	1,915
Public works										
Streets and drainage										
Streets resurfaced (miles)	1.47	0.27	0.78	0.45	1.29	0.6	0.25	0.75	3.1	1.2
Public health										
Animal control - calls for service	2,035	2,035	1,953	1,710	1,558	1,562	1,751	1,957	2,250	3,182
Culture and recreation										
Senior services										
Meals served	21,468	23,047	21,740	22,366	20,840	16,804	19,509	19,000	22,477	19,618
Library										
Average daily circulation	333	362	312	320	310	358	464	489	398	386
Average patron visits per month	5,410	5,865	4,683	5,440	5,290	4,577	4,837	5,303	5,303	4,499
Parks										
Number of league participants	7,900	8,100	7,578	8,900	7,504	5,640	5,820	7,325	3,974	3,315
Water production and distribution										
Number of water connections	5,417	5,352	5,330	5,370	5,301	5,389	5,541	5,603	5,645	5,783
Average daily consumption (thousands of gallons)	1,450	1,406	1,652	1,552	1,427	1,362	1,949	1,335	1,355	1,909
Wastewater operations										
Number of wastewater connections	5,323	5,265	5,239	5,264	5,252	5,321	5,437	5,440	5,481	5,598

(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 TEN FISCAL YEARS
 (UNAUDITED)

	Fiscal Year									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Public safety										
Police department										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol cars	11	11	11	15	14	15	15	15	12	11
Fire department										
Stations	1	1	1	1	1	1	1	1	1	1
Fire trucks	9	9	11	11	9	9	9	9	5	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. 72
Culture and recreation										
Senior services										
Community centers	1	1	1	1	1	1	1	1	1	1
Library										
Volumes	69,513	73,494	70,732	67,012	63,105	65,587	65,445	63,671	76,896	56,135
Parks and recreation										
Acreage	203	203	203	203	203	203	203	203	203	203
Playgrounds	6	6	6	6	6	6	7	7	7	7
Picnic areas	22	22	22	22	22	30	30	30	30	30
Baseball/softball diamonds	7	7	7	7	7	8	8	8	8	8
Soccer/football fields	1	1	1	1	1	1	1	1	1	1
Water production and distribution										
Water mains (miles)	88	88	88	88	88	89	89	89	89	86
Storage capacity (thousands of gallons)	2,445	2,445	2,445	2,445	2,445	2,445	2,445	2,445	2,445	2,403
Wastewater operations										
Wastewater lines (miles)	70	70	70	70	70	71	71	71	71	71

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

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